Nampak Zimbabwe Limited

ANNUAL REPORT 2021

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OVERVIEW

Mission Statement and Values

Mission Statement

To deliver sustainable value to stakeholders as a responsible corporate citizen and leader in packaging in Zimbabwe.

Core Values

1 **SAFETY**
We are accountable for a safe workplace, our safety and the safety of others.

2 **RESPONSIBILITY**
We are accountable for our people, processes and products.

3 **TEAMWORK**
We recognise that a team's contribution is greater than an individual's.

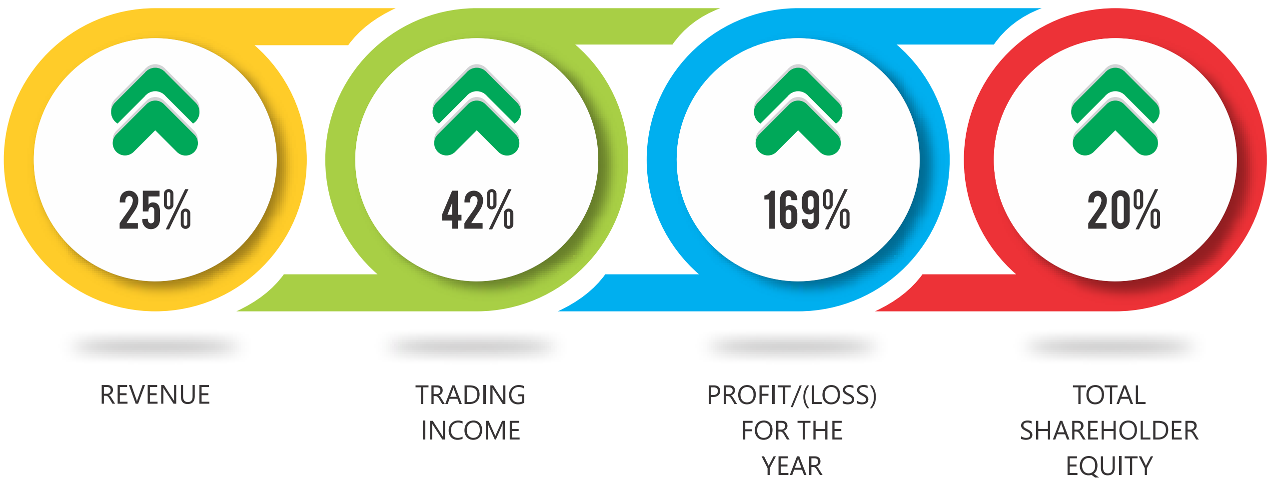
4 **INTEGRITY**
Our integrity is paramount.

5 **EXCELLENCE**
We strive for distinction in all we do.

Financial Highlights

for the year ended 30 September 2021

	INFLATION ADJUSTED			HISTORICAL		
	2021 ZW$ 000	2020 ZW$ 000	% Change	2021 ZW$ 000	2020 ZW$ 000	% Change
Revenue	9 644 122	7 708 467	25%	8 114 180	2 688 328	202%
Trading income	1 781 680	1 254 981	42%	2 031 529	1 028 008	98%
Profit / (loss) for the year	689 350	(998 042)	169%	1 568 574	776 146	102%
Earnings / (loss) per ordinary share (cents)	91.23	(132.08)	169%	207.58	102.71	102%
Market capitalisation (based on year-end market prices)	9 795 089	3 204 888	206%	9 795 089	756 026	1 196%
Total shareholders equity	4 152 647	3 463 297	20%	2 574 758	1 006 184	156%



CORPORATE GOVERNANCE

Group Structure

Nampak Zimbabwe Limited

- Hunyani Paper & Packaging (1997) (Pvt) Ltd — 100%
- CarnaudMetalbox — 100%
- Mega Pak Zimbabwe — 100%
- Hunyani Forests Limited — 100%
- Hunyani Properties Limited — 100%

Operating Units and Management Structure

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging (1997) (Private) Limited
Manufacturer of paper packaging products through its operating divisions Hunyani Corrugated Products and Hunyani Cartons, Labels & Sacks.

Hunyani Corrugated Products Division.
Manufactures corrugated containers to suit a wide variety of commercial packaging requirements; specialised packaging covering the tobacco, horticulture, floriculture and citrus sectors for local and export markets. Key supplier of the large double-wall board cases for tobacco exports.

Hunyani Cartons, Labels & Sacks Division
Manufactures folding cartons, laminate cartons, paper sacks, self opening bags, open mouth sacks and high quality labels, mainly for the cigarette, detergent, foodstuff, fast foods, pharmaceutical and beverage industries.

Management
W. Dangarembizi - B Comm, MBA (UZ) - (Managing Director). Joined in 2003.
M. Matafeni - ACMA , MBA (UZ), AMCT - (Finance). Joined in 1991.

Hunyani Forests Limited
Commercial leasing of biological assets.

Management
A. K Nicholson - B.Sc. Econ (Hons) - (Administration). Joined in 2009.
K. Chamboko - B.Sc. (Hons) Applied Acc, FCCA, MBA (UK) - (Finance). Joined in 2001.

Hunyani Properties Limited
Property company leasing immovable property to Hunyani Paper and Packaging and Nampak Zimbabwe Limited (Company).

Management
A. K. Nicholson - B.Sc. Econ (Hons) - (Administration). Joined in 2009.
K. Chamboko - B.Sc. (Hons) Applied Acc, FCCA, MBA (UK) - (Finance). Joined in 2001.

PLASTICS AND METALS SEGMENT

Mega Pak Zimbabwe (Private) Limited
Manufacturer of blow moulding, injection moulding, stretch blow moulding and rotational moulding technologies for the food, beverages, domestics and general purposes.

Management
L. P Garwi - BSc Chemistry & Biochemistry (UZ), MBA (UZ) - (General Manager). Joined in 2002.
W. Muzunde - B. Acc (Hons), B. Compt (Hons) (Unisa), CA (Z) - (Finance). Joined in 2013.

CarnaudMetalbox Zimbabwe (Private) Limited
Manufacturer of HDPE, blow moulding and injection moulding, metal cans and pry-off metal crowns for the local food, beverages, paint and floor polish industries.

Management
J. P Van Gend - B.Comm, ACMA - (Managing). Re-joined in 2010.
G. N Madzima - FCIS, MBA (UZ) - (Finance). Joined in 2008.

Chairman's Statement

> Group revenue on a hyper-inflated basis increased by 25% compared to the prior year as demand remained positive in most operating segments. Operating profit decreased by 1,5%.

TRADING ENVIRONMENT

The continuing coronavirus pandemic was a major factor during the year under review. The impact in Zimbabwe has been less severe than some regional neighbours. However, there was still a significant disruption of the economy. Government's retaining, classification of the Group as an essential service industry for packaging allowed our factories to continue operating. Measures which were already in place were tightened by further safety requirements to safeguard the health of the workforce and customers. Travel restrictions were mitigated to some extent by the Group providing transport for those who were particularly affected so as to ensure that employee attendances, especially shift work, remained as uninterrupted as possible. Nevertheless factory shifts were occasionally curtailed. Priority was given to essential orders.

Inflation, the depreciation of the Zimbabwe dollar, foreign exchange shortages and the erosion of disposable incomes continued to reduce consumer demand although the order book remained positive. Raw material shortages were compounded by pressure on the costs of a number of our imports. In order to remain competitive, margins had to be trimmed. Significant delays at Beitbridge also affected timeous deliveries of materials, again resulting in prioritising orders for certain customers. The foreign exchange auction system introduced last year assisted our companies in obtaining a reasonably regular allocation of foreign exchange for raw material imports, but in the 3rd and 4th quarters, the time lag between allocation and receipt of funds posed an increasing problem. A number of customers provided their own foreign exchange to offset the ongoing shortage from the auction system.

PERFORMANCE

Group revenue on a hyper-inflated basis increased by 25% compared to the prior year as demand remained positive in most operating segments. Operating profit decreased by 1,5%. The revenue and profit reflect higher figures due to hyper-inflation and the impact of volume growth. More detailed results are included in the Managing Director's Report

FOREIGN CREDITORS

Hedging of foreign creditors was put in place the previous year following an arrangement made with the Reserve Bank of Zimbabwe whereby amounts due to the major shareholder's procurement company have been placed with the Reserve Bank for future payment in tranches which were due to commence from 31 March 2021. Unfortunately, the actual target was missed, but engagements with the Reserve Bank of Zimbabwe are ongoing to resolve this matter.

CAPITAL EXPENDITURE

Capital expenditure amounted to ZW$285 million (2020: ZW$148 million).

DIRECTORATE

I wish to thank Mr. Pearson Gowero who left the Board on 30 June 2021, upon his retirement from Delta Corporation, for his invaluable contribution during his term of office. He has been replaced by the new Chief Executive Officer, Mr. Matts Valela whom we welcome. I must also thank Mr. Peter Crause who left at the end of June 2021, upon his resignation from Nampak Limited in South Africa, to pursue other interests. He has been replaced by Ms Hanneri Neser from Nampak Limited whom we also welcome to the Board.

DIVIDEND

The need to retain sufficient reserves to cover the working capital requirements of the business remains paramount, as does the need for capital expenditure to upgrade and replace aging plant. Under these circumstances, which also include continuing economic uncertainty, the Directors have decided to waive payment of a dividend. (2020: Nil).

OUTLOOK

As already said, the Group's order book remains positive, but the results of the fairly recent disturbances in South Africa have affected the performance of our raw material supply chain. Although the COVID-19 Level 4 restrictions have been relaxed, the pandemic is far from over. Coupled with the ongoing difficulties of sufficient foreign exchange, these factors make it difficult to be over-optimistic about the year ahead, but I am nevertheless confident that the Group is well placed to weather these challenges and remains very much a going concern.

APPRECIATION

Regrettably, we lost one of our senior managers, Mr. Licon Garwi, General Manager MegaPak soon after the financial year.

I wish to thank my fellow directors for their advice and support during the year, and on their behalf, I once again express my appreciation to management and all employees of the Group for their loyalty and dedication which resulted in positive performances during what has been another difficult year.

K. C. Katsande
Chairman

24 January 2022

Group Managing Director's Report

> "The Profit Before Tax was achieved after taking into account other material income of ZW$ 76 million (2020: expense of ZW$719 million) and a net monetary loss on hyperinflation of ZW$348 million (2020: monetary gain of ZW$997 million)."

OPERATING PERFORMANCE

I am pleased to report on the results of the year ended 30th September 2021.

The overall demand for packaging was significantly improved this year, compared to previous years. Nampak have benefitted from the recovering economy, led by the rebound in agriculture and mineral commodity prices. Management has continued with its focus on cost containment during the year, whilst looking at potential new opportunities to improve both product offerings and quality. We continue to invest in the business where we see opportunity.

The Group achieved sales for the year in hyperinflation terms of ZW$ 9,64 billion (2020: ZW$ 7,71 billion) and a hyperinflated Trading Income of ZW$ 1,78 billion (2020: ZW$ 1,25 billion). A Profit before Tax of ZW$1,51 billion was achieved (2020: ZW$ 1,45 billion).

The Profit Before Tax was achieved after taking into account other material income of ZW$ 76 million (2020: expense of ZW$719 million) and a net monetary loss on hyperinflation of ZW$348 million (2020: monetary gain of ZW$997 million). The major other material income comprised of ZW$53 million from the disposal of Softex Tissue Products joint venture share while in 2020 the other major material expenses was mainly net foreign exchange losses of ZW$723,9 million, arising largely from the Blocked Funds (Legacy Debt) foreign trade payables.

Management worked hard on managing expenses for the year and improving the working capital. The Comprehensive Profit Attributable to Members amounted to ZW$689 million (2020: Loss of ZW$998 million). Earnings per share at 91,23 cents (2020: loss of 132,08 cents) were up on the prior year.

INDUSTRIAL RELATIONS

At the close of the financial year, Nampak employed 452 permanent employees compared with 482 the previous year. Overall, industrial relations have remained cordial. At NEC level there were numerous wage increases during the year, and there continues to be pressure from employees for employers to cushion them against the current hostile economy. We are continuously reviewing our manpower structures to ensure they are in line with Group requirements. The Group continues with its training programmes aimed at developing and retaining skills across the board.

CAPITAL EXPENDITURE

Capital expenditure in hyperinflation terms amounted to ZW$ 284,9 million (2020: ZW$ 147,6 million) which was a significant increase on prior year and focused mainly on completion of projects started in the previous year. There are some significant capital projects currently being reviewed by management and should funds become available, it is our intention to implement them.

ENTITY REVIEWS

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging

The sales volumes for the full year improved by 23% compared to prior year. The improvement was due to firm demand for commercial cartons throughout the year for both Hunyani Corrugated and Hunyani, Cartons and Labels Divisions. Growth in tobacco cartons was higher on the back of an improvement tobacco crop but was curtailed by raw material supply constraints in the 4th quarter. Regional exports were marginally lower.

PLASTICS AND METALS SEGMENT

Mega Pak

The full year sales volumes increased by 68% against prior year mainly due to strong demand across all product categories and improved raw material availability. Exports recovered in the regional markets due to relaxation of COVID-19 restrictions.

CarnaudMetalBox

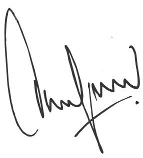
The sales volumes for the full year grew by 31% compared to the prior year. The improvement was driven by strong volume growth in the HDPE category with a marginal improvement in metals. Closure volumes were slightly down.

APPRECIATION

The 2021 trading year has not been without its challenges, but also brought welcome volume growth. The year ahead looks once again to be characterized by economic head winds, but I believe, given the continual focus on cost control and margin preservation, that the Group is well positioned to meet these challenges. The progress achieved would not have been possible without the commitment and dedication of the management teams and staff at all three operating companies. I would like to take this opportunity to thank all of them for all their efforts this year and for embracing the challenges they faced.

Our customers and suppliers have continued to support us and I would like to express my gratitude to them. I would also like to thank Nampak Limited for their continued technical support, without which these results would not have been achieved.

I would like to express my thanks to the Chairman and the Board of Directors for their support and encouragement during the past year.



J. P. Van Gend
Group Managing Director

24 January 2022

Directors, Group Management and Administration

DIRECTORS

K. C. Katsande	Independent Non Executive Chairman Member of the Remuneration Committee
J. P. Van Gend	Group Managing Director (Executive)
F. Dzingirai	Group Finance Director (Executive)
P. Crause	(Resigned 30 June 2021) Non Executive Director Member of the Audit Committee
P. Gowero (Alt. M. Valela)	(Resigned 30 June 2021) Independent Non Executive Director Member of the Remuneration Committee
A. H. Howie	Non Executive Director Member of the Audit Committee
K. J. Langley	Independent Non Executive Director Chairman of the Audit Committee
H. Neser	(Appointed 1 July 2021) Non Executive Director Member of the Audit Committee
Q. Swart	Non Executive Director Chairman of the Remuneration Committee
M. Valela (Alt. A. Makamure)	(Appointed 1 July 2021) Independent Non Executive Director Member of the Remuneration Committee

GROUP MANAGEMENT

J. P. Van Gend	Group Managing Director B Comm, ACMA Re-joined in 2010
F. Dzingirai	Group Finance Director B. Acc (Hons), CA (Z) Joined in 1991
A. K. Nicholson	Group Company Secretary B.Sc. Econ (Hons) Joined in 2009

ADMINISTRATION

PHYSICAL ADDRESS
68 Birmingham Road, Southerton
P O Box 4351
Harare, Zimbabwe

TRANSFER SECRETARIES
First Transfer Secretaries (Private) Limited
1 Armagh Road
Eastlea
Harare, Zimbabwe

COMPANY SECRETARY
A. K. Nicholson
Harare
Zimbabwe

LEGAL ADVISERS
Gill, Godlonton and Gerrans
7th Floor Beverley Court
100 Nelson Mandela Avenue
Harare, Zimbabwe

BANKERS
CABS
CBZ Bank Limited
Ecobank Zimbabwe Limited
First Capital Bank Zimbabwe Limited
Nedbank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Standard Chartered Bank Zimbabwe Limited

EXTERNAL AUDITORS
Deloitte & Touche
West Block, Borrowdale Office Park, Borrowdale Road, Borrowdale
P. O Box 267, Harare
Zimbabwe

INTERNAL AUDITORS
EY Advisory Services (Proprietary) Limited
102 Rivonia Road
Private Bag X14, Sandton, Johannesburg 2146
South Africa

Statement of Corporate Governance and Directors' Responsibility

CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring that the Group adheres to the highest standards of corporate governance in the conduct of its business. The Group's structures and processes are adapted from time to time to reflect best practice standards.

ACCOUNTABILITY AND AUDIT

The Directors of Nampak Zimbabwe Limited are responsible for the overall preparation and the final approval of the annual financial statements. The external auditors are responsible for auditing and providing an opinion on the annual financial statements in the course of executing their statutory duties. The external auditor's report is set out on pages 18 to 20.

The going concern basis has been adopted in preparing these financial statements. The Directors have no reason to believe that the Group will not be a going concern for the foreseeable future. Refer to note 33 for full disclosure of the going concern.

BOARD OF DIRECTORS

The Board of Directors is comprised largely of non-executive Directors who normally meet four times a year. The Board follows a decentralised approach with regard to the day-to-day running of its businesses but the Board reserves the right to make key decisions to ensure that it retains proper control over the strategic direction of the Group.

The timings of Board meetings during the year under review was affected by the requirement to produce two sets of financial statements, both of which were compiled on an historical and inflation adjusted basis in compliance with IAS 29 regarding financial reporting in hyperinflationary economies. The major and ultimate shareholder, Nampak Limited, being a listed company, has to be compliant with the Johannesburg Stock Exchange requirements. Nampak Zimbabwe Limited, in terms of SI 33/2019, could not comply with IAS 21 "Effects of Changes in Foreign Exchange Rates". Having to produce separate accounts for South Africa and Zimbabwe led to considerable additional accounting and auditing work which resulted in delays in finalising the financial statements for the year ended 30 September 2021. The Zimbabwe Stock Exchange granted the extensions of time for publication as the 31 December 2021 deadline could not be met.

A virtual Board meeting was held on 25 January 2021 when the Financial Statements for the year ended 30 September 2020 were approved for publication in the press on 2 February 2021. The Board Charters were reviewed and adopted at the same meeting. The Seventieth Annual General Meeting was held virtually on 10 March 2021 and the results thereof were published in the press shortly thereafter. A virtual Board meeting was held on 27 May 2021 when resolutions were passed formally approving the sale of the Group's 50% shareholding in Softex to Art Corporation Limited. The Half Year Results to 31 March 2021 were also approved for publication in the Press on 4 June 2021. A further virtual Board meeting was held on 24 August 2021.

BOARD COMMITTEES

During the year under review the Board was assisted by the following formal committees:

AUDIT AND RISK COMMITTEE

Members:

K. J. Langley - Chairman
A. H. Howie
P. Crause (resigned 30 June 2021)
Ms. H. Neser (appointed 1 July 2021)

The Audit Committee assists the Board in the fulfilment of their duties. It is regulated by a specific mandate from the Board and consists of three non-executive Directors. The Audit Committee, which oversees the financial reporting process, is concerned with compliance with Group policies and internal controls within the Group and interacts with the internal and external auditors. It usually meets at least three times a year with senior management. The internal and external auditors attend these meetings and have unrestricted access to the Audit Committee.

REMUNERATION AND NOMINATIONS COMMITTEE

Members:

Q. Swart - Chairman
P. Gowero (resigned 30 June 2021)
K. C. Katsande
M. Valela (appointed 1 July 2021)

The Remuneration Committee is chaired by a non-executive Director and comprises three other Non-Executive Directors. The committee meets at least once a year and the Group Managing Director attends meetings by invitation. The committee is required to determine the Group's broad policy for executive remuneration and the entire individual remuneration terms and package for the executive and non-executive Directors, and other senior executives. In doing so, the committee is required to give executives every encouragement to enhance the Group's performance and to ensure that they are fairly, but responsibly rewarded for their individual contributions. The objective of the remuneration policy is to provide a remuneration package comprising short term rewards (salary, benefits and annual performance bonus) and long-term rewards competitive with companies of a similar size, activity and complexity, so as to attract, motivate and retain high calibre individuals who will contribute fully to the success of the Group.

The Committee also sits when necessary, as the Nominations Committee which considers the qualifications and suitability of appointments to the Board to which it makes appropriate recommendations.

RISK MANAGEMENT COMMITTEE

Members:

J. P. Van Gend (Chairman) - B.Comm, ACMA
G. Ndawana - BTech Environ Health
J. Nhemachena - BSc. Mech Eng. (Hons), MBA (UZ)
L. M. Watermeyer - BSc. Mech Eng., MBA (UCT) (retired 31 August 2021)
T. Tauya - BSc. (Hons) Environmental Science and Health
(started 1 September 2021)

The Risk Management Committee reports to the Audit Committee. It is chaired by the Group Managing Director and comprises the Risk and Safety Officers from the three subsidiary companies – CarnaudMetalBox Zimbabwe Limited, Hunyani Paper & Packaging (1997) (Private) Limited and Mega Pak Zimbabwe (Private) Limited, all of which have their own Risk Committees which meet on a regular basis. The Risk Management Committee reviews the subsidiary company reports regarding compliance and progress on risk and safety issues as laid down by Nampak Limited. Specifically, this deals with the Willis Blue audits and Lost Time Incident Frequency Rates, as well as all related issues.

The Board reviews all significant Group risks on a quarterly basis, including an assessment of the likelihood and impact of all risks materialising, as well as risk mitigation initiatives and their effectiveness. The Board makes an annual review of the effectiveness of the risk management.

Statement of Corporate Governance and Directors' Responsibility (continued)

MANAGEMENT REPORTING

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating divisions. The consolidated Group budget, budgeted capital expenditure and divisional budgeted income statements are reviewed and approved by the Board. Monthly results of the Group and the operating entities are reported against approved budgets, quarterly forecasts and prior year. Profit projections and forecast cash flows are updated monthly while working capital and borrowing levels are monitored on an on-going basis.

STAKEHOLDER COMMUNICATION

The Board subscribes to the concept of openness, fairness, relevance and promptness in communications, but believes that the best interests of the Group should be considered in applying the concept of openness, as disclosure may not be appropriate in all circumstances and, in certain instances, may be in conflict with legal or regulatory requirements.

INTERNAL CONTROL

The Directors are responsible for, and ensure that, the Group maintains adequate accounting records and internal controls and systems designed to provide reasonable assurance on the integrity and reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for its assets. Such controls are based on the established policies and procedures and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of these internal controls and systems is monitored and reviewed by an internal audit department, which is provided by EY Advisory Services (Proprietary) Limited, South Africa.

INTERNAL AUDIT

The Internal Audit is an independent appraisal function. Weaknesses identified by the internal auditors are reported on and brought to the attention of Directors and management. This independently reviews the adequacy and effectiveness of internal controls and the systems which support them, at various operating entities, as well as business and financial risks which could have an adverse effect on the Group.

SAFETY, HEALTH AND ENVIRONMENTAL STEWARDSHIP

The Group strives to create wealth and sustainable development by operating its business with due regard for economic, social, cultural and environmental issues. Safety and health issues of all employees and contractors are of special concern.

The COVID-19 pandemic impacted on the Group's business units to a certain extent. Factories remained operational but in compliance with restricted working hours. Staff were required to adhere to the COVID-19 guidelines. All operations implemented stringent sanitising measures in accordance with Government policies. Taking into account reduced working hours and curfews, shift work was adjusted to facilitate employee attendance and measures were taken to assist staff with transport. Those who were able to work from home were permitted to do so. All visitors, delivery and despatch vehicles are checked for compliance. All staff underwent testing for COVID-19. Counselling has been introduced to minimise some morale problems arising from the disruptive effects of the various COVID-19 restrictions.

ETHICS

Directors and employees are required to maintain the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach.

ZIMBABWE STOCK EXCHANGE LISTING REQUIREMENTS

The Revised Listing Requirements for the Zimbabwe Stock Exchange (ZSE), as promulgated in SI 134/2019 have been observed, along with their subsequent Practice Notes which have been issued from time to time during the year

The Group issued Trading Updates for the 1st Quarter on 11 February 2021, the 2nd Quarter and Half Year on 13 May 2021, the 3rd Quarter and Nine Months on 13 August 2021 and the 4th Quarter and Year Ended 30 September 2021 on 12 November 2021. Delays in publication of the Year End figures were approved by the Stock Exchange.

PREPARATION OF FINANCIAL STATEMENTS

The Directors of the Group and 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 for each financial year which present a true and fair view of the state of affairs of the Group and Company at the end of the financial year and the financial performance and cash flows for the year.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) except for non compliance with IAS21 (Effects of Changes in Foreign Exchange Rates) in prior years. Whilst the conversion of transactions prior to 22 February 2020 was in line with the dictates of SI 33/19 it constituted a departure from the requirements of IAS 21, and therefore the 2020 financial statements were not prepared in conformity with IFRS. Had the Group applied the requirements of IAS 21, the 30 September 2020 comparative inflation adjusted consolidated financial statements with respect to property plant and equipment, depreciation, deferred tax and retained earnings would have been materially impacted. The carry over effects materially impact current year property plant and equipment, depreciation, deferred tax and retained earnings as at 30 September 2021. The International Financial Reporting Standards include standards and interpretations approved by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) and interpretations issued under previous constitutions (IFRS). The financial statements have also been prepared in compliance with the Zimbabwe Companies and Other Businesses Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations.

Suitable accounting policies have been used, and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure to assist in corporate performance measurement to enable returns on investment to be assessed against inherent risk and to facilitate appraisal of the full potential of the Group.

The financial statements were approved by the Board of Directors on 24 January 2022 and are signed on its behalf by:

K.C. Katsande	J. P. Van Gend
Chairman	**Group Managing Director**
24 January 2022	24 January 2022

Directors' Report

The Directors have pleasure in submitting their seventy first Annual Report, together with the Audited Financial Statements of the Group for the year ended 30 September 2021.

FINANCIAL RESULTS

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	**2020 ZW$ 000**	**2021 ZW$ 000**	**2020 ZW$ 000**
Profit / (loss) for the year	689 350	(998 042)	1 568 574	776 146
Earnings / (loss) attributable to ordinary members	**689 350**	**(998 042)**	**1 568 574**	**776 146**

DIVIDENDS

The available cash resources are expected to fund future capital expenditure projects and meet working capital requirements. In view of this, the Directors have decided not to declare a dividend (2020: Nil).

SHARE CAPITAL

Authorised

The authorised share capital as at 30 September 2021 is ZW$1 500 000 divided into 1 500 000 000 ordinary shares with a nominal value of ZW$0,001 each.

Issued and fully paid

The issued share capital at 30 September 2021 is ZW$755 648 comprised of 755 648 101 ordinary shares of ZW$0,001 each.

Director's interests in share capital

There are no Directors or their nominee with direct beneficial or non-beneficial interests in the shares of the Company.

Reserves

Details of movements on the non-distributable and distributable reserves are shown in the statement of changes in equity on page 24.

Directorate

The names of the Directors in office at the date of this report are set out on page 12. Mr. P Gowero resigned on 30 June 2021. He was replaced by Mr M. Valela on 1 July 2021. Mr. P Crause resigned on 30 June 2021 and was replaced by Ms. H Neser on 1 July 2021.

Mr. P Crause, Mr. F Dzingirai and Mr. J P Van Gend who retired by rotation were re-appointed to the Board at the Annual General Meeting held on 10 March 2021.

Directors' fees

A resolution will be proposed at the Annual General Meeting to approve historical directors' fees amounting to ZW$3 572 334 (2020 - ZW$2 071 732).

Borrowing facilities

Group had no borrowings at 30 September 2021 (2020 - $nil).

The Articles of Association authorise the Directors to borrow for the purposes of the Company, a sum totalling the nominal amount of the issued share capital of the Company, and the aggregate of the amounts standing to the credit of all capital and revenue reserve accounts as set out in the Consolidated Statement of Financial Position of the Company and its subsidiaries.

Going concern

The Directors believe that the Group is a going concern and will continue to be for the foreseeable future. This is based on the Group's financial performance forecast, the support being received from Reserve Bank of Zimbabwe, banks and other stakeholders for the supply of foreign exchange and raw material supply and the classification of the Group's operations as essential service during national Covid 19 lockdowns. (Refer to note 33 for full going concern disclosure.)

Board committees

These comprise the Audit and Risk Management Committee and the Remuneration and Nominations Committee, details of which are included in the Corporate Governance Report on pages 13 to14.

The following were appointed to the Board's Committees at the Annual General Meeting held on 10 March 2021.

Audit : Mr. P. Crause, Mr A.H. Howie and Mr. K. J. Langley.

Remuneration : Mr. Q. Swart, Mr K.C. Katsande and Mr P. Gowero.

Chairman : Mr K.C. Katsande was re-appointed as Chairman of the Company.

Auditors

Members will be asked to re-appoint Deloitte & Touche as external auditors of the Company until the conclusion of the next Annual General Meeting.

Annual General Meeting

The annual general meeting of the Company will be held on 9 March 2022 at 12:00 hours at the Registered Office of the Company, 68 Birmingham Road, Southerton, Harare.

By Order of the Board

A K Nicholson
Group Company Secretary

68 Birmingham Road
Southerton
Harare

24 January 2022

FINANCIAL INFORMATION

Statistics

for the year ended 30 September 2021

	INFLATION ADJUSTED		HISTORICAL	
	2021	2020	2021	2020
Share performance				
Ordinary shares in issue	755,648,101	755,648,101	755,648,101	755,648,101
Earnings / (loss) per ordinary share (cents)	91.23	(132.08)	207.58	102.71
Closing market price per ordinary share (cents)	1,296.25	151.62	1,296.25	100.05
Net asset value per ordinary share (cents)	549.55	458.32	340.74	133.16
Solvency				
Interest cover (times)	100	5.9	100	26.5
Total current liabilities as a percentage of total shareholders' equity (%)	25	39	40	76
Liquidity				
Current ratio	3.18	2.20	3.09	2.08
Acid test ratio	2.27	1.31	2.28	1.33
Profitability				
Return on shareholders' equity (%)	18.2	(32.5)	87.6	141.0
Operating profit to turnover (%)	15.7	19.9	25.9	37.1
Asset turnover	1.8	1.4	3.0	2.8
Capital expenditure				
Capital expenditure (ZW$ 000)	284 956	147 572	242 663	77 827
Productivity				
Permanent employees	452	482	452	482
Revenue per employee (ZW$ 000)	21 337	15 993	17 952	5 577

DEFINITIONS USED IN THIS REPORT

Asset turnover
Revenue divided by average asset holding for the year.

Current ratio
The ratio of current assets to current liabilities.

Total liabilities
Long term liabilities plus current liabilities.

Net assets
Total assets less total current liabilities and non current liabilities.

Return on shareholders' equity
Earnings after taxation divided by the average of opening and closing shareholders' equity.

Working capital to sales ratio
Inventories plus trade and other receivables less trade and other payables, divided by revenue.

Deloitte.

PO Box 267
Harare
Zimbabwe

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

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

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the inflation adjusted consolidated financial statements of Nampak Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 22 to 61 which comprise the inflation adjusted consolidated statement of financial position as at 30 September 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the inflation adjusted consolidated financial statements present fairly, in all material respects, the inflation adjusted consolidated financial position of the Group as at 30 September 2021, and its inflation adjusted consolidated financial performance and inflation adjusted consolidated 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), the relevant Statutory Instruments ("SI") SI33/99 and SI62/96.

Basis for Qualified Opinion

Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" with respect to comparative and current financial information on property, plant and equipment, depreciation, deferred tax and retained earnings.

On 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to its effective date. The rate of 1:1 is consistent with the rate mandated by the RBZ at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates":

The Group transacted using a combination of United States Dollars (USD), bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country, resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement (RTGS) system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.

In October 2018, banks were instructed by the Reserve Bank of Zimbabwe ("RBZ") to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

For the period up to 22 February 2019, the Group maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with S1 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USD and the ZWL in compliance with the requirements of SI33/19.

Whilst the timing of this conversion was in line with the dictates of SI 33/19 it constituted a departure from the requirements of IAS 21, and therefore the 2020 financial statements were not prepared in conformity with IFRS. Had the Group applied the requirements of IAS 21, the 30 September 2020 comparative inflation adjusted consolidated financial statements with respect to property plant and equipment, depreciation, deferred tax and retained earnings would have been materially impacted. The carry over effects materially impact current year property plant and equipment, depreciation, deferred tax and retained earnings as at 30 September 2021. The financial effects of this departure on the inflation adjusted consolidated financial statements have not been determined.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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' 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.

Report of the Independent Auditors (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated 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 matter described below to be the key audit matter.

<table>
<tr><th colspan="2">Application of IAS 21 "The Effects of Changes in Foreign Exchange Rates" with respect to the determination of spot rate</th></tr>
<tr><td>Zimbabwe is currently operating in an environment characterised by two sources of exchange rates, the first being the official exchange rate which is legal and prescribed by the Reserve Bank of Zimbabwe (RBZ) and an unofficial exchange rate.

As detailed in note 4.19, the Group has applied the official exchange rate in its determination of the spot rate pursuant to complying with IAS 21 for the year ended 30 September 2021. Consequently, foreign transactions and balances are translated to Zimbabwe dollars at the official exchange rate as the Group has concluded that there is no lack nor a temporary lack of exchangeability of foreign currency in terms of IAS 21. The primary source of foreign currency for the Group is the official auction market. The circumstances in which a currency is subject to a lack of exchangeability results in an entity being unable to exchange that currency for another currency.</td><td>To address this matter, we performed the following audit procedures:

• We obtained a technical paper from management detailing the basis for the application of the official exchange rate as the spot rate, in accordance with IAS 21;
• With the assistance of our technical accounting specialists, we evaluated the technical paper for consistency with IAS 21 The Effects of Changes in Foreign Exchange Rates;
• During our testing of transactions, we noted the exchange rates in use by the Group and agreed them to the official auction exchange rates from the Reserve Bank of Zimbabwe; and
• We evaluated whether the Group was able to obtain foreign currency from the auction market thereby confirming that the spot exchange rate was accessible and available for immediate delivery as defined in IAS 21.
• We evaluated the nature and extent of disclosures made in respect of this critical judgement made in respect of the determination of foreign currency exchange rates.

Based on the procedures performed above the use of the official auction rate was deemed an appropriate spot rate in accordance with IAS 21.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the Mission Statement, Financial Highlights, Group Structure, Chairman's statement, Group Managing Director's Report, Directors, Group Management and Administration, Operating Units and Management Structure, Statement of Corporate Governance and Directors' Responsibility, Directors' Report, Statistics, Preparer of the Financial Statements and the consolidated historic cost financial information, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the 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 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. As described in the Basis for Qualified Opinion section above, the Group changed their functional currency to the RTGS$ effective 22 February 2019. The date of change in functional currency that complies with IFRS is 1 October 2018. Consequently, the USD transactions between the period 1 October 2018 to 22 February 2019 did not comply with the requirements of IAS 21 as they were not appropriately translated. We have determined that the other information is misstated for that reason.

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 International Financial Reporting Standards (IFRSs), the Companies and Other Businesses Entities Act (Chapter 24:31), the relevant statutory instruments (SI 33/99, SI 33/19 and SI 62/96), and for such internal control as the Directors determine is necessary to enable the preparation of the inflation adjusted 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.

Report of the Independent Auditors (continued)

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 inflation adjusted consolidated financial statements.

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

· Identify and assess the risks of material misstatement of the 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 consolidation financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the consolidated 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 inflation adjusted consolidated 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.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the 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 qualified consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Tapiwa Chizana
Partner- Registered Auditor
PAAB Practice Certificate Number: 0444

Date: 4 February 2022

Preparer of the Annual Financial Statements

The Annual Financial Statements of Nampak Zimbabwe Limited have been prepared under the supervision of Mr Francis Dzingirai.

F. Dzingirai CA (Z)
Group Finance Director
Registered Public Accountant
PAAB Number : P0204

Harare
24 January 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income / (Loss)

for the year ended 30 September 2021

	Notes	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL * 2021 ZW$ 000	HISTORICAL * 2020 ZW$ 000
CONTINUING OPERATIONS					
Revenue	5	**9 644 122**	**7 708 467**	**8 114 180**	**2 688 328**
Raw materials and consumables used		(5 359 786)	(4 542 457)	(4 158 932)	(1 110 760)
Selling and distribution expenses		(44 462)	(29 588)	(37 671)	(12 449)
Depreciation and amortisation expenses	6.1	(252 713)	(233 954)	(24 553)	(6 456)
Employee expenses		(1 010 610)	(624 639)	(863 283)	(210 059)
Other operating expenses	6.2	(1 230 387)	(1 062 862)	(1 026 333)	(335 343)
Other operating income	6.3	35 516	40 014	28 121	14 747
Trading income		**1 781 680**	**1 254 981**	**2 031 529**	**1 028 008**
Other material income / (expenses)	6.4	75 921	(719 143)	69 286	(29 723)
Net monetary (loss) / gain on hyperinflation		(347 964)	997 305	-	-
Operating profit		**1 509 637**	**1 533 143**	**2 100 815**	**998 285**
Finance income	7.1	4 716	129 726	4 058	31 511
Finance costs	7.2	-	(213 300)	-	(38 787)
Profit before tax		**1 514 353**	**1 449 569**	**2 104 873**	**991 009**
Tax expense	8	(822 208)	(2 436 721)	(536 849)	(228 307)
Profit / (loss) for the year from continuing operations		**692 145**	**(987 152)**	**1 568 024**	**762 702**
DISCONTINUED OPERATIONS					
Share of net (loss) / profit from joint venture	14	(2 795)	(10 890)	550	13 444
Profit / (loss) for the year		**689 350**	**(998 042)**	**1 568 574**	**776 146**
Weighted average number of shares in issue		755 648 101	755 648 101	755 648 101	755 648 101
Earnings / (loss) per ordinary share (cents)	9	91.23	(132.08)	207.58	102.71

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

Consolidated Statement of Financial Position

for the year ended 30 September 2021

	Note	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL * 2021 ZW$ 000	HISTORICAL * 2020 ZW$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	10	2 133 211	2 126 654	323 000	116 237
Right of use assets	11	48 212	-	48 212	-
Intangible assets	12	127 529	127 654	2 445	2 447
Biological assets	13	27 117	16 501	27 117	10 889
Investment in joint venture	14	-	67 390	-	19 953
Investments	15	247	41	247	27
Deferred tax asset	21	-	-	73 450	23 299
Total non-current assets		**2 336 316**	**2 338 240**	**474 471**	**172 852**
Current assets					
Inventories	16	952 594	1 196 574	828 095	579 617
Trade and other receivables	17	1 914 056	1 303 006	1 866 738	718 997
Cash and cash equivalents	18	460 464	457 912	460 464	302 164
Total current assets		**3 327 114**	**2 957 492**	**3 155 297**	**1 600 778**
Total assets		**5 663 430**	**5 295 732**	**3 629 768**	**1 773 630**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	39 423	39 423	756	756
Share premium	19	1 254 924	1 254 924	24 054	24 054
Non distributable reserves	20	3 068 198	10 229 195	752 464	962 797
Retained (loss) / earnings		(209 898)	(8 060 245)	1 797 484	18 577
Total shareholders' equity		**4 152 647**	**3 463 297**	**2 574 758**	**1 006 184**
Non current liabilities					
Non current lease liability	22	33 520	-	33 520	-
Deferred tax liabilities	21	430 189	487 865	-	-
Total non current liabilities		**463 709**	**487 865**	**33 520**	**-**
Current liabilities					
Trade and other payables	23	969 044	1 187 804	943 460	664 000
Provisions	24	5 402	8 762	5 402	5 782
Income tax payable	25	72 628	148 004	72 628	97 664
Total current liabilities		**1 047 074**	**1 344 570**	**1 021 490**	**767 446**
Total equity and liabilities		**5 663 430**	**5 295 732**	**3 629 768**	**1 773 630**

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

The financial statements were approved by the Board of Directors and are signed on their behalf by:

K.C. Katsande
Chairman

J. P. Van Gend
Group Managing Director

Registered Office
68 Birmingham Road
Southerton
Harare

24 January 2022

Consolidated Statement of Changes in Equity

for the year ended 30 September 2021

INFLATION ADJUSTED

	Share Capital ZW$ 000	Share Premium ZW$ 000	Functional Currency Conversion Reserve ZW$ 000	Non Distributable Reserve ZW$ 000	Retained Earnings / (loss) ZW$ 000	Total Equity ZW$ 000
Balance as at 1 October 2019	**39 423**	**1 254 924**	**191 479**	**-**	**(7 062 203)**	**(5 576 377)**
Total comprehensive loss for the year	-	-	-	-	(998 042)	(998 042)
Gain on set off of NIL liability and RBZ receivable	-	-	-	1 804 512	-	1 804 512
Impairment reversal of prior year non current receivable through equity (net of tax)	-	-	-	6 352 267	-	6 352 267
NIL technical fees and interest reversal through equity (net of tax)	-	-	-	1 880 937	-	1 880 937
Balance as at 30 September 2020	**39 423**	**1 254 924**	**191 479**	**10 037 716**	**(8 060 245)**	**3 463 297**
Total comprehensive profit for the year	-	-	-	-	689 350	689 350
Disposal of joint venture	-	-	(24 573)	-	24 573	-
Transfer between reserves	-	-	-	(7 136 424)	7 136 424	-
Balance as at 30 September 2021	**39 423**	**1 254 924**	**166 906**	**2 901 292**	**(209 898)**	**4 152 647**
	Note 19	Note 19	Note 20	Note 20		

HISTORICAL *

	Share Capital ZW$ 000	Share Premium ZW$ 000	Functional Currency Conversion Reserve ZW$ 000	Non Distributable Reserve ZW$ 000	Asset Revaluation Reserve ZW$ 000	Retained Earnings / (loss) ZW$ 000	Total Equity ZW$ 000
Balance as at 1 October 2019	756	24 054	3 670	-	18 637	(757 569)	(710 452)
Total comprehensive profit for the year	-	-	-	-	-	776 146	776 146
Gain on set off of NIL liability and RBZ receivable	-	-	-	156 801	-	-	156 801
Impairment reversal of prior year non current receivable through equity (net of tax)	-	-	-	551 973	-	-	551 973
NIL technical fees and interest reversal through equity (net of tax)	-	-	-	231 716	-	-	231 716
Balance as at 30 September 2020	**756**	**24 054**	**3 670**	**940 490**	**18 637**	**18 577**	**1 006 184**
Total comprehensive profit for the year	-	-	-	-	-	1 568 574	1 568 574
Disposal of joint venture	-	-	(471)	-	-	471	-
Transfer between reserves	-	-	-	(209 862)	-	209 862	-
Balance as at 30 September 2021	**756**	**24 054**	**3 199**	**730 628**	**18 637**	**1 797 484**	**2 574 758**
	Note 19	Note 19	Note 20	Note 20	Note 20		

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

Consolidated Statement of Cash Flow

for the year ended 30 September 2021

	Note	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL * 2021 ZW$ 000	HISTORICAL * 2020 ZW$ 000
Cash generated from operating activities	**29.1**	**1 706 822**	**348 280**	**2 046 535**	**993 919**
(Increase) / decrease in working capital	29.2	(589 190)	295 725	(1 117 139)	(441 951)
Cash generated from operations		**1 117 632**	**644 005**	**929 936**	**551 968**
		(974 170)	(701 104)	(607 978)	(229 550)
Finance income	7.1	4 716	129 726	4 058	31 511
Finance costs	7.2	-	(213 300)	-	(38 787)
Tax paid	25	(978 886)	(617 530)	(612 036)	(222 274)
Net cash generated from / (utilised in) operating activities		**143 462**	**(57 100)**	**321 418**	**322 418**
Investing activities		**(138 042)**	**(145 988)**	**(160 250)**	**(77 691)**
Purchase of plant and equipment for maintaining operations	10	(199 438)	(140 186)	(164 279)	(72 953)
Purchase of property, plant and equipment for expanding operations	10	(85 518)	(7 386)	(78 383)	(4 874)
Proceeds on disposal of property, plant and equipment		28 844	1 584	14 123	136
Proceeds on disposal of joint venture		118 070	-	68 289	-
Net cash generated / (utilised) before financing activities		**5 420**	**(203 087)**	**161 168**	**244 727**
Financing activities		(2 868)	-	(2 868)	-
Lease liability payment		(2 868)	-	(2 868)	-
Net increase / (decrease) in cash and cash equivalents		**2 552**	**(203 087)**	**158 300**	**244 727**
Cash and cash equivalents at the beginning of the year		**457 912**	**660 999**	**302 164**	**57 437**
Cash and cash equivalents at the end of the year		**460 464**	**457 912**	**460 464**	**302 164**
REPRESENTED BY:					
Bank balances, cash and short term deposits	18	460 464	457 912	460 464	302 164

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

Notes to the Financial Statements

for the year ended 30 September 2021

1. CORPORATE INFORMATION

1.1 Nature of Business

The consolidated financial statements of Nampak Zimbabwe Limited for the year ended 30 September 2021 were authorised for issue in accordance with a resolution of the Directors on 24 January 2022. Nampak Zimbabwe Limited is a public limited Company incorporated and domiciled in Zimbabwe. The Company was first incorporated in 1951 and was listed on the Zimbabwe Stock Exchange in September 1952. The shares have been publicly traded since then. The shareholding of the Company is on page 75. The address of the registered offices is on page 12.

Nampak Zimbabwe Limited comprises of a holding company and its subsidiaries collectively known as the "Group". The Group is principally engaged in the manufacturing of paper, plastic and metal packaging products as well as leasing biological assets. The principal activities of the Group are described on page 9.

1.2 Currency of Reporting

The Group's financial statements are presented in Zimbabwe dollars (ZW$), which became the functional currency of the Company from 24 June 2020 through promulgation of Statutory Instrument 142 of 2020 (SI142/19). All values are rounded to the nearest thousand except where otherwise stated.

Statutory instrument 185 of 2020 which was promulgated on 24 July 2020 permitted companies to charge for their goods and services both Zimbabwe dollars and foreign currency. The Group implemented the charging of goods in both Zimbabwe dollars and foreign currency. Most of the Group's goods and services are being charged in Zimbabwe dollars.

1.3 Hyperinflation

The Public Accountants and Auditors Board issued pronouncement 01/2019 on the application of International Accounting Standard ("IAS") 29 'Financial reporting in Hyperinflationary Economies in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial periods on or after 1 July 2019 to apply requirements of IAS 29 'Financial reporting in Hyperinflationary Economies.'

Appropriate adjustments and reclassifications, including statements for changes and 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.

The source of the price indices used was the Zimbabwe Statistical office.

Following the promulgation of SI85/20 which allowed entities to quote and sell goods and services in both US$ and ZW$, the Zimbabwe Statistical office now publishes blended inflation rates and the Consumer Price Index (CPI). This entails the blending of the inflation for prices that are quoted in United Stated dollars and Zimbabwe dollars. IAS 29 requires the use of a general price index that reflect changes in the general purchasing power of a currency that is assessed to be in hyperinflation. The functional currency of the Group is the Zimbabwe dollar which is in hyperinflation and the Group will continue to use the Zimbabwe dollar CPI.

	Indices	Conversion factor
CPI as at 30 September 2021	3 342.00	1
CPI as at 30 September 2020	2 205.32	1.52

2 BASIS OF PREPARATION AND COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by the IASB and the International Financial Reporting Interpretations Committee (IFRIC) and interpretations issued under previous constitutions (IFRS). The financial statements have also been prepared in compliance with the Zimbabwe Companies and Other Businesses Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations.

The consolidated financial statements of the Group have been prepared based on records maintained under historical cost basis and adjusted for the effects of IAS 29 'Financial Reporting in Hyperinflationary Economies' where they are re-stated in terms of a measuring unit current at the balance sheet date. Comparative financial statements are restated using the general inflation indices in terms of the measuring unit current at the balance sheet date. The effect of inflation on the net monetary position of the Group is recorded as a gain or loss on net monetary position in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Therefore, the primary financial statements of the Group are the inflation adjusted and the historical numbers are given as supplementary information only and as a result the auditors have not expressed an opinion on the historical numbers.

The accounting policies are consistent with the prior year and have been applied throughout the Group except where the International Financial Reporting Standards or International Accounting Standards have been amended or modified.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operation and existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

2 BASIS OF PREPARATION AND COMPLIANCE (continued)

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1 New and revised ifrs mandatorily effective in the current year

In the current year the Group adopted the following new and revised IFRS and annual improvements to IFRS with no material impact on the consolidated financial statements.

- **IFRS 3: Business combinations**

  The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, and add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. (Effective for annual periods beginning on or after 1 January 2020).

  The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

  The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

  The adoption of the amendment has not had any material impact on the disclosures or on the amounts reported in the consolidated financial statements of the Group.

- **IAS 1: Presentation of financial statements and IAS 8**

  Accounting policies, Changes in Accounting Policies and Errors amendments – Definition of material. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

  The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

  The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

  The adoption of the amendment has not had any impact on the disclosures or on the amounts reported in the consolidated financial statements of the Group.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

3.2 NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group expects that adoption of these standards, amendments and interpretations in most cases may not have any significant impact on the Group's financial position or performance in the period of initial application, but additional disclosures will be required. In cases where it will have an impact, the Group is still assessing the possible impact.

- **Amendments to IFRS 10 IAS 28: Sale or contribution of assets between an investor and its associate or joint venture.**
  The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

  The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

- **Amendments to IAS 1** – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. It specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- Amendments to IFRS 3 – Reference to the Conceptual Framework. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

  The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022 with early application permitted.

- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

  If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

  The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

  The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

  The amendments are effective for annual periods beginning on or after 1 January 2022, with early adoption permitted.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

3.2 NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE (continued)

- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Incremental costs of fulfilling a contract include materials and direct labour and other costs allocated include depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

  The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

  Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

  The amendments are effective for annual periods beginning on or after 1 January 2022, with early adoption permitted.

- IFRS 17: Insurances contracts. The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

  The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it considers market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

3.3 Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

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

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

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 pretax 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2021, together with appropriate share of post-acquisition results and reserves of its material associated and joint venture companies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intragroup transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

Control is achieved when the Company:
- has the 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 affects 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.

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.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

4.2 Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Asset Held for Sale and Discontinued Operations, which are recognised and measured at a fair value less cost of sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities recognised. If after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the excess is recognised immediately in profit or loss.

Goodwill is reviewed for impairment annually and any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a cash generating unit to which goodwill was allocated, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The interest of non-controlling shareholders in the acquiree is initially measured at their proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

4.3 Investments in joint ventures

A joint venture is a joint arrangement in which the parties with joint control have rights/exposures to the net assets of the arrangements. The Group's interest in joint ventures are accounted for by using the equity method of accounting, and the investments are accounted for at cost less accumulated impairment in the separate financial statements of the venture companies.

Under the equity method, an investment is carried in the statement of financial position at a cost plus post-acquisition changes in the Group's share of the net assets of the joint venture. The statement of profit or loss and other comprehensive income reflects the Group's share of the results of the joint venture operations. This is the profit attributable to the equity holding and therefore is profit after tax and non-controlling interests of the joint venture. Any dividend received by the Group is credited against the investment in the joint venture.

Where there has been a change recognised directly in the other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, where applicable, in the statement of profit or loss and other comprehensive income or the Group statement of changes in equity.

Financial results of the joint venture are prepared for the same reporting period as the parent Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Investments in joint ventures (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in a joint venture. The Group determines at each statement of financial position date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

4.4 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, and have made efforts to locate a buyer and the asset (or disposal group) must be actively marketed for sale at a reasonable price in relation to its current fair value. The sale must be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at lower of the assets' previous carrying amount and fair value less costs to sell. Impairment losses on the initial classification as held for sale and subsequent reassessments are accounted for in profit or loss. Non-current assets (and disposal groups) classified as held for sale are not depreciated or amortised.

Discontinued operations are classified as held for sale and are either a separate major line of business or geographical area of operations that has been sold or is part of a single co-ordinated plan to be disposed of.

In the consolidated statement of profit or loss and other comprehensive income, income and expenses from discontinuing operations are reported separate from income and expenses from continuing activities, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the profit or loss.

4.5 Biological assets

Biological assets are timber plantations that are owned by the Group. Biological assets are initially recorded at cost and subsequently recognised at fair value at each subsequent reporting date. Fair value is determined by reference to market value less costs to sell. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value is determined with reference to the tree ageing and available market prices. On that basis, an indicative value is computed with reference to local market prices. Changes in the fair value of biological assets are recorded in profit or loss.

4.6 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

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, and for qualifying assets, borrowing costs in accordance with the Group's accounting policy are included in the carrying value of the asset. Costs also include an estimate of costs of dismantling and removing the item and restoring the site on which it is located. When parts of an item of property, plant and equipment have different useful lives or residual values, they are accounted for as separate items (major components).

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its costs can be measured reliably. The cost of day to day servicing, repair and maintenance of property, plant and equipment are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation.

Property, plant and equipment, which are retired from active use and are held for disposal, are accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Depreciation commences when the assets are ready for their intended use. Depreciation is charged so as to write off the cost to residual value over the intended useful lives, using the straight line method. Depreciation is not provided in respect of land.

The average rates of depreciation used are:

Buildings	50 - 60 years
Plant and equipment	5 - 25 years
Motor vehicles	3 - 5 years
Office furniture and fittings	3 - 10 years
Office equipment	3 - 5 years

Depreciation methods, residual values and useful lives are reviewed annually or when there is an indication that they have changed and they are prospectively adjusted if appropriate. Where residual values exceed the carrying amount of the assets, depreciation will cease to be charged.

The gain or loss on 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.

4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

4.7 Investment property

Investment property which is property held to earn rentals and/ or capital appreciation is stated at cost less accumulated depreciation and any accumulated impairment losses. The average rate of depreciation used is 50 - 60 years.

4.8 Intangible assets excluding goodwill

Included in intangible assets are system costs and computer software costs.

Acquired computer software licences are capitalised on the basis of the costs incurred to bring to use the specific software.

Cost associated with development or maintaining computer software programmes are recognised as the expense is incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets and these comprise direct costs and an appropriate portion of relevant overheads. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are stated at cost less accumulated amortisation and impairment losses and are amortised over their expected useful lives (three to nine years) on a straight line basis.

4.9 Impairment of tangible and intangible assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset 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 they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.11 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. Short term lease period is a period not exceeding twelve months. For these short term leases and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is shorter.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included as part of operating costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Loss or Income.

4.12 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and position. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs to be in incurred in marketing, selling and distribution.

Provision for obsolete inventory is done where management believes the book value of the inventory exceeds the lower of cost or net realisable value. The assessment is done on an item by item basis.

4.13 Taxation

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

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the 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 and Company's asset and liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Current tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or subsequently enacted at the reporting date.

Deferred income tax relating to items recognised directly outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit and loss.

Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

a) When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

b) When receivables and payables are stated with the amount of VAT, the net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Uncertain tax position

The Group reviews all its tax positions at the end of each reporting period and determines whether there is any uncertainty over tax treatment. Where there are any uncertainties over income tax treatments the group discloses judgements and assumptions made in determining taxation information.

4.14 Foreign currency translation

The Group's consolidated financial statements are presented in Zimbabwe Dollars (ZW$), which is the Group's functional and presentation currency.

Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Subsequent to initial measurement, monetary assets and liabilities are translated at exchange rates prevailing at the end of the reporting period. Non-monetary items carried at cost are translated using the exchange rate at the date of the initial transaction whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translation of monetary items at rates different from those at which they were translated at initial recognition are recognised in profit or loss. Exchange differences on non-monetary items carried at fair value are recognised in profit or loss, except where the fair value adjustments are recognised in other comprehensive income, in which case the differences arising are recognised in other comprehensive income.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Financial instruments

Recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement 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.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

4.15.1 Financial assets

Financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss, and subsequently as set out below.

Trade and other receivables

Trade receivables are measured at fair value and are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The allowance for credit losses is established and recognised in profit or loss 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 the 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 comprise cash on hand, demand deposits, restricted cash and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short term investments.

Available for sale (AFS) Financial assets

AFS financial assets are non-derivatives that are either designated as AFS financial asset or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

AFS financial assets for which fair value can be reliably determined are stated at fair value with the change in value being credited or debited to other comprehensive income.

Unquoted investments and financial assets regarded as held for trading, but for which fair value cannot be reliably determined, are shown at cost unless the directors are of the opinion that there has been impairment in value, in which case provision is made and charged to profit or loss. The Group's investments are unquoted AFS financial assets measured at cost.

Where the Group has financial instruments which have a legally enforceable right of offset and the Group intends to settle them on a net basis or to realise the asset and liability simultaneously, the financial asset and liability and related revenues and expenses are offset and the net amount reported in the statement of financial position and statement of comprehensive income respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date where they are classified as non-current receivables. These are classified as non-current assets. Loans and receivables are included in trade and other receivables on the statement of financial position.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Financial instruments (continued)

4.15.1 Financial assets (continued)

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 derecognised when:

The rights to receive cash flows from the asset have expired or
- When the Group has transferred the financial asset and substantially all the risks and rewards of ownership of the asset to another party, or the Group has neither transferred nor retained substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
- On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss.
- On de-recognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continual involvement, and the part it no longer recognises on the basis of the relative fair value of these parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4.15.2 Financial liabilities
Financial liabilities include trade and other accounts payables and interest bearing borrowings, and these are recognised initially 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 effective interest rate method 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.

Borrowings
Interest-bearing borrowings are initially measured at a fair value and are subsequently measured at amortised cost using the effective-interest rate method. Any difference between the proceeds (net of the transaction cost) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy of borrowing cost.

De-recognition of financial liabilities
A financial liability is de-recognised when, and only when, the Group's obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

The expense relating to any provision is recognised in profit or loss net of any certain reimbursements. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to those provisions. Where discounting is used, the increase in the provision due to passage of time is recognised in profit or loss as a finance cost. Contingent liabilities are not recognised as liabilities in the Group financial statements but are disclosed separately in the notes.

Provision for leave pay
Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Long service awards
Long service awards is recognised as a liability and an expense for where cash is paid to employees at certain timelines achieved with the Group. The provision is appropriately discounted to reflect present values of the future payments.

4.16 Borrowing powers
Authority is granted in the Articles of Association for the Directors to borrow a sum not exceeding the share capital and reserves of the Company.

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Revenue recognition

Revenue comprises the consideration received or receivable on contracts entered into with customers in the ordinary course of the Group's activities and is shown net of taxes, cash discounts, settlement discounts and rebates provided to customers. Revenue is recognised on the sale of goods when control is transferred to the customer, by means of collection or delivery of the goods concerned.

Variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration is estimated using the most likely outcome or the probability weighted outcome method.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at an amount that depicts the consideration to which the group expects to be entitled in exchange for transferring the goods and services promised to the customer.

Sale of goods

Revenue is recognised on the sale of goods when control is transferred to the customer usually by means of delivering the goods concerned.

Services

Revenue from providing services is recognised when the services have been performed over the period of the contract concerned.

Other sales relates to external rental income. Other income primarily relates to scrap sales.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate 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 amount on initial recognition. Interest income is included in finance income in profit and loss.

Rental income

Rental income arising from operating leases on biological assets is accounted for on a straight line basis over the lease terms and is included in revenue. Revenue arising from lease of excess space is included in other income.

4.18 Employee benefits

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered, such as paid vacation 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 incentive and or 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 and the obligation can be measured reliably.

Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have entered in return for their service in the current and prior periods.

Termination benefits are expensed when the Group recognises costs for a restructuring.

Long service awards are recognised as a liability and an expense for long service where cash is paid to employees at certain dates in their employment with the Group. The accruals of longer service awards are discounted to reflect the present values of the future payments.

Pensions and other post-employment benefits

The Group operates a defined contribution scheme which requires contributions to be made to an administered fund. Contributions are recognised as an expense when incurred. In addition, the Group contributes towards the National Social Security Scheme and such contributions are recognised as an expense when incurred in accordance with the rules of the scheme.

4.19 Critical accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and disclosure of contingent liabilities at the end of the reporting period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Uncertainty about these assumptions and estimates could result in outcomes, that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Critical accounting judgements, estimates and assumptions

Estimates and assumptions

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 are discussed below.

a) Estimates of useful lives, residual lives and depreciation methods

Property, plant and equipment are depreciated over their useful life taking into account residual values. Useful lives and residual values are assessed annually. Useful lives are affected by technology innovations, maintenance programmes and future productivity. Future market conditions determine the residual values. Depreciation is calculated on a straight line basis which may not represent actual usage of the asset.

b) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arms' length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

c) Impairment tests of assets and intangibles

Impairment tests on property, plant and equipment are only done if there is an impairment indicator. Goodwill is tested for impairment annually. Future cash flows are based on management estimate of future market conditions. These cash flows are then discounted and compared to the current carrying value and, if lower, the assets are impaired to the present value of cash flows. Impairment tests are based on information available at the time of testing. These conditions may change after year end.

d) Biological assets

The biological assets have been valued at fair value less any anticipated costs to sell. The key assumptions used in the valuation of biological assets are disclosed in note 13.

e) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates, and competitive forces.

f) Expect Credit losses

Significant increase in credit risk Expected Credit Losses ("ECL") are measured as an allowance equal to 12 month ECL for stage 1 assets, or lifetime ECL for stage 2 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. There is no definition under IFRS 9 of what constitutes a significant increase in credit risk. The Group considers qualitative and quantitative reasonable and supportable forward-looking information in assessing whether the credit risk has significantly increased.

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

g) Lack of long term exchangeability

Lack of exchangeability exists when the Group is unable to exchange currency for immediate delivery of another currency at a specified date. The Group made judgements in evaluating whether, conditions and circumstances prevailing in the economy reflect a long term lack of exchangeability between the reporting currency and its transactional currencies.

The Group translates foreign denominated transactions at the exchange rates prevailing at the time of transacting. At year end foreign denominated balances are translated at the closing rate being the spot rate at the end of the reporting period. The spot rate is the rate for immediate delivery of the applicable exchange of foreign currency.

In making the determination of whether there is long-term lack of exchangeability, the Group considered factors that include:

- o Existence of an official rate of exchange determined by the auction system which is administered by monetary policy authorities.
- o The restriction on the amount of currency the Group can bid and the rules applicable for a bid to be accepted.
- o Delays in foreign currency payments from foreign currency obtained from the foreign currency auction system.
- o The restriction on the purpose for which the foreign currency is required which results in the exchangeability of the currency being dependent on the intended use of the currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Critical accounting judgements, estimates and assumptions (continued)

h) Hyperinflation computations

Hyperinflation calculations require the application of management assumptions dependant on the nature of the business and industry in which the entity operates, albeit still remaining in compliance with IAS29 "Hyperinflationary economies". Significant assumptions were applied, including in the determination of;

- The restatement of monthly transactions in the statement of comprehensive income
- The restatement of property, plant and equipment
- The determination of deferred taxation

The application of the consumer price index in the determination of hyper inflated financial information, in a volatile economy, driven by a number of economic fundamentals including currency fluctuations, and price-controlled goods and services, affects the reported values of assets and liabilities.

i) Use of the official exchange rate in the translation of foreign balances and transactions

International Accounting Standard 21 (IAS 21) defines the spot exchange rate as the exchange rate for immediate delivery. During the current year ended 30 September 2021 (including the comparative period 1 October 2020 to 30 September 2020), the Group translated foreign transactions using interbank/auction exchange rates as at the date of transaction, whilst the foreign balances on the Statement of financial position were translated at the closing auction rate at 30 September 2021 (as well as the closing auction rate at 30 September 2020 for the comparatives). The Group has therefore applied the official auction exchange rate in its determination of the spot rate pursuant to complying with IAS 21 for the year ended 30 September 2021. The circumstances in which a currency is subject to a lack of exchangeability results in an entity being unable to exchange that currency for another currency. The directors have concluded that there is no lack nor a temporary lack of exchangeability of foreign currency in terms of IAS 21, which would trigger the need to determine a spot exchange rate through estimation. The primary source of foreign currency for the Group is the official auction market.

j) Discount rates

Management estimates discount rates using the post-tax average weighted cost of capital for the group, adjusted for risks associated with the geographical markets in which the division or cash generating unit operates. Growth rates are based on industry growth rate forecasts. The established weighted average cost of capital for the current year in United States Dollars is 13,9%. The long term growth rate in USD is 2,30%. The United States Dollar was used as it is a more stable currency.

Additionally, management considers the impact of sales volumes both from a market and customer variation point of view, production efficiencies and the impact of fluctuations in overhead when determining the cash flow projections used in value-in-use calculations.

4.20 Segment reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the Group's management in order to allocate resources to the segment and assess the segment's performance.

The basis of the segmental allocation is determined as follows:

Segment revenue

Revenue that can be directly attributed to a segment and the relevant portion of revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the group.

Segment trading profit

Trading profit that can be directly attributed to a segment and a relevant portion of the profit that can be allocated on a reasonable basis to a segment, including profit relating to external customers and expenses relating to transactions with other segments in the group. Segment profits exclude profits that arise at a Group level and relate to the Group as a whole.

Segments assets

Segments assets are those that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude tax assets, deferred tax assets, bank balances, deposits and cash.

Segment liabilities

Segment liabilities are those liabilities that results from the operating activities of a segment and that are either directly attributed to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude loans, borrowings and overdrafts, tax liabilities, deferred tax liabilities and the retirement benefit obligation.

Geographical information

Geographical information for revenues to external customers are disclosed on note 31.3.

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

5 REVENUE

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
The following is an analysis of Group's revenue for the year:				
Sale of goods - Local	8 894 497	6 973 826	7 479 235	2 406 487
Sale of goods - Export	739 679	724 513	626 725	278 421
Other sales	9 946	10 128	8 220	3 420
Total	**9 644 122**	**7 708 467**	**8 114 180**	**2 688 328**

6 OPERATING PROFIT

Operating profit is stated after taking into account the following items;

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
6.1 Depreciation and amortisation expenses consists of:				
Land and buildings	23 161	22 065	443	430
Plant and equipment	228 050	211 602	22 730	6 020
Intangible assets	125	287	2	6
Right of use assets	1 377	-	1 377	-
Total	**252 713**	**233 954**	**24 552**	**6 456**
6.2 Included in other operating expenses are:				
Audit fees	36 392	45 420	32 468	19 064
Directors' fees	4 288	5 885	3 572	2 072
Rentals and rates	90 934	67 865	75 238	17 107
Energy	312 349	214 238	262 942	59 866
Maintenance	357 596	216 382	301 913	69 093
Risk control	84 909	154 398	62 423	58 073
Corporate charges	-	84 951	-	4 985
Information technology	32 962	27 954	27 663	8 601
Professional services	17 771	15 318	14 387	34 423
6.3 Other operating income				
Gain on disposal of plant and equipment and intangible assets	1 656	198	1 397	62
Rentals received	1 084	1 069	872	365
Fair value gain on investments	226	23	220	21
Sundry waste paper and scrap sales	32 550	38 724	25 632	14 299
Total	**35 516**	**40 014**	**28 121**	**14 747**
6.4 Other material (income) / expenses				
Retrenchment, termination and restructuring costs	-	10 689	-	5 951
Fair value gain on biological assets	(17 654)	(15 022)	(16 228)	(9 913)
Impairment reversal of plant and machinery	-	(444)	-	(75)
Net exchange (gain) / loss on foreign currency	(4 792)	723 920	(5 272)	33 760
Gain on disposal of joint venture	(53 475)	-	(47 786)	-
Total	**(75 921)**	**719 143**	**(69 286)**	**29 723**

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

7 FINANCE COSTS AND INCOME

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
7.1 Finance income				
Interest received - short term investments	3 704	18 145	3 161	4 920
Interest received - other	1 012	111 581	897	26 591
Total	**4 716**	**129 726**	**4 058**	**31 511**
7.2 Finance costs				
Interest paid	-	213 300	-	38 787
Total	**-**	**213 300**	**-**	**38 787**

Finance income comprise interest earned on short term investments. Finance costs comprise of interest on borrowings. There were no borrowings in the current year resulting in no interest charge.

8 TAX EXPENSE

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Income tax	702 824	816 168	583 484	291 272
Deferred tax charge / (credit)	115 867	1 530 266	(50 151)	(70 813)
Deferred tax rate adjustment from 25.75% - 24.72%	-	90 270	-	7 844
Withholding tax	10	17	9	4
Capital gains tax	3 507	-	3 507	-
Total	**822 208**	**2 436 721**	**536 849**	**228 307**

Zimbabwean income tax is calculated at 24.72% (2020: 24.72%) of the estimated taxable profit for the year. Withholding taxes are paid on finance interest received.

Reconciliation of the rate of taxation

	INFLATION ADJUSTED		HISTORICAL	
	%	%	%	%
Standard rate	24.72	24.72	24.72	24.72
Adjusted for:				
Other Taxes	0.23	-	0.17	-
Exempt income	(4.94)	(0.10)	(2.42)	(0.03)
Non deductible expenses	34.28	135.17	3.04	(2.43)
Tax rate reduction	-	8.31	-	0.78
Effective rate	**54.29**	**168.10**	**25.51**	**23.04**

9 EARNINGS / (LOSS) PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders by the number of ordinary shares in issue.

Headline earnings or loss is based on net profit for the year attributable to members after adjusting for the surplus on disposal of property, plant and equipment net of tax and derecognition of property, plant and equipment and other material (income) / expenses net of tax.

Basic and headline earnings or loss per share are based on a weighted average of 755 648 101 (2020 : 755 648 101) ordinary shares in issue during the year.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Determination of headline earnings or loss				
Profit / (loss) for the year	689 350	(998 042)	1 568 574	776 146
Adjust for:				
Gain on disposal of property, plant and equipment - net of tax	(1 247)	(149)	(1 052)	(47)
Other material (income) / expenses - net of tax (note 6.4)	(57 153)	541 371	(52 158)	22 375
Headline earnings / (loss)	**630 950**	**(456 820)**	**1 515 365**	**798 474**

9 EARNINGS / (LOSS) PER SHARE (continued)

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Earnings / (loss) per share				
Earnings / (loss) attributable to ordinary members	689 350	(998 042)	1 568 574	776 146
Ordinary shares in issue at year end	755 648 101	755 648 101	755 648 101	755 648 101
Earnings / (loss) per ordinary share (cents)	**91.23**	**(132.08)**	**207.58**	**102.71**
Headline earnings / (loss) per share				
Headline earnings / (loss) attributable to ordinary members	630 950	(456 820)	1 515 365	798 474
Ordinary shares in issue at year end	755 648 101	755 648 101	755 648 101	755 648 101
Headline earnings / (loss) per ordinary share (cents)	**83.50**	**(60.45)**	**200.54**	**105.67**
DISCONTINUED OPERATIONS				
(Loss) / earnings per share on discontinued operations				
Share of net (loss) / profit from discountinued joint venture	(2 795)	(10 890)	550	13 444
Ordinary shares in issue at year end	755 648 101	755 648 101	755 648 101	755 648 101
(Loss) / earnings per ordinary share (cents) on discontinued operations	**(0.37)**	**(1.44)**	**0.07**	**1.78**

10 PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
LAND AND BUILDINGS				
At cost				
Opening cost at the beginning of the year	1 063 819	1 062 153	21 531	20 432
Additions on expansions	-	1 665	-	1 099
Closing cost at the end of the year	**1 063 819**	**1 063 819**	**21 531**	**21 531**
Aggregate depreciation				
Opening accumulated depreciation as at beginning of the year	137 876	115 811	2 652	2 222
Charge for the year	23 161	22 065	443	430
Closing accumulated depreciation as the end of the year	**161 037**	**137 876**	**3 095**	**2 652**
Net carrying amount at the end of the year	**902 782**	**925 943**	**18 436**	**18 879**
PLANT AND EQUIPMENT				
At cost				
Opening cost at the beginning of the year	3 743 234	3 606 196	147 822	71 516
Additions on replacement	199 438	140 186	164 279	72 953
Additions on expansions	85 518	5 721	78 383	3 775
Disposals	(27 256)	(9 312)	(13 045)	(497)
Impairment reversal	-	444	-	75
Closing cost at the end of the year	**4 000 934**	**3 743 234**	**377 439**	**147 822**
Aggregate depreciation				
Opening accumulated depreciation as at beginning of the year	2 542 523	2 338 846	50 464	44 867
Charge for the year	228 050	211 602	22 730	6 020
Disposals	(68)	(7 926)	(319)	(423)
Closing accumulated depreciation as the end of the year	**2 770 505**	**2 542 523**	**72 875**	**50 464**
Net carrying amount at the end of the year	**1 230 429**	**1 200 711**	**304 564**	**97 358**
Total carrying amounts at the end of the year	**2 133 211**	**2 126 654**	**323 000**	**116 237**

11 RIGHT OF USE ASSET

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Recognition of right of use during the year	49 589	-	49 589	-
Depreciation	(1 377)	-	(1 377)	-
Net carrying amount at the end of the year	**48 212**	**-**	**48 212**	**-**

The Group leases forklifts for use in its operations. The average lease tenor is 3 years (2020: nil years). The lease was established in September 2021. The corresponding non current lease liability and the current portion of the non current lease liability of the above asset are disclosed in note 22 and 23 respectively.

12 INTANGIBLE ASSETS

	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Goodwill				
At cost or valuation				
As at 30 September 2020	127 332	127 332	2 441	2 441
As at 30 September 2021	**127 332**	**127 332**	**2 441**	**2 441**
Software				
At cost or valuation				
As at 30 September 2020	10 826	10 826	207	207
As at 30 September 2021	**10 826**	**10 826**	**207**	**207**
Aggregate Depreciation	**10 629**	**10 504**	**203**	**201**
As at 1 October 2020	10 504	10 217	201	195
Charge for the year	125	287	2	6
Net carrying amount as at 30 September 2021	**197**	**322**	**4**	**6**
Carrying amounts				
As at 30 September 2020	127 654	117 115	2 447	2 246
As at 30 September 2021	**127 529**	**127 654**	**2 445**	**2 447**

Goodwill represents amounts arising on acquisition of subsidiaries in terms of IFRS 3: Business Combinations and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquirer, and the fair value of the acquirer's previously held equity interest in the acquiree, if any, over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The group assesses goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The key assumptions used are cash flow projections, growth rates and discount rates. The cash flow projections are prepared by divisional management and approved by executive management. The discount rates are established by the corporate finance and treasury team, taking into account geographic and other risk factors. These key assumptions are disclosed in note 4.19 (j).

The goodwill relates to the acquisition of MegaPak (Zimbabwe Limited) and CarnaudMetalbox Box Limited. In testing the goodwill, management took into consideration the economic outlook and the market for plastic and metals sector. Volumes for MegaPak and CMB increased in the current year by 68% and 31% respectively and the strong demand is expected to continue for the next 5 years. As a result, management determined that significant headroom exists in the calculation such that no impairment of the goodwill was required for the current year.

13 BIOLOGICAL ASSETS

Hunyani Forests Limited, a subsidiary of the Group, is engaged in the commercial property lease of its biological assets and pole treatment plant. The value of the biological assets has been stated at fair value less estimated costs to sell. The fair value of standing timber is determined based on the market prices in the local area.

Valuation of biological assets

A valuation was carried out as at 30 September 2021 by an accredited independent valuer to arrive at estimated fair values. In accordance with IAS 41 - Agriculture, the Directors have a valuation model that takes into account market prices, volume, fire damage and insect damage of standing timber in order to determine fair values. In arriving at their estimates of fair values, the Directors have used market knowledge, professional judgement and historical transactional comparable. All timber plantations remain designated for compulsory acquisition.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	**2020 ZW$ 000**	**2021 ZW$ 000**	**2020 ZW$ 000**
Reconciliation of carrying amounts of biological assets				
Carrying amount as at the beginning of the year	16 501	11 232	10 889	976
Fair valuation	**17 654**	**15 022**	**16 228**	**9 913**
Gain from physical growth of plantation	17 654	15 022	16 228	9 913
Effects of IAS 29	(7 038)	(9 753)	-	-
Carrying amount as at the end of the year	**27 117**	**16 501**	**27 117**	**10 889**

The biological assets are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the biological assets as at 30 September 2021 and 30 September 2020 were performed by an independent valuer not related to the Group. The Independent valuer has appropriate qualifications and experience in the fair value measurement of biological assets. The valuation was based on recent market transactions on arm's length terms for similar biological assets.

The fair value of the biological assets was determined based on the market comparable approach that reflects recent transaction prices for similar biological assets. The elements used in the fair valuation are; the age profile of standing timber, the current use of timber which is usable as firewood only and not for poles, and the current state of timber material. The calculation of the value is based on the volume of the timber established from the elements stated above at the selling price less cost to sale.

There has been no change to the valuation technique during the year.

Fair valuation of biological assets

In determining the fair value of biological assets, the Group uses quoted prices for similar assets in active markets and input elements that are derieved principally from or collaborated by observable market data as indicated above.

Fair value hierarchy

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	**2020 ZW$ 000**	**2021 ZW$ 000**	**2020 ZW$ 000**
Level 1	-	-	-	-
Level 2	27 117	16 501	27 117	10 889
Level 3	-	-	-	-
Total	**27 117**	**16 501**	**27 117**	**10 889**

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

14 INVESTMENT IN JOINT VENTURE

The Group had a 50% interest in Softex Tissue Products (Private) Limited, a jointly controlled entity involved in the conversion of tissue products and distribution of femcare and hygiene products. The joint venture company is incorporated and domiciled in Zimbabwe. The principle place of business is 202 Seke Road, Harare, Zimbabwe. The joint venture is accounted for using the equity accounting method in these consolidated financial statements. Details of the Group's joint venture at the end of the year are shown below.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
The joint venture's statement of financial position				
Non current assets	-	98 787	-	8 513
Current assets	-	116 647	-	66 727
Total liabilities	-	(80 654)	-	(35 333)
Equity	**-**	**134 780**	**-**	**39 907**
Group's percentage of ownership	50%	50%	50%	50%
Carrying amount of the investment	**-**	**67 390**	**-**	**19 953**
Profit for the 6 months ended 31 March 2021 (2020: 12 months)				
Revenue	326 776	764 837	246 623	260 310
Cost of sales	(239 295)	(577 327)	176 930	(173 653)
Administrative expenses	(84 889)	(159 166)	(422 453)	(49 938)
Monetary (loss) / gain on hyper inflation	(2 386)	39 202	-	-
Finance costs	(10)	518	-	97
Profit before tax	**196**	**68 065**	**1 100**	**36 816**
Tax expense	(5 787)	(89 843)	-	(9 927)
(Loss) / profit after tax	**(5 591)**	**(21 778)**	**1 100**	**26 889**
Reconciliation of carrying amount of the investment				
Opening balance at the beginning of the year	67 390	78 280	19 953	6 509
Share of (loss) / profit for the year	(2 795)	(10 890)	550	13 444
Disposal of joint venture	(64 595)	-	(20 503)	-
Balance as at the end of the year	**-**	**67 390**	**-**	**19 953**

The joint venture was disposed of in May 2021 at a consideration of USD800 thousand, but had met the criteria for non current asset held for sale with effect from 31 March 2021

15 INVESTMENTS - AVAILABLE FOR SALE

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Balance at the beginning of the year	41	70	27	6
Fair value adjustment	226	23	220	21
Effects of IAS 29	(20)	(51)	-	-
Closing balance at the end of the year	**247**	**41**	**247**	**27**

The investments available for sale are quoted investments. The movement during the year reflects the positive movement on the share price of the investments and has been recorded in the statement of comprehensive income. There is no intention to dispose the quoted investments in the short term.

16 INVENTORIES

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Raw materials	463 938	645 185	412 886	323 082
Finished goods	173 603	284 489	147 609	150 799
Work in progress	31 700	39 069	31 700	25 781
Stores and consumables	353 891	339 035	266 131	83 870
Sub total	**1 023 132**	**1 307 778**	**858 326**	**583 532**
Allowance for obsolete inventory	(70 538)	(111 204)	(30 231)	(3 915)
Total	**952 594**	**1 196 574**	**828 095**	**579 617**

The amount of inventory provision recognised under other operating expenses is a credit of ZW$40,6 million (2020: expense of ZW$51,06 million). The cost of inventory recognised as an expense due to sales which is included in cost of sales is ZW$5,4 billion (2020 - ZW$4,5 billion).

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

17 TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Gross trade receivables	1 017 187	896 415	1 017 187	591 522
Allowance for credit losses	(26 396)	(22 808)	(26 396)	(15 051)
Trade receivables	**990 791**	**873 607**	**990 791**	**576 471**
Prepayments	613 998	326 821	566 680	74 837
Other receivables	99 716	102 578	99 716	67 689
Reserve Bank of Zimbabwe auction receipts outstanding	209 551	-	209 551	-
Total	**1 914 056**	**1 303 006**	**1 866 738**	**718 997**

Trade receivables are non-interest bearing and normally settled on 30 and 60 day terms for local and foreign customers respectively. Other receivables are non-interest bearing and are normally settled on 60 day terms. The Directors consider that the carrying amount of trade and other receivables approximates their fair value due to their short term nature. There is one major debtor whose aggregated balance exceeds 10% of the total trade receivables. In the prior year the same debtors' aggregated balance exceeded 10% of the total trade receivables.

Reserve Bank of Zimbabwe auction receipts outstanding are amounts the Group won on the foreign exchange auction system and are yet to be received or paid to our suppliers. The USD equivalent is USD2 421 218 (2020 : USD$nil)

The Group use a simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The assessment of the probability of default and the expected credit losses is based on historical and current data and is adjusted by forward looking information on the receivables and economic conditions. On that basis the loss allowance for trade receivables as at 30 September 2021 was determined as follows:

	Current ZW$ 000	More than 30 days past due ZW$ 000	More than 60 days past due ZW$ 000	More than 90 days past due ZW$ 000	More than 120 days past past due ZW$ 000	Total ZW$ 000
2021 - Inflation adjusted and historical						
Gross carrying amount	671 144	264 629	15 928	11 143	54 043	1 017 187
Average expected loss rate	2.89%	0.59%	5.57%	1.66%	8.13%	2.60%
Credit loss allowance	**19 374**	**1 555**	**888**	**185**	**4 394**	**26 396**
2020 - Inflation adjusted						
Gross carrying amount	551 615	228 487	27 870	3 840	84 603	896 415
Average expected loss rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Credit loss allowance	**14 036**	**5 814**	**709**	**98**	**2 151**	**22 808**
2020 - Historical						
Gross carrying amount	363 997	150 773	18 391	2 534	55 827	591 522
Average expected loss rate	3%	3%	3%	3%	3%	3%
Credit loss allowance	**9 262**	**3 836**	**468**	**64**	**1 421**	**15 051**

During the year there was an increase of ZW$3,6 million in estimated irrecoverable allowances for credit losses from sale of goods (2020: ZW$8,9 million). This was net of provisions raised during the year, reversals and utilisation of the provisions from prior year.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Movements in the allowance for credit losses:				
Balance at the beginning of the year	22 808	13 868	15 051	1 205
Net increase in allowance for credit losses	16 307	23 373	11 345	13 846
Effects of IAS 29	(12 719)	(14 434)	-	-
Balance at the end of the year	**26 396**	**22 808**	**26 396**	**15 051**

17 TRADE AND OTHER RECEIVABLES (continued)

The ageing analysis of trade receivables for the year ended 30 September 2021 is as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Neither past due nor impaired	671 431	551 615	671 431	363 997
Past due but not impaired				
- Less than 30 days	264 629	228 486	264 629	150 773
- 30-60 days	15 928	27 870	15 928	18 391
- 61-90 days	11 143	3 840	11 143	2 534
- 91days and above	27 660	61 796	27 660	40 776
Total	**990 791**	**873 607**	**990 791**	**576 471**

See note 27.6 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

18 CASH AND CASH EQUIVALENTS

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Cash on hand	8 140	314 478	8 140	207 516
Short term bank investments	35 147	109	35 147	72
Bank balances and cash in transit	370 642	143 325	370 642	94 576
Restricted cash	46 535	-	46 535	-
Total	**460 464**	**457 912**	**460 464**	**302 164**

Cash and cash equivalents comprise bank balances and cash held by the Group and other short term bank deposits with an original maturity of three months or less. Restricted cash relates to ZW$ equivalent of USD541 946 foreign exchange for auction bids that have been won on the foreign currency auction system but the ZW$ amount had not yet deducted from our bank balances as at the reporting date. The carrying amount of these balances approximates their fair value due to their short term nature.

The average interest rate on short term bank deposits is 21% (2020: 10%). The average maturity of these deposits is 30 days (2020: 30 days) from the end of the reporting period.

19 SHARE CAPITAL

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Authorised share capital				
1 500 000 000 ordinary shares of $0.001 each	78 245	78 245	1 500	1 500

The authorised ordinary share capital at 30 September 2020 is US$1 500,000 comprising 1 500 000 000 ordinary shares of $0.001 each.

	2021	2020	2021	2020
Issued and fully paid share capital				
Number of shares issued	755 648 101	755 648 101	755 648 101	755 648 101

	ZW$ 000	ZW$ 000	ZW$ 000	ZW$ 000
Share capital	39 423	39 423	756	756
Share premium	**1 254 924**	**1 254 924**	**24 054**	**24 054**

Subject to the limitations imposed by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations, 6 500 000 ordinary shares were placed at the disposal of Directors at an Extraordinary General Meeting on 6 March 2008 to be issued to the Employee Share Purchase Scheme. 2 500 000 shares were issued in February 2010 and were fully paid. The balance of 4 000 000 ordinary shares remain unissued and are under the control of the Directors.

20 NON DISTRIBUTABLE RESERVES

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Balance at the beginning of the year	**10 229 195**	**191 479**	**962 797**	**22 307**
Disposal of joint venture	(24 573)	-	(471)	-
Transfer to retained earnings	(7 136 424)	-	(209 862)	-
Transfer from provisions	-	10 037 716	-	940 490
Balance at the end of year	**3 068 198**	**10 229 195**	**752 464**	**962 797**
Non distributable reserve relates to the following:				
Asset revaluation reserve	-	-	18 637	18 637
Functional currency reserve (at conversion from ZW$ to USD)	166 906	191 479	3 199	3 670
Non distributable reserve other	2 901 292	10 037 716	730 628	940 490
Balance at the end of the year	**3 068 198**	**10 229 195**	**752 464**	**962 797**

The non distributable reserve consists of three reserves and the nature and purpose of the reserves are detailed below :

Asset revaluation reserve
The asset revaluation reserve under the historical supplementary information is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. The asset revaluation reserve was recognised under Hunyani Holding Limited before the restructuring into Nampak Zimbabwe Limited.

Functional currency conversion reserve
This arose as a result of a change in functional currency from the Zimbabwe dollar to the United States dollar in 2009. It represents the residual equity in existence as at the date of the change over and has been designated as Non-Distributable Reserve.

Non Distributable Reserve Other
This arose due to the reversal of the RBZ impairment of the non current receivable and the reversal of cumulative Nampak International Limited ("NIL") interest and technical fees. The reversals were due to the signing of the revocation agreement between NIL and Nampak Zimbabwe Limited ("NZL") subsidiaries in terms of which NIL waived its rights under the recourse agreement. The recourse agreement between NIL and NZL's subsidiaries was then cancelled resulting in derecognition of the financial asset and US dollar based liability to be recognised in NZL books.

During the year 2020, NZL's subsidiaries entered into an agreement with NIL in which NIL agreed to write off the accrued technical fees as at 1 April 2020. NIL also agreed that any technical fees that were accrued between 1 April 2020 and 31 July 2020 be reversed. This resulted in the cancellation of the technical fees agreement between NIL and NZL's subsidiaries and the derecognition of the liability in NZL's books. Management obtained professional advice to ensure that the taxation treatments had been appropriately accounted for in the books of NZL. The reversals were done through the consolidated statement of changes in equity as Nampak Limited, the 100% shareholder of NIL, is an indirect shareholder in NZL through Nampak Southern Africa Holdings Limited (Mauritius). During the year 2021, the Directors resolved as permitted by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) to transfer certain reserves related to the prior year NIL transactions from Non distributable reserves to retained earnings.

21 DEFERRED TAX LIABILITY / (ASSET)

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Balance at the beginning of the year	**487 865**	**(2 446 169)**	**(23 299)**	**(187 446)**
Charge / (credit) to the statement of profit or loss and other comprehensive income	115 867	1 620 536	(50 151)	62 969
Transfer to equity	-	2 419 785	-	101 178
Effects of IAS 29	(173 543)	(1 106 287)	-	-
Balance at the end of year	**430 189**	**487 865**	**(73 450)**	**(23 299)**
Deferred tax liability / (asset) relates to the following:				
Property, plant & equipment and biological assets	484 502	466 247	18 435	12 985
Inventory	77 058	104 681	(188)	-
Prepayments	7 425	15 819	-	-
Provisions	(100 126)	(66 907)	(58 174)	(27 814)
Deferred income	(4 627)	(7 969)	-	-
Net unrealised exchange losses	(29 125)	(24 006)	(28 605)	(8 470)
Assessed loss	(4 918)	-	(4 918)	-
Net deferred tax liability / (asset)	**430 189**	**487 865**	**(73 450)**	**(23 299)**
The deferred tax ageing of the assessed loss is as follows:				
2021 assessed loss	(4 918)	-	(4 918)	-

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22 NON CURRENT LEASE LIABILITIES

The ageing analysis of trade receivables for the year ended 30 September 2021 is as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Non current lease liability	33 520	-	33 520	-

The non current lease liability relates to the right of use asset disclosed in note 11. The lease agreement is denoted in United States Dollars and was entered on 1 September 2021 for 3 years. The payments are made in advance, hence there is no interest charged in the first month of September 2021. The borrowing rate is 9%. The current portion of this non current lease liability is disclosed under note 23.

23 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Trade payables	499 127	774 968	473 543	391 513
Other payables	454 507	412 836	454 507	272 487
Current portion of non current lease liability	15 410	-	15 410	-
Total	**969 044**	**1 187 804**	**943 460**	**664 000**

Trade payables are non-interest bearing and are normally settled after 30 days. Other payables are non-interest bearing and have varying settlement dates between 10 days and 120 days. The Group has financial risk management policies in place to ensure that payables are paid within the pre-agreed credit terms but also taking into account prevailing business and economic conditions.

The Group imports paper raw materials from Sappi on credit terms under a 60 day Sappi / Nedbank credit facility. The Sappi / Nedbank facility is underwritten by Sappi who acts as guarantors to Nedbank in case of default by Hunyani Paper & Packaging (1997) (Private) Limited. The facility has a nominal interest rate of 2,5% per annum. The amount outstanding under Sappi / Nedbank facility at year end was USD$874 732 million (2020 - USD$3,03 million) and has been included under trade payables at the closing exchange rate as at 30 September 2021.

24 PROVISIONS

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Balance at the beginning of the year	**8 762**	**3 614**	**5 782**	**314**
Arising during the year	-	10 689	-	5 585
Utilised	(459)	(822)	(380)	(116)
Effects of IAS 29 adjustment	(2 901)	(4 718)	-	-
Balance at the end of the year	**5 402**	**8 762**	**5 402**	**5 782**

The above provision movement relates to retrenchment and termination provision and is expected to be utilised in the next 12 months.

25 INCOME TAX PAYABLE

	INFLATION ADJUSTED 2021	INFLATION ADJUSTED 2020	HISTORICAL 2021	HISTORICAL 2020
Balance at the beginning of the year	**148 004**	**63 894**	**97 664**	**5 552**
Charge for the year	706 341	816 185	587 000	291 276
- income tax expense (note 8)	702 824	816 168	583 484	291 272
- withholding tax	10	17	9	4
- capital gains tax	3 507	-	3 507	-
Other adjustments	-	225 350	-	23 110
Effects of adopting IAS 29	197 169	(339 895)	-	-
Tax paid	(978 886)	(617 530)	(612 036)	(222 274)
- income tax expense	(976 720)	(617 513)	(609 871)	(222 270)
- withholding tax	(2 166)	(17)	(2 165)	(4)
Balance at the end of the year	**72 628**	**148 004**	**72 628**	**97 664**

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26 COMMITMENTS AND CONTINGENCIES

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Contracted commitments of purchase of plant and machinery	46 023	5 721	46 023	3 775
Contracted commitments of ZW$46,02 million (2020: ZW$5,7 million) relate to plant and equipment for Hunyani Paper and Packaging of ZW$16,6 million and MegaPak of ZW$29,4 million (2020: ZW$5,7 for Hunyani Paper and Packaging).				
Contingent liabilities				
Guarantees (unsecured)	14 567	1 874	14 567	1 237

Insurance cover for value added tax payable on default of an inward processing bond arrangement with the Zimbabwe Revenue Authority.

Operating lease commitment-Group as a lessor

The Group has entered into a commercial property lease on its biological assets plantation. The lease include a clause to enable upward revision of the rental charges on an annual basis according to prevailing conditions. No revisions were done in the current year. Future minimum rentals receivables under non- cancellable operating lease at 30 September 2021 are as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Not later than one year	8 591	12 095	8 591	7 982
Later than one year and not later than five years	8 591	48 382	8 591	31 926

Operating lease commitment - Group as a lessee

The Group has entered into various commercial leases which mainly includes property lease for warehousing, sales and exibition, factory premises and forklifts. Most leases are short term of less than 12 months, have non identifiable assets and have low values. The leases with a tenor of more than 12 months do not have identifiable assets. Future minimum rentals payable under non- cancellable operating leases at 30 September 2021 are as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Not later than one year	21 076	46 004	21 076	30 357
Later than one year and not later than five years	28 578	-	28 578	-

27 FINANCIAL RISK MANAGEMENT

27.1 Capital risk management

The Group manages its capital to ensure that entities in the Group are able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The Group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the Group to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to shareholders.

In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or buy back shares or sell assets to reduce debt.

The Group seeks to ensure that it maintains a strong credit rating and healthy capital ratios for the above to be realised.

No changes were made in the objectives, policies or processes during the year ended 30 September 2021. The Group monitors capital using the gearing ratio, which is net debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio below 30%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes retained earnings and other reserves.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	**2020 ZW$ 000**	**2021 ZW$ 000**	**2020 ZW$ 000**
Analysis of debt				
Long term lease liability	33 520	-	33 520	-
Trade and other payables and current lease liability	969 044	1 187 804	943 460	664 000
Less cash and short term deposits	(460 464)	(457 912)	(460 464)	(302 164)
Net debt	**542 100**	**729 892**	**516 516**	**361 836**
Equity				
Share capital	39 423	39 423	756	756
Share premium	1 254 924	1 254 924	24 054	24 054
Non distributable reserves	3 068 198	10 229 195	752 464	962 797
Retained (loss) / earnings	(209 898)	(8 060 245)	1 797 484	18 577
Equity	**4 152 647**	**3 463 297**	**2 574 758**	**1 006 184**
Capital and net debt	**4 694 747**	**4 193 189**	**3 091 274**	**1 368 020**
Gearing ratio	12%	17%	17%	26%

27.2 Treasury risk management

The Group's corporate treasury department provides service to the business, coordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risks and interest rate risk), credit risk and liquidity risk.

Treasury management, reporting to the Group Finance Director, is responsible for considering and managing the Group's day to day financial market risks by adopting strategies within the guidelines set by the Audit Committee as outlined in the Nampak treasury policy manual. Board approval is sought on certain transactions.

Compliance with policies and exposure limits are periodically reviewed by the internal auditors while the Nampak Zimbabwe Limited Board meets on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts.

27 FINANCIAL RISK MANAGEMENT (continued)

27.3 Currency risk management

Currency risk is the possibility that the Group may suffer financial loss as a consequence of the depreciation in the measurement currency relative to the foreign currency prior to payment of a commitment in that foreign currency or the measurement currency strengthening prior to receiving payment in that foreign currency.

The Group seeks to mitigate the effects of its structured currency exposures by matching pre-shipment borrowings to exports. Due to the shortages of foreign currency, the liquidity risk on foreign liabilities has increased and this has resulted in exchange losses being realised. However the Group has minimised foreign liabilities and has closed the year with a positive net position as foreign demoninated assets are higher than the foreign liabilities. The Group's principal foreign currency exposures are to the United States Dollar against the Zimbabwe Dollar. The table below illustrates te hypothetical sensitivity of the Group's reported profit and equity to a 10% increase and decrease in the USD/ZW$ exchange rates at the end of the period assuming all other variables remain unchanged. The rate of 10% represents the Directors' assessment of a reasonable possible change.

	INCOME STATEMENT		EQUITY	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
ZWL weakens by 10%	9 163	13 380	9 163	13 380
ZWL strengthens by 10%	(9 163)	(13 380)	(9 163)	13 380

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities		Net Exposure	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
USD	3 495	5 896	(2 449)	(1 084)	1 045	4 812

27.4 Liquidity risk management

Liquidity risk is the possibility that the Group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk through forecasting and monitoring cash flow requirements on a regular basis.

The Group 's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group generally borrows short term and total borrowings are limited by the clauses in the Memorandum and Articles of Association. The Board also monitors the Group's exposure to interest rates on a quarterly basis. As at 30 September 2021, the Group had cash and cash equivalents of ZW$460 million (2020: ZW$458 million inflation adjusted) which is sufficient to meet its obligations. Due to the shortage of foreign exchange, foreign payments are subjected to a priority list, refer to note 27.6.

	INFLATION ADJUSTED			
	Within 3 months ZW$ 000	3 to 12 months ZW$ 000	More than 12 months ZW$ 000	Total ZW$ 000
Year ended 30 September 2021				
Liabilities				
Long term lease liabilities	-	-	33 520	33 520
Trade payables, other payables and current lease liability	957 363	11 681	-	969 044
Total	**957 363**	**11 681**	**33 520**	**1 002 564**
Assets				
Trade and other receivables	1 914 056	-	-	1 914 056
Cash and cash equivalents	460 464	-	-	460 464
Total	**2 374 520**	**-**	**-**	**2 374 520**
Year ended 30 September 2020				
Liabilities				
Current trade and other payables	1 187 804	-	-	1 187 804
Total	**1 187 804**	**-**	**-**	**1 187 804**
Assets				
Trade and other receivables	1 303 006	-	-	1 303 006
Cash and cash equivalents	457 912	-	-	457 912
Total	**1 760 918**	**-**	**-**	**1 760 918**

27 FINANCIAL RISK MANAGEMENT (continued)

27.4 Liquidity risk management (continued)

	HISTORICAL			
	Within 3 months ZW$ 000	3 to 12 months ZW$ 000	More than 12 months ZW$ 000	Total ZW$ 000
Year ended 30 September 2021				
Liabilities				
Long term lease liabilities	-	-	33 520	33 520
Trade payables, other payables and current lease liability	931 779	11 681	-	943 460
Total	**931 779**	**11 681**	**33 520**	**976 980**
Assets				
Trade and other receivables	1 866 738	-	-	1 866 738
Cash and cash equivalents	460 464	-	-	460 464
Total	**2 327 202**	**-**	**-**	**2 327 202**
Year ended 30 September 2020				
Liabilities				
Current trade and other payables	664 000	-	-	664 000
Total	**664 000**	**-**	**-**	**664 000**
Assets				
Trade and other receivables	718 997	-	-	718 997
Cash and cash equivalents	302 164	-	-	302 164
Total	**1 021 161**	**-**	**-**	**1 021 161**

The above maturity profiles have been disclosed at carrying amounts which the Directors consider approximate their fair values.

27.5 Interest rate risk management
Interest rate risk is the possibility that the Group may suffer financial loss due to adverse movements in interest rates.

Interest rate sensitivity analysis
The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 5% increase or decrease in interest rates, assuming all variables were unchanged. The sensitivity rate of 5% represents the Directors' assessment of a reasonably possible change. As at 30 September 2021, the Group did not have any loans hence no exposure to any interest rate movement.

27.6 Credit risk management
Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily from trade receivables and deposits with financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables
The Group trades only 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 at the Group's subsidiary level. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. Credit risk in respect of trade receivables is limited due to a large customer base operating in different economic sectors and geographical areas. However the Group is exposed to one customer who contributes over 10% of trade receivables balances. This customer is a related party. Management exercises close liaison with senior management at customer level as well as through the Nampak Zimbabwe Limited Board. Directors believe that trade receivables that are past due but have not been impaired are recoverable in the short term. The assessment is based on the customers' payment history, close engagements with the senior managements and assessing the customers' liquidity position. The Group applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit loss.

Bank and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group policy. Investments of surplus funds are made only with approved counterparties with sound capital bases and within credits limits assigned to each counterparty. Counterparty limits are reviewed regularly by the Board. The Group has bank and cash deposits in reputable financial institutions with sound financial and capital cover and this reduces the concentration of credit risk on bank and cash deposits.

27 FINANCIAL RISK MANAGEMENT (continued)

27.7 Fair value of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amount shown in the financial statements.

INFLATION ADJUSTED	Carrying Amount 2021 ZW$ 000	Fair Value 2021 ZW$ 000	Carrying Amount 2020 ZW$ 000	Fair Value 2020 ZW$ 000
Financial assets				
Trade and other receivables	1 914 056	1 914 056	1 303 006	1 303 006
Bank balances, cash and short term investments	460 464	460 464	457 912	457 912
Available for sale investments	247	247	41	41
Total financial assets	**2 374 767**	**2 374 767**	**1 760 959**	**1 760 959**
Financial liabilities				
Trade and other payables	959 035	959 035	1 196 666	1 196 666
Total financial liabilities	**959 035**	**959 035**	**1 196 666**	**1 196 666**

HISTORICAL	Carrying Amount 2021 ZW$ 000	Fair Value 2021 ZW$ 000	Carrying Amount 2020 ZW$ 000	Fair Value 2020 ZW$ 000
Financial assets				
Trade and other receivables	1 866 738	1 866 738	718 997	718 997
Bank balances, cash and short term investments	460 464	460 464	302 164	302 164
Available for sale investments	247	247	27	27
Total financial assets	**2 327 449**	**2 327 449**	**1 021 188**	**1 021 188**
Financial liabilities				
Trade and other payables	933 452	933 452	669 782	669 782
Total financial liabilities	**933 452**	**933 452**	**669 782**	**669 782**

Fair value hierachy

The Group uses the following hierachy for determining and disclosing the fair value of financial instruments by valuation technque:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which uses inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instruments at fair value:

	Total	Level 1	Level 2	Level 3
As at 30 September 2021				
Financial assets - available for sale	247	247	-	-
As at 30 September 2020				
Financial assets - available for sale	41	41	-	-

27.8 Biological assets risk management policies

Biological assets represents timber plantations that are owned by the Group which have been leased out to third parties. These plantations are exposed to various risks which include fire, price fluctuations, theft and marketing risk.

The Group has put in measures and controls which include the physical return of the timber or its equivalent in monetary compensation at the end of the commercial property lease. The lessees are required to implement these measures and controls, that include physical protection against fire, insect damage and theft.

28 RELATED PARTY DISCLOSURES

28.1 Compensation of key management personnel of the Group

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Short-term employee benefits	189 635	212 050	156 129	56 314
Post -employment pension and medical benefits	13 792	12 343	11 522	4 214
Total compensation paid to key management personnel	**203 427**	**224 393**	**167 651**	**60 528**

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel. The Group considers the Executive Directors and Senior Head Office and Divisional Management as key management personnel.

Directors' interests in an Employee Share Purchase Scheme
Directors were empowered to grant 6 500 000 shares to key employees within the Group. During 2010, 2 500 000 shares were issued and have been fully paid and the remaining 4 000 000 shares are under the control of the Directors. As at 30 September 2021, no Director held any shares in the scheme.

28.2 Interests in Operating Subsidiaries and Joint Ventures

The consolidated financial statements include the financial statements of Nampak Zimbabwe Limited, its subsidiaries and joint venture listed below.

Name of Subsidiary / Joint venture	Nature of Relationship	Country of Incorporation	Effective % holding 2021	Effective % holding 2020
Hunyani Paper and Packaging (1997) (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Mega Pak Zimbabwe (Private) Limited	Subsidiary	Zimbabwe	100%	100%
CarnaudMetalbox Zimbabwe Limited	Subsidiary	Zimbabwe	100%	100%
Hunyani Forests Limited	Subsidiary	Zimbabwe	100%	100%
Hunyani Properties Limited	Subsidiary	Zimbabwe	100%	100%
Softex Tissue Products (Private) Limited	Joint Venture	Zimbabwe	0%	50%

Hunyani Paper and Packaging (1997) (Private) Limited is the parent company of the following divisions: Hunyani Corrugated Products, Hunyani Cartons, Labels and Sacks and Hunyani Management Services.

Softex Tissue Products (Private) Limited was disposed during the year.

28 RELATED PARTY DISCLOSURES (continued)

28.3 Related party transactions and balances

The following table provides the total amount of transactions, which have been entered into for the financial year with related parties which the majority shareholder Nampak Limited has significant influence. Nampak Limited owns 51,43% of the Group and has also majority shareholding in the entities below which the Group transacts with.

	INFLATION ADJUSTED			
Fellow subsidiaries	**Sales to related parties ZW$ 000**	**Purchases from related parties ZW$ 000**	**Amounts owed by related parties ZW$ 000**	**Amounts owed to related parties ZW$ 000**
2021				
Fellow subsidiaries:				
Nampak Malawi Limited	185 711	7 464	78 845	-
Nampak South Africa (all companies)	14 108	30 475	426	3 149
Nampak International Limited	-	26 192	622	-
Joint Venture in which the parent is a venturer:				
Softex Tissue Products (Private) Limited	-	1 697	-	-
Total	**199 820**	**65 828**	**79 893**	**3 149**
2020				
Fellow subsidiaries:				
Nampak Malawi Limited	335 598	535	184 006	-
Nampak South Africa (all companies)	20 452	45 428	-	2 294
Nampak International Limited	-	33 456	-	-
Joint Venture in which the parent is a venturer:				
Softex Tissue Products (Private) Limited	1,444.48	1 075	-	-
Total	**357 495**	**80 495**	**184 006**	**2 294**

Sales and purchases of goods were carried out at an arm's length basis. Amounts owed are interest free and are unsecured and will be settled on normal terms.

	HISTORICAL			
Fellow subsidiaries	**Sales to related parties ZW$ 000**	**Purchases from related parties ZW$ 000**	**Amounts owed by related parties ZW$ 000**	**Amounts owed to related parties ZW$ 000**
2021				
Fellow Subsidiaries:				
Nampak Malawi Limited	165 369	6 841	78 845	-
Nampak South Africa (all companies)	11 173	25 533	426	3 149
Nampak International Limited	-	20 799	622	-
Joint Venture in which the parent is a venturer:				
Softex Tissue Products (Private) Limited	-	1 402	-	-
Total	**176 542**	**54 574**	**79 893**	**3 149**
2020				
Fellow Subsidiaries:				
Nampak Malawi Limited	132 794	90	121 421	-
Nampak South Africa (all companies)	6 710	14 842	-	1 514
Nampak International Limited	-	16 938	-	-
Joint Venture in which the parent is a venturer:				
Softex Tissue Products (Private) Limited	483	438	-	-
Total	**139 987**	**32 308**	**121 421**	**1 514**

Sales and purchases of goods were carried out at an arm's length basis. Amounts owed are interest free and are unsecured and will be settled on normal terms.

28 RELATED PARTY DISCLOSURES (continued)

28.4 Directors' fees to related Parties

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Nampak Southern Africa Holdings Limited	1 971	2 561	1 645	945

29 CONSOLIDATED CASH FLOW INFORMATION

29.1 Cash generated from operating activities

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Operating profit	1 509 637	1 533 143	2 100 815	998 285
Non cash adjustments to reconcile profit before tax to net cash flows;				
Depreciation of property, plant and equipment and amortisation of intangible assets	252 713	233 954	24 552	6 456
Gain on disposal of land, property, plant and equipment	(1 656)	(198)	(1 397)	(62)
Gain on disposal of joint venture	(53 475)	-	(47 786)	-
Fair value increase of biological assets	(17 654)	(15 022)	(16 228)	(9 913)
Impairment of plant and machinery	-	(444)	-	(75)
Net unrealised exchange loss on foreign currency	-	5 400	-	3 563
Net monetary loss / (gain) on hyperinflation	347 964	(997 305)	-	-
(Increase) / decrease in investments	(206)	29	(220)	(21)
Other non cash items	(15 986)	(6 538)	(13 201)	(4 314)
Effects of IAS 29	(314 515)	(404 739)	-	-
Cash generated from operating activities	**1 706 822**	**348 280**	**2 046 535**	**993 919**

29.2 Changes in working capital

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Decrease / (increase) in inventories	243 980	150 557	(248 478)	(502 971)
(Increase) / decrease in trade and other receivables	(611 050)	104 763	(1 147 741)	(601 815)
(Decrease) / increase in trade, other payables and provisions	(222 120)	(2 369 514)	279 080	361 108
Transfer to equity for provisions on technical fees and interest	-	2 406 598	-	301,439
Transfer from long term receivables for trade debentures	-	242	-	21
Transfer to equity on interest receivables on RBZ receivable	-	3 079	-	267
(Increase) / decrease in working capital	**(589 190)**	**295 725**	**(1 117 139)**	**(441 951)**

29.3 Movement in long term borrowings

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Decrease in long term loans	-	(1 731 519)	-	(150 459)
Transfer to equity for long term borrowings on set off with RBZ receivable	-	1 731 519	-	150 459
Increase in long term borrowings	**-**	**-**	**-**	**-**

29.4 Movement in long term receivables

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Decrease in log term receivables	-	1 489 328	-	129 414
Impairment reversal of prior year non current receivable transferred to equity	-	8 438 155	-	733 227
Trade debentures transferred to current assets	-	(242)	-	(21)
Transfer to equity for RBZ receivable on set off with NIL liability	-	(9 927 240)	-	(862 620)
Increase in long term receivables	**-**	**-**	**-**	**-**

29.5 Movement in long term trade payables

	INFLATION ADJUSTED 2021 ZW$ 000	INFLATION ADJUSTED 2020 ZW$ 000	HISTORICAL 2021 ZW$ 000	HISTORICAL 2020 ZW$ 000
Decrease in long term payables	-	(9 997 153)	-	(868 695)
Transfer to equity for long term trade payables on set off with RBZ receivable	-	9 997 153	-	868 695
Increase in long term payables	**-**	**-**	**-**	**-**

30 RETIREMENT BENEFIT PLANS

Defined contribution plans

Group operating companies in Zimbabwe and all related employees contribute to several defined contribution pension schemes: CarnaudMetalbox Pension Fund is managed by Comarton Consultants (Private) Limited, the Hunyani Holdings Pension Fund and Mega Pak Pension Fund are managed by Old Mutual Zimbabwe Limited. The assets of the pension schemes are held separately from those of the Group in funds under the control of trustees.

All Zimbabwean employees are also required by legislation to be members of the National Social Security Authority. The Group's obligations under the National Social Security Authority are limited to specific contributions as legislated from time to time. The Group's contributions are 4.5% of pensionable emoluments to a maximum pensionable salary of ZW$5,000 for each employee. The only obligation of the Group with respect to the retirement contribution plans is to make the specified contributions.

Contribution to pension schemes during the year

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Private Pension Schemes	29 048	14 565	24 587	4 724
National Social Security Authority	9 599	2 362	8 494	921
	38 647	**16 927**	**33 081**	**5 645**

31 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable segments as follows; Printing and Converting, Plastics & Metals and Services. The divisions in each business unit are; Printing and Converting (Hunyani Corrugated Products Division, Hunyani Cartons, Labels & Sacks Division, Hunyani Management Services Division, Hunyani Forests Limited, Hunyani Properties Limited and Softex Tissue Products), Plastics & Metals (Mega Pak Zimbabwe (Private) Limited and CarnaudMetalbox Zimbabwe Limited) and Services (Nampak Zimbabwe Limited - Company). Detailed divisional activities are described on page 9.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Intersegment sales between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

31 OPERATING SEGMENT INFORMATION (continued)

31.1 Segment reporting for the year ended 30 September 2021

INFLATION ADJUSTED	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	3 801 322	5 093 175	-	8 894 497
Sales to export customers	538 608	201 071	-	739 679
Other sales	9 946	-	-	9 946
Intersegmental sales	93 017	1 163	(94 180)	-
Total Sales	**4 442 893**	**5 295 409**	**(94 180)**	**9 644 122**
Result				
Trading income	722 820	1 006 295	52 565	1 781 680
Operating profit	677 131	829 885	2 621	1 509 637
Finance income	6 524	1 586	(3 394)	4 716
Finance costs	(10 267)	(3 824)	14 091	-
Taxation charge	(397 475)	(407 766)	(16 967)	(822 208)
Profit / (loss) for the year from continuing operations	**275 913**	**419 881**	**(3 649)**	**692 145**
Discontinued operations				
Net loss from joint venture	(2 685)	-	(110)	(2 795)
Profit / (loss) for the year	**273 228**	**419 881**	**(3 759)**	**689 350**
Other information				
Segment assets	2 881 369	2 730 179	51 882	5 663 430
Segment liabilities	942 863	665 009	(97 089)	1 510 783
Capital expenditure	60 886	219 383	4 687	284 956
Depreciation and amortisation	122 559	181 252	(51 098)	252 713
Biological assets - fair value adjustment	(17 654)	-	-	(17 654)
Other material (income) / expenses	(50 637)	2 437	(10 067)	(58 267)
Monetary loss on hyperinflation	(113 980)	(173 973)	(60 011)	(347 964)

31.2 Segment reporting for the year ended 30 September 2020

	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	3 231 070	3 839 429	(96 673)	6 973 826
Sales to export customers	573 366	151 147	-	724 513
Other sales	10 128	-	-	10 128
Intersegmental sales	9 370	11 076	(20 446)	-
Total Sales	**3 823 934**	**4 001 652**	**(117 119)**	**7 708 467**
Result				
Trading income	620 148	593 202	41 631	1 254 981
Operating profit	1 103 803	209 915	219 425	1 533 143
Finance income	25 185	109 636	(5 095)	129 726
Finance costs	(41 515)	(180 369)	8 584	(213 300)
Taxation charge	(1 187 706)	(1 242 150)	(6 865)	(2 436 721)
(Loss) / profit for the year from continuing operations	**(100 233)**	**(1 102 968)**	**216 049**	**(987 152)**
Discontinued operations				
Net loss from joint venture	(10 462)	-	(428)	(10 890)
(Loss) / profit for the year	**(110 695)**	**(1 102 968)**	**215 621**	**(998 042)**
Other information				
Segment assets	2 806 373	2 157 985	331 374	5 295 732
Segment liabilities	1 205 879	512 785	113 771	1 832 435
Capital expenditure	43 366	116 756	(12 550)	147 572
Depreciation and amortisation	80 650	171 615	(18 311)	233 954
Biological assets - fair value adjustment	(15 022)	-	-	(15 022)
Impairment reversal on plant and equipment	-	(444)	-	(444)
Other material expenses	154 699	558 142	21 768	734 609
Monetary loss on hyperinflation	(623 331)	(174 411)	(199 563)	(997 305)

Notes to the Financial Statements (continued)

for the year ended 30 September 2021

31 OPERATING SEGMENT INFORMATION (continued)

31.3 Segment reporting for the year ended 30 September 2021

HISTORICAL	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	3 192 725	4 286 510	-	7 479 235
Sales to export customers	454 972	171 753	-	626 725
Other sales	8 220	-	-	8 220
Intersegmental sales	76 833	7 493	(84 326)	-
Total Sales	**3 732 750**	**4 465 756**	**(84 326)**	**8 114 180**
Result				
Trading income	853 422	1 143 380	34 727	2 031 529
Operating income	914 825	1 141 440	44 550	2 100 815
Finance income	6 046	1 466	(3 454)	4 058
Finance costs	(8 921)	(3 454)	12 375	-
Taxation charge	(233 655)	(291 280)	(11 914)	(536 849)
Profit for the year from continuing operations	**678 295**	**848 172**	**41 557**	**1 568 024**
Discountinued operations				
Net profit from joint venture	528	-	22	550
Profit for the year	**678 823**	**848 172**	**41 579**	**1 568 574**
Other information				
Segment assets	1 812 850	1 857 540	(40 621)	3 629 769
Segment liabilities	652 842	498 074	(95 906)	1 055 010
Capital expenditure	55 461	183 321	3 881	242 663
Depreciation and amortisation	43 808	17 694	(36 950)	24 552
Biological assets - fair value adjustment	(16 228)	-	-	(16 228)
Other material (income) / expenses	(45 174)	1 940	(9 824)	(53 058)

31.4 Segment reporting for the year ended 30 September 2020

	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	1 115 820	1 290 667	-	2 406 487
Sales to export customers	234 824	43 597	-	278 421
Other sales	3 420	-	-	3 420
Intersegmental sales	32 810	2 375	(35 185)	-
Total Sales	**1 386 874**	**1 336 639**	**(35 185)**	**2 688 328**
Result				
Trading income / (loss)	683 410	504 457	(159 859)	1 028 008
Operating profit / (loss)	693 771	479 051	(174 537)	998 285
Finance income	5 322	26 597	(408)	31 511
Finance costs	(9 086)	(32 236)	2 535	(38 787)
Taxation credit	(148 942)	(76 605)	(2 760)	(228 307)
Profit / (loss) for the year from continuing operations	**541 065**	**396 807**	**(175 170)**	**762 702**
Discountinued operations				
Net profit from joint venture	12 916	-	528	13 444
Profit / (loss) for the year	**553 981**	**396 807**	**(174 642)**	**776 146**
Other information				
Segment assets	1 050 190	706 870	16 570	1 773 630
Segment liabilities	572 662	195 575	(791)	767 446
Capital expenditure	25 697	62 120	(9 990)	77 827
Depreciation and amortisation	6 591	2 949	(3 085)	6 455
Biological assets - fair value adjustment	(9 913)	-	-	(9 913)
Impairment of plant and equipment	-	(75)	-	(75)
Other material (income) / expenses	(449)	25 480	14 679	39 710

31 OPERATING SEGMENT INFORMATION (continued)

31.3 Geographical Information

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Revenue by destination				
Zimbabwe	8 917 367	6 983 952	7 490 649	2 409 907
Zambia	376 102	290 503	321 565	112 009
Malawi	217 316	348 691	190 691	138 638
Mozambique	5 754	26 053	4 662	8 493
Tanzania	28 424	-	26 684	-
Democratic Replubic of Congo	75 782	30 292	61 050	10 360
South Africa	14 419	23 052	11 424	7 220
Other	8 958	5 924	7 455	1 701
Total	**9 644 122**	**7 708 467**	**8 114 180**	**2 688 328**

The Group has a diverse customer base in different sectors. However there is dependence on one external customer who contributed more than 10% of the current and prior year total sales revenue.

	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Non-current assets				
Zimbabwe	2 618 353	1 452 998	474 471	172 852
	2 618 353	**1 452 998**	**474 471**	**172 852**

Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts. There are no assets in foreign countries.

32 SUBSEQUENT EVENTS

The outstanding auction receipts from the Reserve Bank of Zimbabwe of USD2,4 million, referred to in note 17, was received and paid to our suppliers. The restricted cash of ZW$46,5 million, referred to in note 18, was deducted and the equivalent USD541,9 thousand was paid to our suppliers.

33 GOING CONCERN

The Directors and management assess the ability of the Group to continue in operational existence for the foreseeable future on a continuing basis and at each reporting date. The budgets for the Group have been prepared, covering its future performance, capital and liquidity for a period of 5 years and have taken into account the ongoing developments around the existing COVID-19 pandemic. The Group's strategies incorporate the impact of the government policies and initiatives intended to minimise the impact of the pandemic on the economy and to support the continued operation of the Group. In making this assessment for the financial statements for the year ended 30 September 2021, the Directors conducted a comprehensive review of the Group's affairs including but not limited to;

- The Group's financial performance and position for the year ended 30 September 2021.
- The Group's forecasts for the period up to 30 September 2023.
- The level of support received from the Reserve Bank of Zimbabwe, foreign currency auction market, the banks, customers, and local suppliers for the supply of foreign exchange and raw materials.
- The level of exports and further opportunities to generate more foreign exchange.
- The impact of the COVID-19 pandemic on the business and the logistics supply chain.
- The classification of the Group's operations as essential service industries for packaging supplies which enabled continuous operation during the national lockdowns.
- Current economic conditions and all available information about future risks and uncertainties.

The Group's projections and sensitivity analysis show that the Group has sufficient capital, liquidity and positive future performance outlook to continue to meet its short term obligations. As a result it is appropriate to prepare these financial statements on a going concern basis, even considering the impact of the COVID-19 pandemic as noted above.

The Group reported a Total Comprehensive Profit Attributable to Members of ZW$689,3 million for the year ended 30 September 2021. The Group's net current assets exceed the net current liabilities by ZW$2,3 billion, with cash and cash equivalents sitting at ZW$460 million, which places the Group in a sound financial position.

Having regard to the foregoing, the Directors believe that the Group has, and will have, access to sufficient foreign exchange and financial resources to continue in existence for the foreseeable future and accordingly believe that the preparation of these consolidated financial statements on a going concern is appropriate.

Deloitte.

PO Box 267
Harare
Zimbabwe

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

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

REPORT ON THE AUDIT OF THE SUMMARY INFLATION ADJUSTED FINANCIAL STATEMENTS

Opinion

The summary inflation adjusted financial statements of Nampak Zimbabwe Limited ("the Company"), which comprise the summary inflation adjusted statement of financial position as at 30 September 2021, and the summary inflation adjusted statement of profit or loss and other comprehensive income, the summary inflation adjusted statement of changes in equity and the summary inflation adjusted statement of cash flows for the year then ended, and the notes to the summary inflation adjusted financial statements, are derived from the audited financial statements of the Company for the year ended 30 September 2021.

In our opinion, the accompanying summary inflation adjusted financial statements are consistent, in all material respects, with the audited inflation adjusted financial statements of the Company, in accordance with the recognition and measurements criteria of International Financial Reporting Standards (IFRSs) as disclosed in the basis of preparation and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and the relevant statutory instruments (SI33/99 and SI62/96) as applicable to summary inflation adjusted financial statements.

Summary Inflation Adjusted Financial Statements

The summary inflation adjusted financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and the relevant statutory instruments (SI33/99 and SI62/96) as applicable to financial statements. Reading the summary inflation adjusted financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited inflation adjusted financial statements and the auditor's report thereon.

The Audited Inflation adjusted Financial Statements and Our Report Thereon

We expressed a qualified opinion on the audited inflation adjusted financial statements in our report dated 4 February 2022 based on the impact of the incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" with respect to comparative and current financial information on property, plant and equipment, depreciation, deferred tax and retained earnings.

Directors' Responsibility for the Summary Inflation Adjusted Financial Statements

The directors are responsible for the preparation of the summary inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies and Other Business Entities Act (Chapter 24:31), the relevant statutory instruments (SI 33/99 and SI 62/96) and for such internal control as the directors determine is necessary to enable the preparation of the summary inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

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:

Section 193(1)
The Summary inflation adjusted financial statements of the Company are properly drawn up in accordance with the Act and therefore give a true and fair view of the state of the Company's affairs as at 30 September 2021.

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

Auditor's Responsibility for the Summary Inflation Adjusted Financial Statements

Our responsibility is to express an opinion on whether the Summary Inflation adjusted financial statements are consistent, in all material respects, with the audited Inflation adjusted financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements. Report on Other Legal and Regulatory Matters.

Independent Auditors’ Report on the Company

for the year ended 30 September 2021

The engagement partner on the audit resulting in this independent auditor’s report is Tapiwa Chizana.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Tapiwa Chizana
Partner
Registered Auditor
PAAB Practice Certificate Number: 0444

Date: 4 February 2022

Company Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 September 2021

	INFLATION ADJUSTED		HISTORICAL *	
	2021 ZW$ 000	**2020 ZW$ 000 Re-stated**	**2021 ZW$ 000**	**2020 ZW$ 000 Re-stated**
CONTINUING OPERATIONS				
Revenue - management fees	211 781	235 926	174 880	91 213
Employee expenses	(123 800)	(169 355)	(104 687)	(54 544)
Depreciation expenses	(4 417)	(2 772)	(2 336)	(311)
Directors fees	(9 179)	(5 886)	(3 519)	(2 072)
Other administrative expenses	(25 864)	(30 762)	(26 240)	(11 941)
Trading profit	**48 521**	**27 151**	**38 098**	**22 345**
Other material income / (expenses)	2 235	(21 767)	1 936	(14 679)
Net monetary loss on hyperinflation	(10 186)	(2 483)	-	-
Profit from operations	**40 570**	**2 901**	**40 034**	**7 666**
Finance income	431	344	421	52
Finance cost	(457)	(141)	(380)	(93)
Profit before taxation	**40 544**	**3 104**	**40 075**	**7 625**
Tax expense	(16 967)	(6 866)	(11 914)	(2 759)
Profit / (loss) for the year from continuing operations	**23 577**	**(3 762)**	**28 161**	**4 866**
DISCONTINUED OPERATIONS				
Share of net (loss) / profit from joint venture	(110)	(428)	22	528
Profit / (loss) for the year	**23 467**	**(4 190)**	**28 183**	**5 394**

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

Revenue relates to management fees received by the Company from its subsidiaries.

Other administrative expenses relates to expenses incurred by the Company in the normal course of trading.

Other material income - (expenses) relate to foreign exchange gain of ZW$139 thousand (2020: loss of ZW$21,7 million) and profit on sale of joint venture ZW$2,1 million (2020: ZW$nil).

Company Statement of Financial Position

for the year ended 30 September 2021

	Notes	INFLATION ADJUSTED			HISTORICAL *		
		2021 ZW$ 000	2020 ZW$ 000 Re-stated	2019 ZW$ 000 Re-stated	2021 ZW$ 000	2020 ZW$ 000 Re-stated	2019 ZW$ 000 Re-stated
ASSETS							
Non current assets							
Plant and equipment	A	10 468	7 833	8 368	3 857	639	169
Investments in subsidiaries	C	1 165 500	1 165 500	1 165 500	22 340	22 340	22 340
Investment in joint venture	D	-	2 648	3 076	-	784	256
Right of use asset	B	5 101	351	-	3 612	232	-
Deferred tax asset		6 390	6 766	11 630	9 146	5 663	1 150
Total non current assets		**1 187 459**	**1 183 098**	**1 188 574**	**38 955**	**29 658**	**23 915**
Current assets							
Amounts due from Group companies	E	35 953	42 968	51 660	35 953	28 353	4 489
Inventory		148	133	88	132	70	8
Other receivables	F	15 233	2 223	1 431	14 832	1 178	104
Income tax		142	-	-	142	-	-
Bank and cash		42 761	13 547	15 832	42 761	8 939	1 376
Total current assets		**94 237**	**58 871**	**69 011**	**93 820**	**38 540**	**5 977**
Total assets		**1 281 696**	**1 241 969**	**1 257 585**	**132 775**	**68 198**	**29 892**
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	19	39 423	39 423	39 423	756	756	756
Share premium	19	1 254 924	1 254 924	1 254 924	24 054	24 054	24 054
Non distributable reserves		16 408	17 371	17 371	314	333	333
Retained (loss) / earnings		(104 501)	(128 931)	(124 741)	32 209	4 007	(1 387)
Total shareholders' equity		**1 206 254**	**1 182 787**	**1 186 977**	**57 333**	**29 150**	**23 756**
Non current liabilities							
Lease liability		1 935	26	-	1 935	17	-
Current liabilities							
Other payables	G	45 341	50 760	66 982	45 341	33 492	5 821
Current portion of non current lease liability		2 109	337	-	2 109	222	-
Amounts due to Group companies	E	26 057	1 538	1 712	26 057	1 015	149
Income tax payable		-	6 521	1 914	-	4 302	166
Total current liabilities		**73 507**	**59 156**	**70 608**	**73 507**	**39 031**	**6 136**
Total equity and liabilities		**1 281 696**	**1 241 969**	**1 257 585**	**132 775**	**68 198**	**29 892**

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

The financial statements were approved by the Board and were authorised for issue on 24 January 2022.

K.C. Katsande
Chairman

J. P. Van Gend
Group Managing Director

Company Statement of Financial Position (continued)

for the year ended 30 September 2021

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
A PLANT AND EQUIPMENT				
At cost or valuation				
Opening cost at the beginning of the year	27 847	25 906	1 122	537
Additions on replacement	4 686	1 941	3 881	585
Disposals	(13)	-	(10)	-
Closing cost at the end of the year	**32 520**	**27 847**	**4 993**	**1 122**
Aggregate depreciation				
Opening accumulated depreciation as at beginning of the year	20 014	17 539	483	368
Charge for the year	2 052	2 475	663	115
Disposals	(13)	-	(10)	-
Closing accumulated depreciation as the end of the year	**22 052**	**20 014**	**1 136**	**483**
Net carrying amount at the end of the year	**10 468**	**7 833**	**3 857**	**639**
B RIGHT OF USE ASSET				
At cost or valuation				
Opening cost at the beginning of the year	648	-	428	-
Capitalised lease asset during the year	-	648	-	428
Lease agreement modification	7 115	-	5 054	
Closing cost at the end of the year	**7 763**	**648**	**5 482**	**428**
Aggregate depreciation				
Opening accumulated depreciation as at beginning of the year	297	-	196	-
Charge for the year	2 365	297	1 674	196
Closing accumulated depreciation as the end of the year	**2 662**	**297**	**1 870**	**196**
Net carrying amount at the end of the year	**5 101**	**351**	**3 612**	**232**

The Company leases buildings for use in its operations. The lease tenor is 3 years. The lease was established in October 2020 and was re-adjusted in November 2020. The lease is denoted in United Stated dollars and has an interest rate of 9%.

C Investment in Subsidiaries

This relates to investments of the Company in its subsidiaries which are recognised at cost. Details of the Company's subsidiaries are provided on note 28.2.

D Investment in joint venture

This relates to the investment of the Company in joint venture company Softex Tissue (Private) Limited. The joint venture was disposed during the year.

	INFLATION ADJUSTED			HISTORICAL		
	2021 ZW$ 000	2020 ZW$ 000 Re-stated	2019 ZW$ 000 Re-stated	2021 ZW$ 000	2020 ZW$ 000 Re-stated	2019 ZW$ 000 Re-stated
Reconciliation of carrying amount of the investment						
Opening balance at the beginning of the year	2 648	3 076	1 229	784	256	38
Share of (loss) / profit for the year	(110)	(428)	3 286	22	528	218
Effects of IAS29 on joint venture	-	-	(1 439)	-	-	-
Disposal of joint venture	(2 539)	-	-	(806)	-	-
Balance as at the end of the year	**-**	**2 648**	**3 076**	**-**	**784**	**256**

Company Statement of Financial Position (continued)

for the year ended 30 September 2021

D Investment in joint venture (continued)

Prior Period Error

Nampak Zimbabwe Limited Company (NZL) has previously reported a 50% interest in Softex Tissue Products (Private) Limited (Softex), which was treated as jointly controlled entity with Amalgamated Regional Trading (ART), involved in the conversion of tissue products and distribution of femcare and hygiene products. The treatment was based on the premise that the 50% interest in the joint venture company was owned by NZL. The investment was accounted for using the equity method as per IAS 28 Investments in Associates , since NZL exerted significant influence over the operations of Softex, through the ability of its wholly owned subsidiary Hunyani Paper & Packaging (1997) (Private) Limited (Hunyani Packaging) to exercise voting rights in the company, through the appointment of an equal number of directors.

Upon disposal of the Investment in Softex by the Nampak Zimbabwe Limited Group it was noted that the 50% shareholding for the Group is owned between the holding company, NZL and Hunyani Properties Limited (Hunyani Properties). NZL owns 3.93% and Hunyani Properties owns 96.07% of the 50% shareholding which translates to 2% and 48% shareholding in Softex respectively.

The effect of the error was incorrect measurement of the investment in Softex at 50% instead of 2%. This resulted in the prior period share of profits, Investment in Associates and Joint Venture, Retained earnings and Non Distributable Reserves being materially misstated.

The error affected the share of profit or loss from joint venture line in the Statement of profit or loss and Other Comprehensive Income and the Investment in joint venture line on the Statement of financial position. The cumulative effects also affected the retained earnings and Non Distributable Reserves. Notwithstanding the 2% shareholding of Softex by NZL, NZL still exerted significant influence over the operations of Softex through its wholly owned subsidiary Hunyani Paper & Packaging (1997) (Private) Limited (Hunyani Packaging) as detailed above. Consequently the 2% shareholding has still been equity accounted for, in accordance with IAS 28 "Investment in Associates" since Hunyani Packaging has always represented the interests of NZL. The effect of correcting the error on NZL is detailed below:

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZW$ 000 Re-stated	**2020 ZW$ 000 Re-stated**	**2021 ZW$ 000 Re-stated**	**2020 ZW$ 000 Re-stated**
Changes on the profit or loss				
Previously recorded share of profits/(loss) after tax from joint venture	(10 890)	83 608	13 444	5 599
Increase / (decrease) in share of profits after tax from joint venture	10 462	(80 324)	(12 916)	(5 379)
Restated Share of Profit from joint venture	**(428)**	**3 284**	**528**	**220**
Changes in equity				
Previously reported equity	1 247 355	1 262 006	48 319	30 009
Decrease in retained earnings	(40 965)	(51 426)	(18 717)	(5 801)
Decrease in non distributable reserves	(23 603)	(23 603)	(452)	(452)
Re-stated equity	**1 182 787**	**1 186 977**	**29 150**	**23 756**
Changes in investment carrying value				
Previously reported investment carrying amount	67 216	78 105	19 953	6 509
Decrease in investment	(64 568)	(75 029)	(19 169)	(6 253)
Re-stated investment carrying amount	**2 648**	**3 076**	**784**	**256**

Company Statement of Financial Position (continued)

for the year ended 30 September 2021

E Amounts due to / from group companies

This is revenue received by the Company net of any expenses paid on its behalf by the subsidiaries. The amounts due bears no interest and are paid within 30 days. The carrying amount of the balances approximates fair value due to their short-term nature.

F Other receivables

Other receivables relate mainly to prepayments and outstanding balances on the Company's business operating transactions. Receivables are non-interest bearing and have varying settlement dates. The carrying amount of the balances approximates fair value due to their short-term nature.

G Other payables

Other payables relates to accruals for expenses incurred in the normal trading of the Company. Payables are non-interest bearing and have varying settlement dates. The carrying amount of the balances approximates fair value due to their short-term nature.

H Accounting policies

The Company Financial statements have been prepared in accordance with policies detailed in notes 1 to 4 of this annual report.

I Material uncertainty relating to going concern

As at 30 September 2021 the Company's current assets exceeded its current liabilities by ZW$20,7 million (2020: liabilities exceeded assets by ZW$286 thousand). In addition the Company had a profit for the year of ZW$23,6 million (2020: loss of ZW$3,8 million). The Directors and management are aware of a number of material uncertainties related to events and conditions prevailing within the country's economic environment that could cast significant doubt on the Company's ability to continue as a going concern.

The Directors and management are continuously monitoring and evaluating the Company's operating landscape to re-assess and appropriately adapt its strategies. This is to ensure the continued operation of the Company into the foreseeable future.

J Basis of preparation

"The Company financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions (IFRS). The financial statements have also been prepared in compliance with the recognition and measurement criteria prescribed by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments. The company financial statements of the Group have been prepared based on records maintained under historical cost basis and adjusted for the effects of IAS 29 'Financial Reporting in Hyperinflationary Economies' except where otherwise indicated. The accounting policies applied by the Company are consistent with the prior year in all material respects. The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operation and existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of financial statements.

Company Statement of Changes In Equity

for the year ended 30 September 2021

	INFLATION ADJUSTED				
	Issued Capital ZW$ 000	**Functional Currency Share Premium ZW$ 000**	**Conversion Reserve ZW$ 000**	**Retained Earnings ZW$ 000**	**Total Equity ZW$ 000**
Balance as at 1 October 2018	**39 423**	**1 254 924**	**17 371**	**11 483**	**1 323 201**
Loss for the year	-	-	-	(134 043)	(134 043)
Effects of IAS 29 on joint venture (see note 13)	-	-	-	(2 181)	(2 181)
Balance as at 30 September 2019 - Re-stated	**39 423**	**1 254 924**	**17 371**	**(124 741)**	**1 186 977**
Loss for the year	-	-	-	(4 190)	(4 190)
Balance as at 30 September 2020 - Re-stated	**39 423**	**1 254 924**	**17 371**	**(128 931)**	**1 182 787**
Profit for the year	-	-	-	23 467	23 467
Disposal of Softex	-	-	(963)	963	-
Balance as at 30 September 2021	**39 423**	**1 254 924**	**16 408**	**(104 501)**	**1 206 254**

	HISTORICAL *				
	Issued Capital ZW$ 000	**Functional Currency Share Premium ZW$ 000**	**Conversion Reserve ZW$ 000**	**Retained Earnings ZW$ 000**	**Total Equity ZW$ 000**
Balance as at 1 October 2018	**756**	**24 054**	**333**	**221**	**25 364**
Loss for the year	-	-	-	(1 606)	(1 606)
Prior year adjustments - adoption of IFRS9 effects	-	-	-	(2)	(2)
Balance as at 30 September 2019 - Restated	**756**	**24 054**	**333**	**(1 387)**	**23 756**
Profit for the year	-	-	-	5 394	5 394
Balance as at 30 September 2020 - Restated	**756**	**24 054**	**333**	**4 007**	**29 150**
Profit for the year	-	-	-	28 183	28 183
Disposal of Softex	-	-	(19)	19	-
Balance as at 30 September 2021	**756**	**24 054**	**314**	**32 209**	**57 333**

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

Company Statement of Cash Flows

for the year ended 30 September 2021

	INFLATION ADJUSTED		HISTORICAL *	
	2021 ZW$ 000	2020 ZW$ 000	2021 ZW$ 000	2020 ZW$ 000
Cash generated from operating activities				
Operating profit	**40 570**	**2 901**	**40 034**	**7 666**
Depreciation	4 417	2 772	2 336	311
Effects of IAS 29	(12 602)	8 084	-	-
Profit on disposal of plant and equipment	(33)	-	(26)	-
Profit on disposal of joint venture	(2 097)	-	(1 873)	-
Unrealised exchange loss of lease liability	334	-	336	-
Net loss on net monetary assets	10 186	2 483	-	-
Increase / (decrease) in working capital	**13 090**	**(8 204)**	**15 578**	**3 537**
Increase in inventory	(15)	(45)	(62)	(62)
Increase in other receivables	(13 010)	(792)	(13 654)	(1 074)
(Decrease) / increase in other payables	(5 419)	(15 885)	11 849	27 671
Increase / (decrease) in amounts due from Group companies	31 534	8 518	17 445	(22 998)
Cash generated from operations	**53 865**	**8 036**	**56 385**	**11 514**
	(22 289)	**(7 202)**	**(19 421)**	**(3 085)**
Finance income received	431	344	421	52
Tax paid	(22 720)	(7 546)	(19 842)	(3 137)
Net cash generated / (utilised in) from operating activities	**33 213**	**834**	**36 964**	**8 429**
Cash flow from investing activities	**(19)**	**(1 941)**	**(1 176)**	**(585)**
Purchase of plant and equipment maintaining operations	(4 686)	(1 941)	(3 881)	(585)
Proceeds on disposal of plant and equipment	32	-	26	-
Proceeds on disposal of plant and equipment	4 635	-	2 679	-
Net cash generated / (utilised in) before financing activities	**31 557**	**(1 107)**	**35 788**	**7 844**
Financing activities	**(2 343)**	**1 178**	**(1 966)**	**(281)**
Lease liability paid	(2 343)	(1 178)	(1 966)	(281)
Net increase / (decrease) in cash and cash equivalents	**29 214**	**(2 285)**	**33 822**	**7 563**
Cash and cash equivalents at the beginning of the year	13 547	15 832	8 939	1 376
Cash and cash equivalents at the end of the year	**42 761**	**13 547**	**42 761**	**8 939**
REPRESENTED BY:				
Bank balances, cash and short term investments	42 761	13 547	42 761	8 939

* *The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.*

SUPPLEMENTARY INFORMATION

Shareholders' Diary

for the year ended 30 September 2021

Financial year end	30 September 2021
Annual Report for 2021	Published January 2022
Annual General Meeting	09 March 2022

Reports and profit statements for 2022	
Half-year interim report	To be published June 2022
Year end profit announcement	To be released in January 2023

Notice To Shareholders

Notice is hereby given that the seventy-first Annual General Meeting of the Company will be held virtually, on Wednesday 09 March 2022 at 09:00 hours. The purpose of the meeting is to transact the following business.

AGENDA

1. To receive, consider and adopt the Financial Statements for the year ended 30 September 2021 together with the Report of the Auditors.

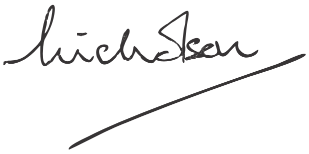
2. To approve the remuneration of the Directors.

3. To elect the following Directors: Mr. F. Dzingirai and Mr. J. P. Van Gend retire by rotation but being eligible offer themselves for re-election. Mrs. H. Neser and Mr. M. Valela were appointed as Non-Executive Directors during the year and, in terms of the Company's Articles of Association, are required to retire and being eligible for re-election, also offer themselves for election. Their re-election will be done by separate resolutions.

4. To appoint Deloitte & Touche as external auditors of the Company until the conclusion of the next Annual General Meeting and to approve their remuneration for the past financial year.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. All proxies must be lodged at the company's registered office not less than forty-eight hours before the meeting. A form of proxy is available from the Company registered office for the convenience of any shareholder who may be unable to attend.

By Order of the Board



A K Nicholson
Group Company Secretary
NAMPAK ZIMBABWE LIMITED

68 Birmingham Road
Southerton
Harare

11 February 2022

Notes

Details of the Virtual AGM will be sent by our Transfer Secretaries, First Transfer Secretaries (Private) Limited through email to shareholders. Shareholders are advised to update their contact details with the Transfer Secretaries on the following contacts:

First Transfer Secretaries (Private) Limited
1 Armagh Avenue Eastlea,
Harare
Telephone: +263 242 782869/7
+263 785 986 103
+263 772 627 742
+263 773 434 025
Email: info@fts-net.com

Shareholders are encouraged to preregister on the online portal that will be provided by the Transfer Secretaries and submit their proxy forms at least 48 hours before the meeting.

In order to ensure full consultations and shareholders participation, all queries/questions must be submitted to the Company and/or Transfer Secretaries at least 48 hours before the meeting. All the submitted questions will be read out and answered during the meeting by the Chairman and the Directors.

Shareholders' Analysis

	as at 30 September 2021			as at 30 September 2020		
	Number of Shareholders	Number of Shares held	% of total issued shares	Number of Shareholders	Number of Shares held	% of total issued shares
CLASSIFICATION						
Employees and Directors	3	224 000	0.03	3	224 750	0.03
Employees Trust	1	2 961 655	0.39	1	2 961 655	0.39
Corporate holders - local	197	166 372 816	22.02	182	179 326 741	23.73
Corporate holders - external	3	390 895 839	51.73	2	388 636 939	51.43
Banks and nominees	43	3 499 473	0.46	44	1 756 480	0.23
Insurance companies	9	129 206 064	17.10	9	119 948 545	15.87
Individuals - resident	1 359	4 806 428	0.64	1 259	4 000 392	0.53
Individuals - non-resident	48	1 008 182	0.13	48	638 679	0.08
Investment, trusts and property companies	30	439 212	0.06	26	203 626	0.03
Pension funds	72	56 234 432	7.44	68	57 950 294	7.68
Total	**1 765**	**755 648 101**	**100.00**	**1 642**	**755 648 101**	**100.00**
1 - 500	916	133 197	0.02	851	120 759	0.02
501 - 1 000	201	163 856	0.02	186	152 088	0.02
1 001 - 5 000	326	780 737	0.10	304	736 236	0.10
5 001 - 10 000	90	696 240	0.09	87	672 475	0.09
10 001 - 50 000	119	2 819 983	0.37	111	2 677 733	0.35
50 001 & over	113	751 054 088	99.40	103	751 288 810	99.42
Total	**1 765**	**755 648 101**	**100.00**	**1 642**	**755 648 101**	**100.00**

TOP TEN SHAREHOLDERS

	30 September 2021			30 September 2020	
	Number of Shares held	% of total issued shares		Number of Shares held	% of total issued shares
Nampak Southern Africa Holdings Limited	388 636 739	51.43	Nampak Southern Africa Holdings Limited	388 636 739	51.43
Delta Corporation Limited	162 177 175	21.46	Delta Corporation Limited	162 177 175	21.46
Old Mutual Life Ass. Comp. Zimbabwe Limited	110 938 979	14.68	Old Mutual Life Ass. Comp. Zimbabwe Limited	110 831 250	14.67
National Social Security Authority (NPS)	20 100 000	2.66	National Social Security Authority (NPS)	20 100 000	2.66
Old Mutual Zimbabwe Limited	11 258 610	1.49	Omzil Stra Shareholder Trap Fund	8 705 807	1.15
Stanbic Nominees	7 448 773	0.99	Stanbic Nominees	7 922 703	1.05
Delta Beverages Pension Fund	6 851 938	0.91	Delta Beverages Pension Fund	6 663 352	0.88
SCB Nominees	4 715 883	0.62	SCB Nominees	6 208 183	0.82
Old Mutual Insurance Company (Private) Limited	4 419 925	0.58	Old Mutual Insurance Company (Private) Limited	4 419 925	0.58
Public Service Pension Fund - OMIG	3 162 218	0.42	Hunyani Workers Trust	2 961 655	0.39
Total	**719 710 240**	**95.24**	**Total**	**718 626 789**	**95.09**

Nampak
Zimbabwe
Limited

68 Birmingham Road, Southerton
P.O. Box ST 4351, Southerton, Harare, Zimbabwe
Tel: (+263-24) 2662730/9, 2661782/3, 2662007/8
Switchboard Cell: (+263-772) 192 291/3
Website: www.nampak.com/zimbabwe.aspx