



# AFRICAN DISTILLERS LIMITED

## REVIEWED FINANCIAL INFORMATION

For the half year ended 30 September 2022

### Financial Highlights

	INFLATION ADJUSTED		HISTORIC COST	
	September 2022 ZW\$000	September 2021 ZW\$000	September 2022 ZW\$000	September 2021 ZW\$000
Revenue - billions	14.9	10.0	11.4	2.4
Operating income - billions	2.0	0.9	2.7	0.5
Net cash funds on hand - millions	762.1	661.5	762.1	173.9
Earnings per share - cents	497	147	1 960	258
Government taxes remitted - billions	4.0	3.1	3.1	0.7

### CHAIRMAN'S STATEMENT

#### Overview

The trading environment for the period under review was challenging, characterised by rising inflation, high interest rates and supply chain disruptions. The government introduced initiatives to reduce ZW\$ liquidity and stabilise the exchange rate in the last quarter. The reduction in ZW\$ liquidity resulted in the softening of demand for goods and services in supermarkets whilst increasing US dollar transactions in general trade.

#### Trading summary

The Company recorded a volume growth of 11% compared to prior year. Wine volume grew by 24% driven by improved availability and affordability of some brands which are now packaged locally. Spirit and Ready to Drink ("RTD") volumes grew by 9% and 11% respectively driven by renewed focus on direct sales distribution.

#### Financial performance

In inflation adjusted terms, revenue increased by 48% to ZW\$14.9 billion whilst operating income increased by 128% to ZW\$2.0 billion. In historic cost terms, revenue increased by 369% to ZW\$11.4 billion whilst operating income increased by 463% to ZW\$2.7 billion. Revenue growth in both inflation and historical terms was due to higher volume, favourable mix and replacement cost-based pricing while operating profit increased due to cost management and improved margins.

#### Future prospects

The operating environment is set to remain challenging, with uncertainty on power supply and inflation. There are however opportunities for growth anchored on increased economic activity resulting from mining, agriculture, infrastructure projects, the forthcoming elections and relaxed Covid 19 restrictions. The Company will continue to focus on product innovation, market share growth, production efficiencies and cost containment measures.

#### Dividend

The board has recommended an interim dividend of US\$0.0025 per share, amounting to US\$299 thousand.

  
M M Valela  
Chairman

### DIVIDEND DECLARATION

Notice is hereby given that the Board of Directors declared an interim dividend, number 94, of US\$0.0025 per share payable in respect of all the qualifying ordinary shares of the Company. This dividend is in respect of the half year ended 30 September 2022.

	FINAL DIVIDEND
Dividend Number	94
Announcement Date	03 November 2022
Record Date	18 November 2022
Last Date to Trade Cum Dividend	15 November 2022
Ex-Dividend Date	16 November 2022
Payment Date	15 December 2022
Dividend Amount	US\$299 122
Dividend per Share	US\$0.0025

By order of the Board

  
L Mutamuko  
Company Secretary

### Reviewed Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 September 2022

	Notes	INFLATION ADJUSTED		HISTORIC COST	
		September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>Revenue</b>	3	14 880 988	10 049 314	11 388 762	2 429 555
Cost of sales		(8 782 905)	(6 641 014)	(5 503 116)	(1 353 800)
<b>Gross profit</b>		6 098 083	3 408 300	5 885 646	1 075 755
Other income		48 224	30 919	40 259	7 561
Distribution costs		(433 538)	(217 624)	(333 292)	(52 872)
Administrative expenses		(372 955)	(231 353)	(303 353)	(55 861)
Other operating expenses		(3 380 432)	(2 129 289)	(2 585 426)	(494 382)
<b>Operating income</b>		1 959 382	860 953	2 703 834	480 201
Interest income		1 705	2 260	1 197	546
Interest expense		(121 860)	(11 933)	(105 073)	(2 848)
Net exchange gains/(losses)		361 135	(189 193)	266 642	(44 858)
Net monetary loss		(366 331)	(132 171)	—	—
<b>Profit before taxation</b>	4	1 834 031	529 916	2 866 600	433 041
Taxation	6	(1 249 534)	(354 759)	(563 364)	(126 673)
<b>Profit for the period</b>		584 497	175 157	2 303 236	306 368
Other comprehensive income		—	—	—	—
<b>Total comprehensive income</b>		584 497	175 157	2 303 236	306 368
<b>Earnings per share (Cents):</b>					
Basic		497.41	147.26	1 960.11	257.58
Headline		598.86	147.26	1 982.25	257.58
Diluted		471.52	143.26	1 858.09	250.58

### Reviewed Condensed Interim Statement of Financial Position

As at 30 September 2022

	Notes	INFLATION ADJUSTED		HISTORIC COST	
		September 2022 Reviewed ZW\$000	March 2022 Audited ZW\$000	September 2022 Supplementary Information ZW\$000	March 2022 Supplementary Information ZW\$000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	2 737 926	2 143 760	827 583	248 642
Long term loans receivable		47 246	61 001	47 246	22 869
Deferred taxation		—	—	—	1 596
		<b>2 785 172</b>	<b>2 204 761</b>	<b>874 829</b>	<b>273 107</b>
<b>Current assets</b>					
Inventories	9	5 925 359	4 383 563	3 908 024	1 288 765
Trade and other receivables	10	4 587 629	3 489 134	3 875 822	1 166 020
Cash and cash equivalents		1 539 602	619 793	1 539 602	232 358
		<b>12 052 590</b>	<b>8 492 490</b>	<b>9 323 448</b>	<b>2 687 143</b>
<b>Total assets</b>		<b>14 837 762</b>	<b>10 697 251</b>	<b>10 198 277</b>	<b>2 960 250</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital		195 381	195 381	1 176	1 176
Share premium		849 794	849 794	10 522	10 522
Share option reserve		278 358	254 847	33 284	17 094
Non-distributable reserve		—	—	5 361	5 361
Accumulated profit		6 133 115	5 790 115	3 877 947	1 806 921
<b>Total capital and reserves</b>		<b>7 456 648</b>	<b>7 090 137</b>	<b>3 928 290</b>	<b>1 841 074</b>
<b>Non-current liabilities</b>					
Deferred taxation		1 133 635	621 818	22 508	—
<b>Current liabilities</b>					
Trade and other payables	11	5 227 125	2 437 283	5 227 125	913 728
Current tax liability		242 872	216 743	242 872	81 256
Short-term borrowings		777 482	331 270	777 482	124 192
		<b>6 247 479</b>	<b>2 985 296</b>	<b>6 247 479</b>	<b>1 119 176</b>
<b>Total liabilities</b>		<b>7 381 114</b>	<b>3 607 114</b>	<b>6 269 987</b>	<b>1 119 176</b>
<b>Total equity and liabilities</b>		<b>14 837 762</b>	<b>10 697 251</b>	<b>10 198 277</b>	<b>2 960 250</b>
Ordinary shares in issue (Actual) (millions)*		118	118	118	118
Ordinary shares in issue (Weighted average) (millions)		118	116	118	116
Current ratio (: 1)		2	3	1	2
Shareholders' equity per share (Cents)		6 319	6 009	3 329	1 560
Middle market price (Cents)		29 995	23 110	29 995	23 110

### Reviewed Condensed Interim Statement of Cash Flows

For the half year ended 30 September 2022

	Notes	INFLATION ADJUSTED		HISTORIC COST	
		September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>Cash flow from operating activities</b>					
Cash generated from trading after non-cash items	7	3 263 062	838 562	3 100 530	460 352
Changes in working capital		(113 454)	748 053	(1 222 704)	(97 758)
<b>Cash flows from operations</b>		<b>3 149 608</b>	<b>1 586 615</b>	<b>1 877 826</b>	<b>362 594</b>
Interest received		1 705	2 260	1 197	546
Interest paid		(121 860)	(11 933)	(105 073)	(2 848)
Income tax paid		(520 411)	(593 058)	(377 643)	(134 977)
<b>Net cash flows from operating activities</b>		<b>2 509 042</b>	<b>983 884</b>	<b>1 396 307</b>	<b>225 315</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(713 544)	(214 052)	(604 960)	(52 155)
Increase in long-term loans receivable		(47 377)	(29 477)	(40 742)	(9 828)
Proceeds from repayment of long-term loans receivable		24 206	—	16 365	—
Proceeds from repayment of short term investments		—	49	—	1
<b>Net cash flows utilised in investing activities</b>		<b>(736 715)</b>	<b>(243 480)</b>	<b>(629 337)</b>	<b>(61 982)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the Company		(66 340)	(272 680)	(57 050)	(59 195)
Proceeds from exercise of share options		—	6 649	—	1 602
<b>Net cash flows utilised in financing activities</b>		<b>(66 340)</b>	<b>(266 031)</b>	<b>(57 050)</b>	<b>(57 593)</b>
<b>Net movement in cash and cash equivalents</b>		<b>1 705 987</b>	<b>474 373</b>	<b>709 920</b>	<b>105 740</b>
Net foreign exchange difference		(82 781)	(25 380)	(55 966)	(6 672)
Inflation effect on cash and cash equivalents		(1 149 609)	(132 171)	—	—
Cash and cash equivalents at beginning of the period		288 523	344 629	108 166	74 814
<b>Cash and cash equivalents at end of the period</b>		<b>762 120</b>	<b>661 451</b>	<b>762 120</b>	<b>173 882</b>
<b>Comprising:</b>					
Bank balances and cash		1 539 602	661 451	1 539 602	173 882
Bank overdraft		(777 482)	—	(777 482)	—
		<b>762 120</b>	<b>661 451</b>	<b>762 120</b>	<b>173 882</b>





# AFRICAN DISTILLERS LIMITED

## REVIEWED FINANCIAL INFORMATION

For the half year ended 30 September 2022

### Reviewed Condensed Interim Statement of Changes In Shareholders' Equity

For the half year ended 30 September 2022

	INFLATION ADJUSTED		HISTORIC COST	
	September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>Shareholders' equity at beginning of the period</b>	<b>7 090 136</b>	<b>5 377 197</b>	<b>1 841 074</b>	<b>679 136</b>
<b>Changes in issued share capital</b>				
Exercise of share options	—	46	—	11
<b>Changes in share premium</b>				
Exercise of share options	—	6 603	—	1 591
<b>Changes in share option reserve</b>				
Recognition of share based payments expense	23 514	18 963	16 189	4 455
Transfer from share option reserve due to exercise of share options	—	(6 227)	—	(1 563)
<b>Changes in accumulated profit</b>				
Transfer from share option reserve due to exercise of share options	—	6 227	—	1 563
Total comprehensive income for the period	584 497	175 157	2 303 236	306 368
Dividend declared	(241 499)	—	(232 209)	—
<b>Shareholders' equity at end of the period</b>	<b>7 456 648</b>	<b>5 577 966</b>	<b>3 928 290</b>	<b>991 561</b>

### Notes to the Reviewed Condensed Interim Financial Results

For the half year ended 30 September 2022

#### 1 Basis of preparation

The reviewed condensed interim financial statements of African Distillers Limited have been prepared in accordance with IAS 34 - Interim Financial Reporting and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

#### 1.1 Hyperinflation

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZW\$). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyper Inflationary Economies) compliant. The conversion factors have been computed from the consumer price index (CPI) data prepared by the Zimbabwe Central Statistical Office as reported on the Reserve Bank of Zimbabwe website.

The conversion factors used to restate the interim financial results are as follows:

	Index	Conversion Factor
30-Sep-22	12 713	1.00
31-Mar-22	4 766	2.67
30-Sep-21	3 342	3.80
1-Apr-21	2 760	4.61

#### 1.2 Accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2022, except for the adoption of new standards effective as of 1 January 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Company.

#### 1.3 Historical information

The historical financial disclosure is shown as supplementary information. The 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 in Hyper inflationary Economies). As a result, the auditors have not issued a review conclusion on the historic financial information.

#### 2 Share buy back

The Company is holding 3 434 842 (2021: 3 434 842) of its own shares as treasury stock. No additional shares were acquired during the period.

	INFLATION ADJUSTED		HISTORIC COST	
	September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>3 Revenue</b>				
Spirits	8 499 069	5 877 308	6 490 969	1 421 673
Ready-to-drink (RTDs)	5 618 535	3 673 189	4 376 574	889 110
Wines	1 160 314	702 108	847 331	168 251
(Discounts)	(396 930)	(203 291)	(326 112)	(49 479)
	<b>14 880 988</b>	<b>10 049 314</b>	<b>11 388 762</b>	<b>2 429 555</b>
All revenue is recognised at a point in time.				
<b>4 Profit before tax</b>				
This is stated after charging the following items of significance:				
Depreciation	119 207	90 452	26 016	5 481
Staff costs	2 151 277	882 411	1 669 687	211 259
Loss on disposal of property, plant and equipment	171	57	3	2
<b>5 Related party transactions</b>				

Delta Corporation Limited ("Delta") and Distell Limited (South Africa) ("Distell") each have an effective shareholding of 50.98% (September 2021: 50.79%) and 28.61% (September 2021: 29.94%) in the Company.

The following transactions of significance were carried out with related parties at arm's length and in accordance with normal business operations of the Company:

	September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>Distell Limited (South Africa)</b>				
Purchase of raw materials	936 252	1 087 729	623 075	258 319
Purchase of finished products for sale	373 102	270 953	240 527	67 926
Purchase of property, plant and equipment and spares	31 055	78 930	20 830	17 861
Royalties on finished goods produced and sold under license	403 833	209 111	264 408	50 665
	<b>1 744 242</b>	<b>1 646 723</b>	<b>1 148 840</b>	<b>394 771</b>

### Notes to the Reviewed Condensed Interim Financial Results

For the half year ended 30 September 2022

	INFLATION ADJUSTED		HISTORIC COST	
	September 2022 Reviewed ZW\$000	September 2021 Reviewed ZW\$000	September 2022 Supplementary Information ZW\$000	September 2021 Supplementary Information ZW\$000
<b>5 Related party transactions (continued)</b>				
<b>Delta Corporation Limited</b>				
Purchase of raw materials	18 549	—	12 420	—
Forklift hire	—	8 125	—	1 953
IT Costs	19 596	3 614	13 096	866
	<b>38 145</b>	<b>11 739</b>	<b>25 516</b>	<b>2 819</b>
<b>6 Taxation</b>				
Current income tax expense	737 717	485 321	539 259	122 161
Deferred tax	511 817	(130 562)	24 105	4 512
	<b>1 249 534</b>	<b>354 759</b>	<b>563 364</b>	<b>126 673</b>
<b>7 Cash generated from trading</b>				
Profit before taxation	1 834 031	529 916	2 866 600	433 041
Unrealised exchange loss/(gain)	87 846	57 330	87 846	15 071
Depreciation	119 207	90 452	26 016	5 481
Loss on disposal of property, plant and equipment	171	57	3	2
Share option expense	23 514	18 963	16 189	4 455
Interest income	(1 705)	(2 260)	(1 197)	(546)
Interest expense	121 860	11 933	105 073	2 848
Net monetary loss	1 078 138	132 171	—	—
	<b>3 263 062</b>	<b>838 562</b>	<b>3 100 530</b>	<b>460 352</b>

	INFLATION ADJUSTED		HISTORIC COST	
	September 2022 Reviewed ZW\$000	March 2022 Audited ZW\$000	September 2022 Supplementary Information ZW\$000	March 2022 Supplementary Information ZW\$000
<b>8 Property, plant and equipment</b>				
Movement in the property, plant and equipment balance for the year:				
Balance at the beginning of the period	2 143 760	1 687 929	248 642	61 667
Additions	713 544	651 402	604 960	201 885
Depreciation	(119 207)	(195 102)	(26 016)	(14 875)
Disposals	(171)	(469)	(3)	(35)
<b>Balance at the end of the period</b>	<b>2 737 926</b>	<b>2 143 760</b>	<b>827 583</b>	<b>248 642</b>
<b>9 Inventories</b>				
Finished products	2 236 402	1 568 181	1 052 744	460 455
Maturing spirits and wines	180 342	155 824	94 461	47 204
Raw materials	3 512 109	2 663 052	2 761 508	781 795
Allowance for obsolete Inventory	(3 494)	(3 494)	(689)	(689)
<b>Inventories at end of the period</b>	<b>5 925 359</b>	<b>4 383 563</b>	<b>3 908 024</b>	<b>1 288 765</b>
<b>10 Trade and other receivables</b>				
Trade receivables	1 169 520	803 577	1 169 520	301 258
Prepayments - relating to inventory purchases <sup>#</sup>	3 426 302	2 664 724	2 714 495	856 952
Other receivables <sup>*</sup>	3 551	39 702	3 551	14 884
Allowance for credit losses	(11 744)	(18 869)	(11 744)	(7 074)
	<b>4 587 629</b>	<b>3 489 134</b>	<b>3 875 822</b>	<b>1 166 020</b>

\* Other receivables includes sundry debtors, staff welfare loans and prepaid expenses.

<sup>#</sup> Included in prepayments are balances with related parties as follows:

	September 2022 Reviewed ZW\$000	March 2022 Audited ZW\$000	September 2022 Supplementary Information ZW\$000	March 2022 Supplementary Information ZW\$000
Distell Limited (South Africa)	288 311	442 373	152 429	105 871
<b>11 Trade and other payables</b>				
Trade payables - local	622 590	119 900	622 590	44 950
Trade payables - foreign	2 387 383	1 259 519	2 387 383	472 189
Dividend payable	175 159	—	175 159	—
Accruals and other payables <sup>^</sup>	2 041 993	1 057 864	2 041 993	396 589
	<b>5 227 125</b>	<b>2 437 283</b>	<b>5 227 125</b>	<b>913 728</b>

<sup>^</sup> Accruals and other payables includes leave pay provision, long service awards, accruals for statutory payments and other sundry creditors.

Included in trade payables are balances with related parties as follows:

	September 2022 Reviewed ZW\$000	March 2022 Audited ZW\$000	September 2022 Supplementary Information ZW\$000	March 2022 Supplementary Information ZW\$000
Distell Limited (South Africa)	468 621	899 100	468 621	337 069
Delta Corporation Limited	11 922	—	11 922	—

The average credit period on local purchases is 7 days while the average credit period for foreign purchases is more than 90 days.

#### 12 Capital commitments

The Company has no firm capital commitments.

#### 13 Contingent liabilities

The Company has no contingent liabilities, current or pending.

#### 14 Going concern

The Directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of these condensed interim financial results on a going concern basis is appropriate.

It is anticipated that the economy will grow positively in the ensuing year and with the promised stable and consistent economic policies, this will also trigger Company growth. Accessibility of foreign currency is key to smooth running of the business, and the Company has been able to access its foreign currency requirements needs from both trading and financial sector and this is also anticipated to continue in the ensuing year.

#### 15 Events after the reporting period

There were no significant events after the period under review.

#### 16 Auditor's statement

The Company's condensed inflation adjusted interim financial statements have been reviewed by the Company's external auditors, Ernst & Young Chartered Accountants (Zimbabwe).

The auditors have issued an adverse review conclusion with respect to non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates", including historical errors not adjusted in terms of international Accounting Standards 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the application of the International Accounting Standards 29; "Financial Reporting in Hyper inflationary Economies"

The independent review conclusion on the condensed inflation adjusted interim financial statements is available for inspection at the registered office of the Company. The engagement partner responsible for this review is Mr Fungai Kuipa (PAAB Practising Certificate Number 335)



**Ernst & Young**  
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## **Report on Review of Interim Financial Information**

### **To the Shareholders of African Distillers Limited**

#### **Introductions**

We have reviewed the accompanying Interim Condensed Inflation Adjusted Financial Information of African Distillers Limited ('the Company'), which comprise the Interim Condensed Inflation Adjusted Statement of Financial Position as at 30 September 2022 and the related Interim Condensed Inflation Adjusted Statement of Profit or Loss and Other Comprehensive Income, Interim Condensed Inflation Adjusted Statement of Changes in Equity and Interim Condensed Inflation Adjusted Statement of Cash Flows for the half-year period then ended and explanatory notes.

Management is responsible for the preparation and fair presentation of this Interim Condensed Inflation Adjusted Financial Information in accordance with the International Financial Reporting Standards ('IFRS'). Our responsibility is to express a conclusion on this Interim Condensed Inflation Adjusted Financial Information based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed inflation adjusted financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis for Adverse Conclusion**

##### **Non-compliance with International Financial Reporting Standards IAS 21 - The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:**

##### **Exchange rate used in the prior year and current half year**

Effective 1 August 2020 to 30 September 2022, management applied an internally generated exchange rate (transaction rate) to translate foreign denominated transactions and balances to the functional and reporting currency, the Zimbabwe Dollar (ZW\$). We believe that the use of a transaction rate is inappropriate for financial reporting as it does not meet the definition of a spot rate as the rate is not accessible through a legal exchange mechanism. We believe that management should have applied the auction exchange rate and/or the Willing-Buyer-Willing-Seller (WBWS) exchange rate as determined by the interbank market, as either one of these two rates met the International Financial Reporting Standards definition of a spot rate.

The errors resultant from the use of incorrect exchange rates impact both current half year and prior year numbers. The prior year errors should have been corrected retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The 30 September 2021 half year review conclusion and the 31 March 2022-year end audit opinion were modified (adverse) due to the impact of this matter.

As a result of this matter, the following elements on the Interim Condensed Inflation Adjusted Financial Information, including comparatives are misstated.

- i) Virtually all Interim Condensed Inflation Adjusted Statement of Profit or Loss and Other Comprehensive Income items are materially misstated except for Other income, Interest income and Interest expense.
- ii) The Interim Condensed Inflation Adjusted Statement of Financial Position items that are affected are as follows:

Elements for which misstatements could be quantified on the Inflation adjusted Statement of financial position:

Element	30 September 2022		31 March 2022	
	Amount	Misstatement	Amount	Misstatement
	ZW\$'000	ZW\$'000	ZW\$'000	ZW\$'000
Cash and cash equivalents	1 539 602	179,558	619 793	157,591
Trade and other receivables	4 587 629	609, 167	3 489 134	Not quantified
Trade and other payables	5 227 125	257,066	2 437 283	None

Elements on the on the Inflation adjusted Statement of financial position for which misstatements could not be quantified due to the volume of transactions (amounts rounded to the nearest thousand):

Inventories stated at ZW\$5 925 359 (31 March 2022: ZW\$4 383 563), Accumulated profit stated at ZW\$6 133 115 (31 March 2022: ZW\$5 790 115), Deferred taxation stated at ZW\$1 133 635 (31 March 2022: ZW\$ 621 818) and Current tax liability stated at ZW\$242 872 (31 March 2022: ZW\$ 216 743).

The Interim Condensed Inflation Adjusted Statements of Changes in Equity and Cash Flows were consequently impacted.

Consequential impact on IAS 29 – ‘Financial Reporting in Hyperinflationary Economies’

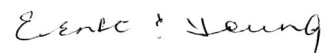
Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the Net monetary adjustment of ZW\$366 331 000 (2021: ZW\$132 171 000) on the Interim Condensed Inflation Adjusted Statement of Profit or Loss and Other Comprehensive Income are impacted.

The effects of the above departures from IFRS are material and pervasive to the Interim Condensed Inflation Adjusted Financial Information.

## Adverse Conclusion

Our review indicates that, because the of the matters outlined in the basis for adverse conclusion, as described in the preceding paragraph, the Interim Condensed Inflation Adjusted Financial information does not present fairly, in all material respects, the financial position of the Company as at 30 September 2022, and of its financial performance and its cash flows for the half-year period then ended in accordance with the International Financial Reporting Standards.

The engagement partner on the review engagement resulting in this review conclusion report on the Interim Condensed Inflation Adjusted Financial Information is Mr. Fungai Kuipa (PAAB Practicing Certificate Number 335).



Ernst & Young  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

Harare

3 November 2022