



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

	INFLATION ADJUSTED		HISTORICAL *	
	2022 ZWS 000	2021 ZWS 000	2022 ZWS 000	2021 ZWS 000
CONTINUING OPERATIONS				
Revenue	52 521 774	36 686 446	30 547 901	8 114 180
Raw materials and consumables used	(27 867 984)	(20 388 741)	(13 834 457)	(4 158 932)
Selling and distribution expenses	(392 171)	(169 133)	(222 452)	(37 671)
Depreciation and amortisation expenses	(1 073 778)	(961 326)	(94 170)	(24 552)
Employee expenses	(6 386 071)	(3 844 382)	(3 711 157)	(863 283)
Other operating expenses	(6 760 115)	(4 680 419)	(3 875 369)	(1 026 334)
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)	(1 323 662)	-	-
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 ADJUSTED		HISTORICAL *	
	2022 ZWS 000	2021 ZWS 000	2022 ZWS 000	2021 ZWS 000
ASSETS				
Non-current assets				
Property, plant and equipment	8 738 847	8 114 782	1 255 889	323 000
Right of use assets	122 183	183 399	33 345	48 212
Intangible assets	484 647	485 123	2 443	2 445
Biological assets	57 883	103 153	57 883	27 117
Investments	1 991	938	410	247
Deferred tax asset	-	-	516 275	73 450
Total non current assets	9 405 551	8 887 395	1 866 245	474 471
Current assets				
Inventories	5 900 230	3 623 689	4 750 805	828 095
Trade and other receivables	11 051 353	7 281 110	10 414 873	1 866 738
Cash and cash equivalents	1 521 425	1 751 615	1 521 425	460 464
Total current assets	18 473 008	12 656 414	16 687 103	3 155 297
Total assets	27 878 559	21 543 809	18 553 348	3 629 768
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	149 966	149 966	756	756
Share premium	4 773 757	4 773 757	24 054	24 054
Non distributable reserves	11 671 369	11 671 490	752 343	752 464
Retained earnings / (loss)	1 817 113	(798 456)	10 116 893	1 797 484
Total shareholders' equity	18 412 205	15 796 757	10 894 046	2 574 758
Non current liabilities				
Deferred tax liabilities	1 601 482	1 636 448	-	-
Non current lease liability	119 737	127 510	119 737	33 520
Total non current liabilities	1 721 219	1 763 958	119 737	33 520
Current liabilities				
Trade and other payables	6 512 537	3 686 266	6 306 967	943 460
Provisions	5 101	20 549	5 101	5 402
Income tax payable	1 227 497	276 279	1 227 497	72 628
Total current liabilities	7 745 135	3 983 094	7 539 565	1 021 490
Total equity and liabilities	27 878 559	21 543 809	18 553 348	3 629 768

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

	INFLATION ADJUSTED			
	Share capital and premium ZWS 000	Non distributable reserve ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance as at 1 October 2020	4 923 723	38 912 076	(30 661 342)	13 174 457
Total comprehensive income for the year	-	-	2 622 300	2 622 300
Disposal of joint venture	-	(93 478)	93 478	-
Transfer between reserves	-	(27 147 108)	27 147 108	-
Balance as at 30 September 2021	4 923 723	11 671 490	(798 456)	15 796 757
Total comprehensive income for the year	-	-	2 615 448	2 615 448
Transfer between reserves	-	(121)	121	-
Balance as at 30 September 2022	4 923 723	11 671 369	1 817 113	18 412 205

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

	HISTORICAL *			
	Share capital and premium ZWS 000	Non distributable reserve ZWS 000	Retained earnings ZWS 000	Total ZWS 000
Balance as at 30 September 2020	24 810	962 797	18 577	1 006 184
Total comprehensive income 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	24 810	752 464	1 797 484	2 574 758
Total comprehensive income for the year	-	-	8 319 288	8 319 288
Transfer between reserves	-	(121)	121	-
Balance as at 30 September 2022	24 810	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 ZWS 000	2021 ZWS 000	2022 ZWS 000	2021 ZWS 000
Cash generated from operating activities	7 859 019	6 492 789	11 419 794	2 046 535
(Increase) / decrease in working capital	(3 235 958)	(2 241 293)	(7 107 638)	(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	49 936	17 940	24 545	4 058
Tax paid	(3 154 190)	(3 723 702)	(2 202 029)	(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	(1 629 820)	(758 665)	(1 008 513)	(164 279)
Purchase of property, plant and equipment for expanding operations	(29 026)	(325 312)	(12 579)	(78 383)
Proceeds on disposal of property, plant and equipment	51 167	109 722	25 860	14 123
Proceeds on disposal of joint venture	-	449 141	-	68 289
Net cash (utilised) / generated before financing activities	(88 872)	20 620	1 139 440	161 168
Financing activities	(141 318)	(10 913)	(78 479)	(2 868)
Lease liability payments	(141 318)	(10 913)	(78 479)	(2 868)
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

- 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.
- 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
- FUNCTIONAL AND PRESENTATION CURRENCY**
These abridged consolidated financial statements are presented in Zimbabwe dollars (ZWS), which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand except where otherwise stated.
- 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.
- 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.

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 SI 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

25 January 2023