



# AUDITED ABRIDGED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR ENDED 30 SEPTEMBER 2022

FOR THE YEAR ENDED 30 SEPTEMBER 2022				
	INFLATION	INFLATION ADJUSTED		ORICAL *
		2021		2021
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
CONTINUING OPERATIONS				
Revenue	52 521 774	36 686 446	30 547 901	8 114 180
Raw materials and consumables used	(27 867 984)	, ,	(13 834 457)	, ,
Selling and distribution expenses	(392 171)	, , , ,	,	, - ,
Depreciation and amortisation expenses	(1 073 778)	, ,		, ,
Employee expenses	(6 386 071)	,	, - ,	
Other operating expenses	(6 760 115)			
Other operating income	299 756	135 104	218 404	28 121
Trading income	10 341 411	6 777 549	9 028 700	2 031 529
Other material income	2 483 566	288 804	2 190 677	69 286
Net monetary (loss) on hyperinflation	(4 107 052)			-
Operating profit	8 717 925	5 742 691	11 219 377	2 100 815
Finance income	49 936	17 939	24 545	4 058
Finance costs	(18 442)		(10 561)	
Profit before tax	8 749 419	5 760 630	11 233 361	2 104 873
Tax expense	(6 133 971)	(3 127 697)	(2 914 073)	( 536 849)
Profit for the year from continuing operations	2 615 448	2 632 933	8 319 288	1 568 024
DISCONTINUED OPERATIONS				
Share of net (loss) / profit from joint venture	-	(10 633)	-	550
Profit for the year	2 615 448	2 622 300	8 319 288	1 568 574
Weighted average number of shares in issue	755 648 101	755 648 101	755 648 101	755 648 101
Earnings per ordinary share (cents)	346.12	347.03	1 100.95	207.58

### AUDITED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

INFLATION	INFLATION ADJUSTED		RICAL *
2022 7W\$ 000	2021	2022	2021 ZW\$ 000
	2443 000		244.5 000
8 738 847	8 114 782	1 255 889	323 000
122 183	183 399	33 345	48 212
484 647	485 123	2 443	2 445
57 883	103 153	57 883	27 117
1 991	938	410	247
-	-	516 275	73 450
9 405 551	8 887 395	1 866 245	474 471
5 900 230	3 623 689	4 750 805	828 095
11 051 353	7 281 110	10 414 873	1 866 738
1 521 425	1 751 615	1 521 425	460 464
18 473 008	12 656 414	16 687 103	3 155 297
27 878 559	21 543 809	18 553 348	3 629 768
27 070 333	21 343 003	10 333 340	3 023 700
149 966	149 966	756	756
4 773 757	4 773 757	24 054	24 054
11 671 369	11 671 490	752 343	752 464
1 817 113	( 798 456)	10 116 893	1 797 484
18 412 205	15 796 757	10 894 046	2 574 758
1 601 482	1 636 448	_	_
		119 737	33 520
1 721 219	1 763 958	119 737	33 520
6 542 527	2 606 266	C 20C 0C7	0.43, 460
			943 460
			5 402 72 628
7 745 135	3 983 094	7 539 565	1 021 490
27 878 559	21 543 809	18 553 348	3 629 768
	2022 ZW\$ 000 8 738 847 122 183 484 647 57 883 1 991 - 9 405 551 5 900 230 11 051 353 1 521 425 18 473 008 27 878 559 27 878 559 1 49 966 4 773 757 11 671 369 1 817 113 18 412 205 1 601 482 119 737 1 721 219 6 512 537 5 101 1 227 497 7 745 135	2022 ZW\$ 000  8 738 847 122 183 183 399 484 647 485 123 57 883 103 153 1 991 938 - 9 405 551 8 887 395  5 900 230 3 623 689 11 051 353 7 281 110 1 521 425 1 751 615  18 473 008 12 656 414  27 878 559 21 543 809  149 966 4 773 757 4 773 757 11 671 369 1 817 113 (798 456) 18 412 205 15 796 757  1 601 482 1 636 448 119 737 1 771 219 1 763 958  6 512 537 3 686 266 5 101 20 549 1 227 497 276 279 7 745 135 3 983 094	2022 ZW\$ 000       2021 ZW\$ 000       2022 ZW\$ 000         8 738 847       8 114 782 122 183 183 399 484 647 485 123 57 883 1 991 - 

## AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	INFLATION ADJUSTED				
	Share capital and premium ZW\$ 000	Non distributable reserve ZW\$ 000	Retained earnings ZW\$ 000	Total ZW\$ 000	
Balance as at 1 October 2020 Total comprehensive income for the year Disposal of joint venture Transfer between reserves	4 923 723 - - -	(93 478)	(30 661 342) 2 622 300 93 478 27 147 108	<b>13 174 457</b> 2 622 300 -	
Balance as at 30 September 2021	4923723	11 671 490	(798 456)	15 796 757	
Total comprehensive income for the year Transfer between reserves		- ( 121)	2 615 448 121	2 615 448	
Balance as at 30 September 2022	4 923 723	11 671 369	1817113	18 412 205	

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	HISTORICAL*					
	Share capital and premium ZW\$ 000	Non distributable reserve ZW\$ 000	Retained earnings ZW\$ 000	Total ZW\$ 000		
Balance as at 30 September 2020 Total comprehensive income for the year	24810	962 797	18 577 1 568 574	1 006 184 1 568 574		
Disposal of joint venture Transfer between reserves	-	( 471) (209 862)	471 209 862	-		
Balance as at 30 September 2021	24810	752 464	1 797 484	2 574 758		
Total comprehensive income for the year Transfer between reserves	-	- ( 121)	8 319 288 121	8 319 288		
Balance as at 30 September 2022	24810	752 343	10 116 893	10 894 046		

### AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW\$ 000	2021 ZW\$ 000	2022 ZW\$ 000	2021 ZW\$ 000
Cash generated from operating activities (Increase) / decrease in working capital	<b>7 859 019</b> (3 235 958)	<b>6 492 789</b> (2 241 293)	<b>11 419 794</b> (7 107 638)	<b>2 046 535</b> (1 117 139)
Cash generated from operations	4 623 061	4 251 496	4 312 156	929 396
	(3 104 254)	(3 705 762)	(2 177 484)	(607 978)
Interest received Tax paid	49 936 (3 154 190)	17 940 (3 723 702)	24 545 (2 202 029)	4 058 ( 612 036)
Net cash generated from operating activities	1 518 807	545 734	2 134 672	321 418
Investing activities	(1 607 679)	(525 114)	(995 232)	(160 250)
Purchase of plant and equipment for maintaining operations Purchase of property, plant and equipment for expanding operations Proceeds on disposal of property, plant and equipment Proceeds on disposal of joint venture	(1 629 820) (29 026) 51 167	(758 665) (325 312) 109 722 449 141	(1 008 513) (12 579) 25 860	(164 279) (78 383) 14 123 68 289
Net cash (utilised) / generated before financing activities	(88 872)	20 620	1 139 440	161 168
Financing activities	(141 318)	(10913)	(78479)	(2868)
Lease liability payments	(141 318)	(10913)	(78 479)	(2868)
Net (decrease) / increase in cash and cash equivalents	(230 190)	9 707	1 060 961	158 300
Cash and cash equivalents at the beginning of the year	1 751 615	1 741 908	460 464	302 164
Cash and cash equivalents at the end of the year	1 521 425	1 751 615	1 521 425	460 464
REPRESENTED BY: Bank balances, cash and short term deposits	1 521 425	1 751 615	1 521 425	460 464

### NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1. CORPORATE INFORMATION

Nampak Zimbabwe Limited is a public limited Company incorporated and domiciled in Zimbabwe. The main activities of the Group are manufacturing of paper, plastic and metal packaging products and leasing of biological assets and property. The abridged consolidated financial statements for Nampak Zimbabwe Limited and its subsidiaries (the Group) for the year ended 30 September 2022 were authorised for issue in accordance with a resolution of the directors on 20 January 2023.

### 2. BASIS OF PREPARATION

These abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the disclosure requirements of the Zimbabwe Stock Exchange Listing Rules and the Companies and Other Business Entities Act (Chapter 24:31).

The abridged consolidated financial statements of the Group have been prepared based on the current cost basis and adjusted for the effects of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Comparative financial statements are restated using the general inflation indices in terms of the measuring unit current at the statement of financial position date. The primary financial statements of the Group are the inflation adjusted numbers.

\* 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 conversion factors have been adopted from the Consumer Price Index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT). The indices and conversion factors used to restate the financial results are as follows:

	Indices	Conversion factor
CPI as at 30 September 2022	12,713.1	1.00
CPI as at 30 September 2021	3,342.0	3.80

### 3. FUNCTIONAL AND PRESENTATION CURRENCY

These abridged consolidated financial statements are presented in Zimbabwe dollars (ZW\$), which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand except where otherwise stated.

### 4. STATEMENT OF ACCOUNTING POLICY

The accounting policies are consistent with those used in the prior year, except where international Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been amended or adopted.

### 5. DIRECTORS' RESPONSIBILITY

The Company's Directors, under the Companies and Other Business Entities Act (Chapter 24:31), are responsible for the preparation and fair presentation of the Group's consolidated financial statements and related information.

These abridged consolidated financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange (ZSE), the International Financial Reporting Standards (IFRS) and the Companies and Other Business Entities Act (Chapter 24:31).

The Directors caution stakeholders and users in their interpretation of these financial statements following the change in the functional currency effective February 2019 and the requirement in 2019 from PAAB and ICAZ to publish inflation- adjusted accounts in accordance with International Accounting Standard (IAS 29 - Financial Reporting in Hyperinflationary Economies).

The Directors have reviewed the performance and financial position of the Group and are satisfied that the Group and Company have sufficient financial resources to continue as a going concern.



### NAMPAK ZIMBABWE LIMITED

### AUDITED ABRIDGED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2

#### 6. EARNINGS PER SHARE

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

Headline earnings is based on net profit for the period attributable to members after adjusting for other income net of tax

Basic and headline earnings per share are based on a weighted average of 755 648 101 (2021: 755 648 101) ordinary shares in issue during the period.

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZW\$ 000	2021 ZW\$ 000	2022 ZW\$ 000	
Earnings per share				
Earnings attributable to ordinary members Ordinary shares in issue at period end	2 615 448 755 648 101	2 622 300 755 648 101	8 319 288 755 648 101	
Earnings per ordinary share (cents)	346.12	347.03	1 100.95	207.58
Determination of headline earnings on continuing operations				
Profit for the period	2 615 448	2 632 933	8 319 288	1 568 024
Adjust for:				
Net exchange gain on foreign currency- net of tax	(1 891 351)	(13 722)	(1 641 341)	(3 969)
Retrenchment and restructuring costs - net of tax	44 884	-	15 360	-
Fair value gain on biological assets - net of tax	(23 161)	(50 554)	(23 161)	, ,
Gain on disposal of property, plant and equipment - net of tax	(20 144)	(4743)	(11 479)	(1 052)
Gain on disposal of joint venture	-	(153 135)	-	(35 973)
Total headline earnings from continuing operations	725 676	2 410 778	6 658 667	1 514 814
Headline earnings / loss from discontinued operations				
Share of (loss) / profit from joint venture	-	(10 633)	-	550
Headline earnings per share - continuing operations				
Headline earnings attributable to ordinary members	725 676	2 410 778	6 658 667	1 514 814
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
Headline earnings per ordinary share (cents) -				
continuing operations	96.03	319.03	881.19	200.47
Headline earnings per share - discontinued operations				
Headline earnings attributable to ordinary members		(10 633)	_	550
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
Headline earnings per ordinary share (cents) -	. 33 0 10 101	. 35 5 . 5 . 6 .	. 30 0 .0 701	
discontinued operations	-	(1.41)	_	0.07

#### 7. AUDITORS STATEMENT

"Whilst these Summarised Group financial statements are themselves not audited, they should be read in conjunction with the complete set of the Group financial statements for the year ended 30 September 2022, on which these are based. The complete set of the Group financial statements for the year ended 30 September 2022 which have been audited by Deloitte & Touche and the auditor's report thereon, are available for inspection at the Company's registered office. A qualified audit opinion was issued thereon due to non-compliance with International Accounting Standard 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.

The engagement partner responsible for this audit is Tapiwa Chizana PAAB practice certificate number: 0444."

#### **GROUP OPERATING SEGMENT REPORT**

Sales to local customers

Other sales

Sales to export customers

The basis of segmentation and basis of measurement of segment profit or loss for the current reporting period is consistent with the last reported annual financial statements.

Printing &

ZW\$ 000

19 091 450

3 700 903

48 789

Converting

**INFLATION ADJUSTED** 

& Metals Eliminations

Services &

ZW\$ 000

Total

ZW\$ 000

47 496 179

4976806

48 789

Plastics

ZW\$ 000

28 404 729

1 275 903

#### Segment reporting for the year ended 30 September 2022

Othersales	48 /89	-	-	48 / 89
Intersegmental sales	575 083	54	(575 136)	-
Total Sales	23 416 225	29 680 685	(575 136)	52 521 774
Results from continuing operations				
Trading income	3 867 690	6 386 432	87 288	10 341 411
Operating profit	3 945 921	5 306 231	(534 227)	8717925
Net finance income / (costs)	73 913	(74 998)	32 579	31 494
Taxation charge	(3 000 174)	(3 013 942)	(119 855)	(6 133 971)
Profit for the year	817 299	1 502 768	295 381	2 615 448
Other information				
Segment assets	12 922 583	14 077 731	878 245	27 878 559
Segment liabilities	4 582 653	4719014	164 687	9 466 354
Capital expenditure	410 048	1 179 231	69 568	1 658 846
Depreciation and amortisation	527 698	749 128	(203 048)	1 073 778
Other material (income) / expenses	(1 043 550)	(576 914)	(863 102)	(2 483 566)
Monetary loss on hyperinflation	1167 681	2 369 169	570 202	4 107 052
Segment reporting for the period ended 30 September 2021				
Sales to local customers	14 460 308	19 374 546		33 834 854
Sales to export customers	2 048 877	764 878	_	2 813 755
Other sales	37 836	701070	_	37 836
Intersegmental sales	353 840	4 423	(358 262)	57 050
Total Sales	16 900 860	20 143 847	(358 262)	36 686 445
lotal sales	10 900 800	20 143 647	(330 202)	30 000 445
Segment reporting for the period ended 30 September 2021				
_		INFLATION	ADJUSTED	
	Printing & Converting ZW\$ 000	Plastics & Metals ZW\$ 000	Services & Eliminations ZW\$ 000	Total ZW\$ 000
Results from continuing operations	2114 000			
Trading income	2 749 623	3 827 969	199 957	6 777 549
Operating profit	2 575 820	3 156 900	9 9 7 1	5 742 691
Finance (costs) / income	(14 238)	(8 5 1 6)	40 693	17 939
Taxation charge	(1512003)	(1 551 151)	(64 543)	(3 127 697)
Profit / (loss) from continuing operations	1 049 579	1 597 233	(13 879)	2 632 933
Discontinued operations				
Not loss from joint vonture				
Net ioss from John venture	(10214)	-	(419)	(10 633)
	(10 214) 1 039 365	- 1 597 233	(419) (14 298)	(10 633) 2 622 300
Profit / (loss) for the year		1 597 233		
Profit / (loss) for the year Other information			(14298)	2 622 300
Profit / (loss) for the year  Other information Segment assets	1 039 365 10 960 789	10 385 659	(14 298) 197 361	<b>2 622 300</b> 21 543 809
Profit / (loss) for the year  Other information Segment assets Segment liabilities	1039365 10960789 3586671		(14 298) 197 361 (369 329)	2 622 300 21 543 809 5 747 051
Profit / (loss) for the year  Other information Segment assets Segment liabilities Capital expenditure	1 039 365 10 960 789 3 586 671 231 612	10 385 659 2 529 708 834 538	(14 298) 197 361 (369 329) 17 828	2 622 300 21 543 809 5 747 051 1 083 978
Profit / (loss) for the year  Other information Segment assets Segment liabilities Capital expenditure Depreciation and amortisation	1039365 10960789 3586671 231612 466217	10 385 659 2 529 708 834 538 689 486	197 361 (369 329) 17 828 (194 377)	2 622 300 21 543 809 5 747 051 1 083 978 961 326
Net loss from joint venture  Profit / (loss) for the year  Other information Segment assets Segment liabilities Capital expenditure Depreciation and amortisation Other material (income) / expenses Monetary loss on hyperinflation	1 039 365 10 960 789 3 586 671 231 612	10 385 659 2 529 708 834 538	(14 298) 197 361 (369 329) 17 828	2 622 300 21 543 809 5 747 051 1 083 978

ment reporting for t	he neriod ended 3	30 September 2022

	HISTORICAL			
	Printing & Converting ZW\$ 000	Plastics & Metals ZW\$ 000	Services & Eliminations ZW\$ 000	Total ZW\$ 000
Sales to local customers	9 285 015	16 091 823	-	25 376 838
Sales to export customers	4320242	821 255	-	5 141 497
Other sales	29 566	-	-	29 566
Intersegmental sales	337 775	41 029	(378 804)	-
Total Sales	13 972 598	16 954 107	(378 804)	30 547 901
Results from continuing operations				
Trading income	3 436 542	5 456 848	135 310	9 028 700
Operating income	4 529 674	6 030 468	659 235	11 219 377
Net finance income / (costs)	33 507	(36 589)	17 066	13 984
Taxation charge	(1 276 565)	(1 580 523)	(56 985)	(2 914 073)
Profit for the year	3 286 616	4 413 356	619 316	8 319 288
Otherinformation				
Segment assets	8 633 769	9 601 953	317 627	18 553 348
Segment liabilities	3 685 017	3 829 129	145 156	7 659 302
Capital expenditure	322 579	653 870	44 643	1 021 092
Depreciation and amortisation	75 109	55 329	(36 268)	94 170
Other material (income) / expenses	(1 093 131)	(573 621)	(523 925)	(2 190 677)
Segment reporting for the period ended 30 September 2021				
Sales to local customers	3 192 725	4 286 510	-	7 479 235
Sales to export customers	454 972	171 753	-	626 725
Othersales	8 2 2 0	-	-	8 2 2 0
Intersegmental sales	76 833	7 493	(84 326)	-
Total Sales	3 732 750	4 465 756	(84 326)	8 114 180
Results from continuing operations				
Trading income	853 422	1 143 380	34 727	2 031 529
Operating profit	914825	1 141 440	44 550	2 100 815
Net finance income / (costs)	(2 875)	(1988)	8 921	4 058
Taxation charge	(233 655)	(291 280)	(11 914)	(536 849)
Profit / (loss) from continuing operations	678 295	848 172	41 557	1 568 024
Discontinued operations				
Net loss from joint venture	528	-	22	550
Profit / (loss) for the year	678 823	848 172	41 579	1 568 574
<b>Other information</b>				
Segment assets	1 812 850	1 857 540	(40 622)	3 629 768
Segment liabilities	652 842	498 074	(95 906)	1 055 010
Capital expenditure	55 461	183 321	3 880	242 662
Depreciation and amortisation	43 808	17 694	(36 950)	24552
Other material (income) / expenses	(61 402)	1940	(9824)	(69 286)
	(31.102)		,5 52 17	(-5 2 5 0)

#### 9. OTHER MATERIAL INCOME / (EXPENSES)

	INFLATION ADJUSTED		HISTORICAL	
	2022 ZW\$ 000	2021 ZW\$ 000	2022 ZW\$ 000	2021 ZW\$ 000
Retrenchment, termination and restructuring costs Fair value gain on biological assets Net exchange gain / (loss) on foreign currency Gain on disposal of joint venture	(59 622) 30 766 2 512 422 -	67 155 18 228 203 421	(20 404) 30 766 2 180 315 -	16 228 5 272 47 786
Total	2 483 566	288 804	2 190 677	69 286

#### **COMMENTARY**

### **OPERATING PERFORMANCE**

I am pleased to report on the results of the year ended 30th September 2022.

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

trading income before adjustments of ZW\$ 10,34 billion (2021: ZW\$ 6,78 billion). A profit before tax of ZW\$ 8,75 billion was achieved (2021: ZW\$ 5,76 billion). The profit before tax takes into account other material income of ZW\$ 2,48 billion and a net monetary loss of ZW\$ 4,11 billion. Other

The Group achieved sales for the year in inflation adjusted terms of ZW\$ 52,52 billion (2021: ZW\$ 36,69 billion) and a hyperinflated

income, in the main, comprises of exchange gains on foreign denominated debtors and cash balances.

Management worked hard on cost reduction initiatives and improving the working capital cycles. The Comprehensive Profit Attributable to Shareholders amounted to ZW\$2.62 billion (2021: ZW\$ 2,63 billion). Earnings per share at 346,12 cents (2021: 347,03 cents) were below prior year.

### **ENTITY REVIEWS**

### PRINTING AND CONVERTING SEGMENT

### **Hunyani Paper and Packaging**

The sales volumes for the full year improved by 11,9% compared to prior year. The improvement was due to firm demand for tobacco cartons throughout the year, on the back of an improved tobacco crop and regional exports. Demand was somewhat curtailed by raw material supply constraints. Demand at Cartons and Labels Division was subdued.

### PLASTICS AND METALS SEGMENT

### Mega Pak

The full year sales volumes increased by 7,4% versus prior year mainly due to strong demand across all product categories and improved raw material availability. Exports recovered in the regional markets compared to the prior year.

### CarnaudMetalBox

The sales volumes for the full year grew by 9,1% compared to the prior year. The improvement was driven by strong growth in the closures and metals categories. HDPE volumes were slightly down.

### **INDUSTRIAL RELATIONS**

At the close of the financial year, Nampak employed 467 permanent employees compared with 533 the previous year. Overall, industrial relations have remained productive. At NEC level there were numerous wage increases during the year, and there continues to be pressure from employees to cushion them against the current hostile economy. We are continuously reviewing our manpower structures to ensure they are in line with business requirements. The Group continues with its training programmes aimed at developing and retaining skills across the board.

### **CAPITAL EXPENDITURE**

 $Capital\ expenditure\ in\ hyperinflation\ terms\ amounted\ to\ ZW\$\ 1,66\ billion\ (2021:ZW\$\ 1,08\ billion)\ and\ focused\ mainly\ on\ completion$ of projects commenced 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.

The need to retain sufficient reserves to cover the working capital requirements remains a priority, as does the need for capital expenditure to upgrade our plant. Under these circumstances, which also include continuing economic uncertainty, the Directors have decided to waive declaration and payment of a dividend. However, consideration is being given to the payment a dividend in 2023. (2021: Nil).

### **APPRECIATION**

The 2022 trading year has not been without its challenges, but also brought welcome volume growth. The year ahead may bring some economic head winds, but I believe that the continual focus on cost control and margin preservation has positioned the Group well to meet these challenges. None of this would 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.

By Order of the Board

J. P. Van Gend **Group Managing Director** 20 January 2023

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### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

#### **Qualified Opinion**

We have audited the inflation adjusted consolidated financial statements of Nampak Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 21 to 59 which comprise the inflation adjusted consolidated statement of financial position as at 30 September 2022, 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 2022, 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.



### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

#### Basis for Qualified Opinion (continued)

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 2019 financial statements were not prepared in conformity with IFRS. Consequently, this impacted the financial information on which the requirements of IAS 29 "Financial Reporting in Hyperinflationary Economies" were subsequently applied. Had the Group applied the requirements of IAS 21, the 30 September 2019 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 the current year and comparatives for property plant and equipment, depreciation, deferred tax and retained earnings as at 30 September 2022. 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 (IESBA Code) together with the ethical requirements that are relevant to our audit of inflation adjusted consolidated 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.

#### **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. Other than the matter described in the Basis for Qualified Opinion section, we have not determined any other key audit matters to be communicated in our report.

#### 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.

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

#### 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 (IFRS) and the requirements of the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) and relevant statutory instruments and for such internal control as the directors determine is necessary to enable the preparation of 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.

#### 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities
  within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible
  for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

### INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

#### Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements (continued)

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

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

#### Report on other legal and regulatory matters

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

#### Section 193(1)(a)

Except for the matters described in the Basis for Qualified Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act and give a true and fair view of the state of the Group's affairs as at 30 September 2022.

#### Section 193(2)

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

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

Deloitte & Touche Per: Tapiwa Chizana

Partner

**Registered auditor** 

PAAB practice certificate number: 0444

elette & Touche

25 January 2023