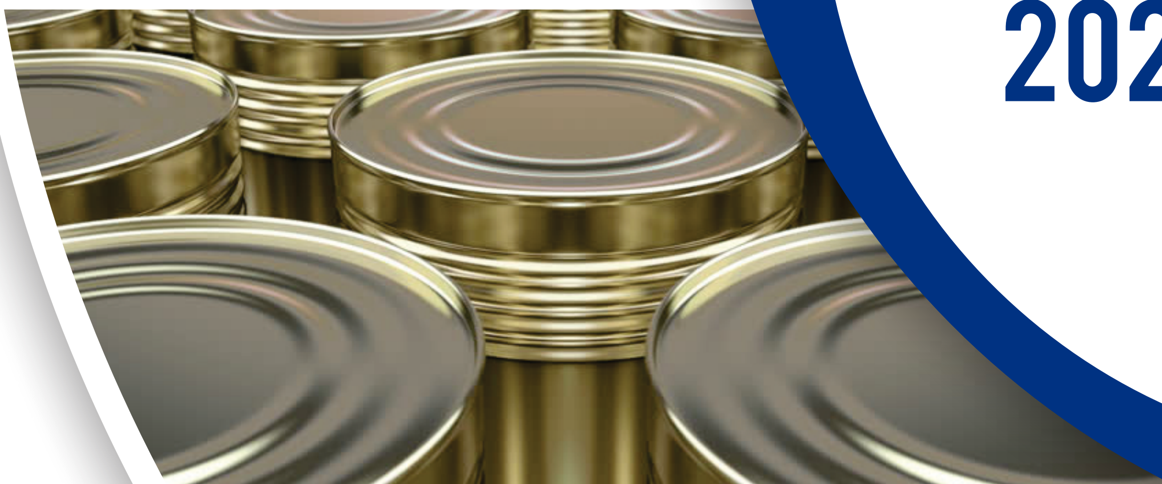
Nampak Zimbabwe Limited



ANNUAL REPORT 2023

Nampak Zimbabwe Limited

2023 ANNUAL REPORT

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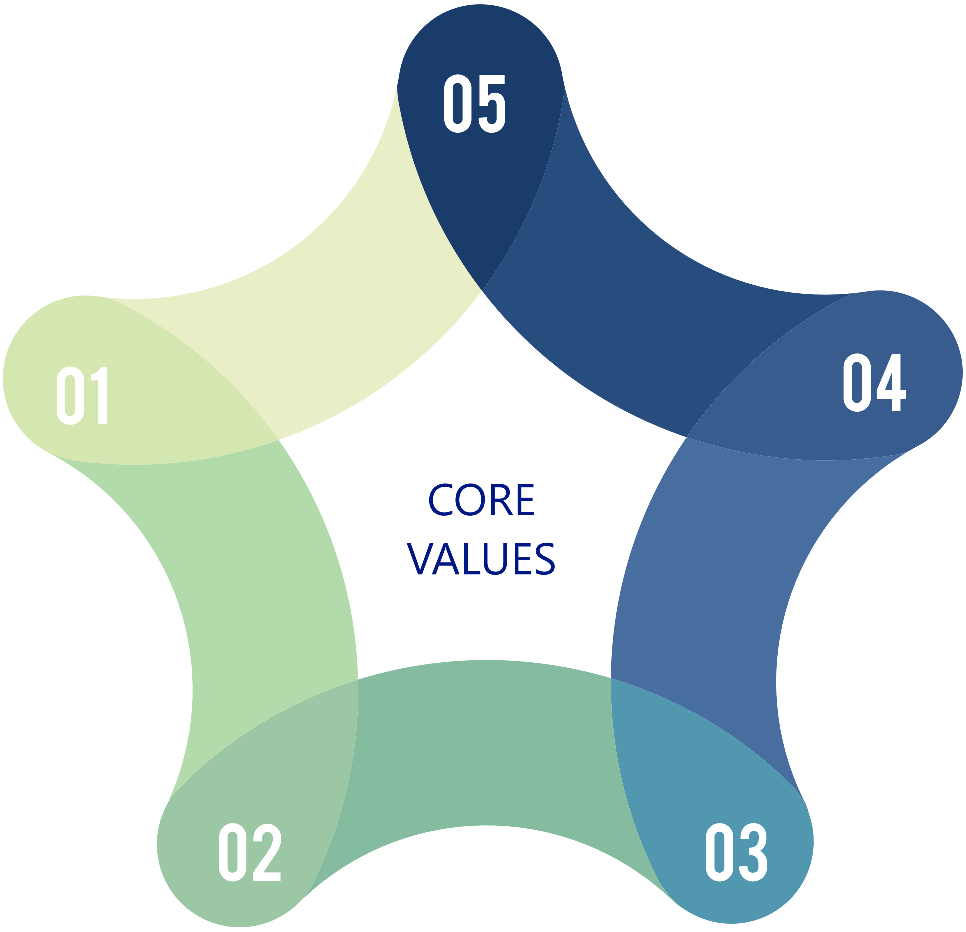
OVERVIEW

Mission Statement and Values

Mission Statement

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



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

02 **INTEGRITY**
Our integrity is paramount.

03 **TEAM WORK**
We recognise that a team's contribution is greater than an individual's.

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

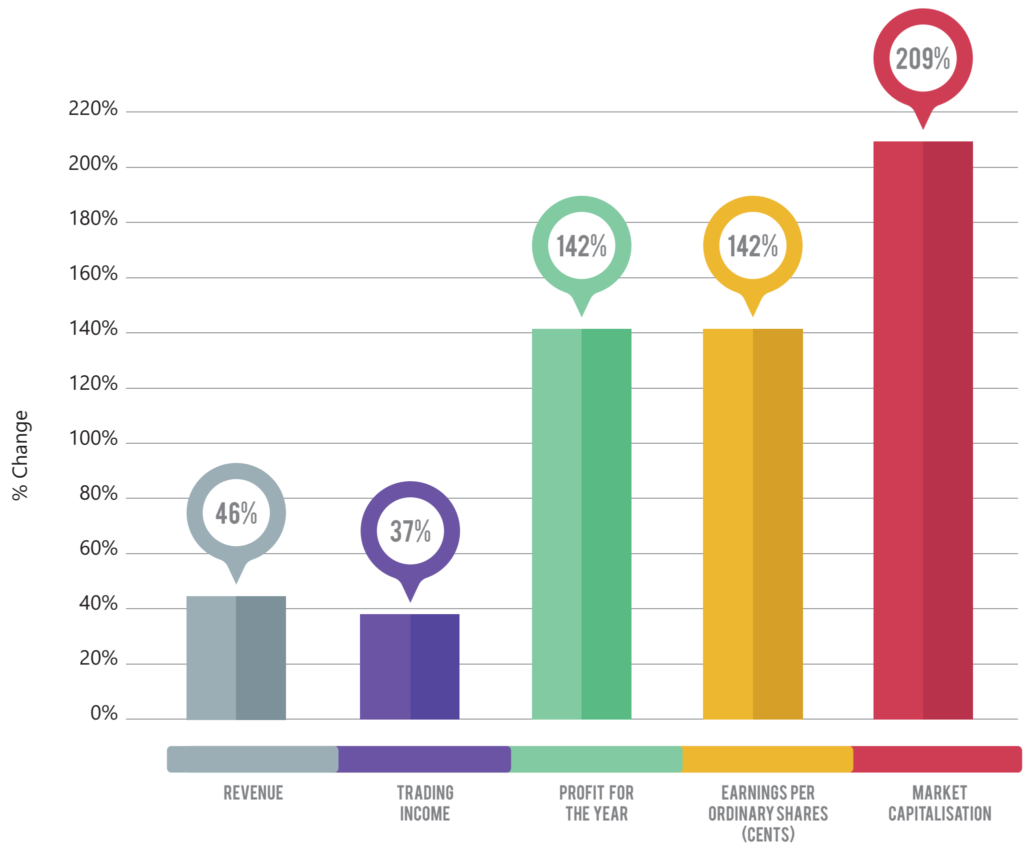
05 **SAFETY**
We are accountable for a safe workplace, our safety and the safety of others.

Financial Highlights

for the year ended 30 September 2023

	INFLATION ADJUSTED			HISTORICAL		
	2023 ZW$ 000	2022 Restated ZW$ 000	% Change	2023 ZW$ 000	2022 ZW$ 000	% Change
Revenue	573 779 208	394 145 197	46%	291 474 335	30 547 901	854%
Trading income	114 517 806	83 474 919	37%	89 910 016	9 028 700	896%
Profit for the year	51 554 240	21 295 765	142%	99 822 384	8 319 288	1 100%
Earnings per ordinary share (cents)	6 822.52	2 818.21	142%	13 210.17	1 100.95	1 100%
Market capitalisation (based on year-end market prices)	166 242 582	53 871 623	209%	166 242 582	7 178 657	2 216%
Total shareholders equity	**145 719 129**	**99 959 840**	**46%**	**108 748 495**	**10 894 046**	**898%**

Key financial performance indicators movements from prior year

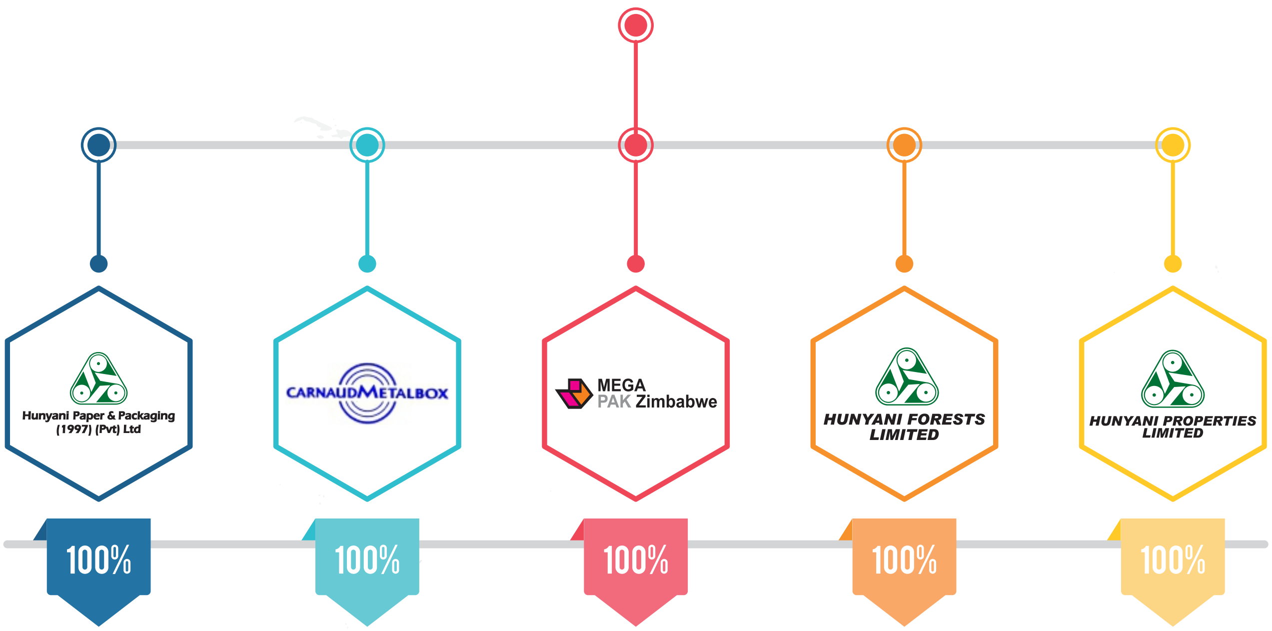


Summary inflation adjusted financial highlights

CORPORATE GOVERNANCE

Group Structure

Nampak Zimbabwe Limited



Operating Units and Management Structure

PRINTING AND CONVERTING SEGMENT

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

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

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

Management
W. Dangarembizi - B Comm, MBA (UZ) - (Managing Director). Joined in 2003.
K. Chamboko - B.Sc. (Hons) Applied Acc, MBA (Heriot-Watt), FCCA - (Finance). Joined in 2001.

Hunyani Forests Limited
Production and distribution of timber for both treated timber and commercial firewood.

Management
A. K Nicholson - B.Sc. Econ (Hons) - (Administration). Joined in 2009.
G. Gwatidzo - MDP, ACIS, CIMA Adv. Dip MA (Finance). Joined in 2016.

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

Management
A. K Nicholson - B.Sc. Econ (Hons) - (Administration). Joined in 2009.
G. Gwatidzo - MDP, ACIS, CIMA Adv. Dip MA (Finance). Joined in 2016.

PLASTICS & METALS SEGMENT

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

Management
W. Muzunde - B. Acc (Hons), B. Compt (Hons) (Unisa), CA (Z) - (General Manager). Joined in 2013.
W. Mtemuza - B. Compt (Hons) (Unisa), MBA (Gloucestershire), CA (Z) - (Finance). Joined in 2018.

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

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

Chairman's Statement

TRADING ENVIRONMENT

Regrettably, there has been little change in the challenges facing the manufacturing sector, including continuing problems with inflation, the depreciation of the Zimbabwe dollar and foreign exchange shortages. Despite this, the order book remained positive.

Inevitable price increases resulted in margins being trimmed. Delays in procurement of raw materials resulted in the need to prioritise orders for certain customers. While foreign exchange liquidity from the auction system diminished, the operating companies still received some allocations, although significantly reduced, for raw material imports. The time lag between allocation and receipt of funds however remained. An increasing number of customers provided assistance with their own foreign exchange to offset the ongoing shortage.

The increasing shortage of power supply from ZESA resulted in more reliance on generators at a significantly increased cost to the operations. Furthermore, the ongoing interruptions in power supply impacted production considerably resulting in customer orders not being efficiently processed.

A hallmark of the trading activities during the year was the movement towards dollarization with a majority of customers adopting dollarization due to the shortage of Zimbabwe dollars (ZW$) in the market.

Not surprisingly, these difficulties have resulted in pressure from the unions for wage increases as real disposable income diminishes. Every effort is being made to address this issue and the company extends its appreciation to all staff for their ongoing forbearance in this regard.

PERFORMANCE

Group revenue, in inflation adjusted terms, increased by 46% compared to the prior year as demand remained positive in most operating segments. Operating profit in inflation adjusted terms increased by 100%. A more comprehensive review of the results are included in the Managing Director's Report.

CAPITAL EXPENDITURE

Capital expenditure amounted to $13,1 billion, the majority of which was deferred expenditure from the previous year owing to foreign currency restrictions.

DIRECTORATE

The board wishes to record its appreciation to Mr Kumbirayi Katsande who resigned from the Board at the Annual General Meeting on 8 March 2023 after many years' service as the Chairman of the board. Furthermore, the board wishes to extend its thanks to Mrs Hanneri Neser who resigned on 31 August 2023 from the board and audit committee for her contributions to both bodies during her period in office.

DIVIDEND

Two Interim Dividends were declared during the year. The first was of ZW$ 100,43 cents per ordinary share to shareholders registered in the books of the Company on 3 March 2023, and the second was of ZW$ 160,00 cents per ordinary share to shareholders registered on 12 July 2023.

A final dividend of US0.2 cents per share was declared and will be paid on or about the 26th of January 2024.

OUTLOOK

With the recent elections behind us and the Government re-elected for a further five years, it is to be hoped that progress will be made towards trying to resolve some of the macro-economic problems which have bedevilled the manufacturing sector. The Group's order book remains positive and the company is debt-free. However, the effects of international developments, such as the ongoing war in Ukraine and the conflict in the Middle East between Israel and Palestine will continue to impact the supply chain for raw materials. This, coupled with the matters highlighted above, if left unaddressed, will present difficulties in the year ahead. Nevertheless, the Group is confident that it is well placed to weather the difficulties ahead and remains a sustainable entity in the long term.

APPRECIATION

On a personal note, I wish to thank the board for their advice and support since taking office, and on the board's behalf, I express its appreciation to management and all employees of the Group for their loyalty and dedication which has resulted in a commendable performance in the face of many challenges. We look forward to an improved future to the benefit of all stakeholders.

A H Howie
Chairman

12 December 2023

Group Managing Director's Report

OPERATING PERFORMANCE

I am pleased to report on the results of the year ended 30th September 2023.

The overall demand for packaging improved during the year, compared to the previous year. The Company benefitted from the volume growth experienced by our customers on the back of increased disposable income of consumers. In the year under review, management continued with its focus on cost containment and operational efficiencies, whilst looking for new opportunities to improve both product offerings and quality. We continue to invest in the business where we see opportunity.

The Group achieved sales for the year in inflation adjusted terms of ZW$ 573,78 billion (2022: ZW$ 394,15 billion) and a hyperinflated trading income of ZW$ 114,51 billion (2022: ZW $83,47 billion). A profit before tax of ZW$ 118,32 billion was achieved (2022: ZW$ 59,37 billion).

The profit before tax takes into account other material income of ZW$ 71,19 billion and a net monetary loss on hyperinflation of ZW$ 67,31 billion. Other income, in the main, comprises of exchange gains on foreign denominated debtors and cash balances.

The comprehensive profit attributable to Shareholders amounted to ZW$ 51,55 billion (2022: ZW$ 21,3 billion). Earnings per share at ZW$ 6 822,52 cents (2022: ZW$ 2 818,21 cents) improved on prior year.

INDUSTRIAL RELATIONS

At the close of the financial year, Nampak employed 449 permanent employees compared with 467 in the previous year. Overall, industrial relations have remained cordial. At NEC level the wage increases during the year were more frequent, 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$ 13,14 billion (2022: ZW$ 12,44 billion) and focused mainly on projects to increase capacity and improve plant services. There are some significant capital projects currently being reviewed by management and should funds become available, it is our intention to implement them.

ENTITY REVIEWS

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging
The sales volumes for the full year improved by 13,4% compared to prior year. The improvement was due to firm demand for tobacco cartons throughout the year, on the back of a record tobacco crop and improved regional demand. Demand at Cartons and Labels Division was 1,4% ahead of prior year, somewhat curtailed by raw material constraints.

PLASTICS AND METALS SEGMENT

Mega Pak
The full year sales volumes decreased by 2,5% versus prior year mainly due to severe power outages throughout the year in Ruwa, which hampered our ability to produce at full potential. Demand was strong across all product categories.

CarnaudMetalBox
The sales volumes for the full year grew by 4,7% compared to the prior year. The improvement was driven by strong growth in the closures and HDPE categories. Metals volumes were down on prior year.

OUTLOOK

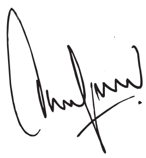
The 2023 trading year saw a lot of complexities in the operating environment particularly around currency, inflation and power shortages. We however noted some volume growth, and improved demand despite these challenges. The economy will be affected by the anticipated effects of El Nino which could impact the agricultural season ahead. The Group will continue to focus on cost control and margin preservation in order to meet these challenges.

APPRECIATION

I wish to recognise the commitment and dedication of the management teams and staff at all three operating companies. I would like to take this opportunity to thank all of them for all their efforts this year and for embracing the challenges they faced.

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

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



J. P. Van Gend
Group Managing Director

12 December 2023

Directors, Group Management and Administration

DIRECTORS

A. H. Howie	Independent Non Executive Chairman Member of the Remuneration Committee
K. C. Katsande	(Resigned 8 March 2023) Independent Non Executive Chairman Member of the Remuneration Committee
J. P. Van Gend	Group Managing Director (Executive)
M. Matafeni	Group Finance Director (Executive)
S. H. Murray	Independent Non Executive Director Chairman of the Audit Committee
A. Aldridge	(Appointed 1 November 2023) Non Executive Director Member of the Audit Committee
M. Valela (Alt. A. Makamure)	Non Executive Director Member of the Remuneration Committee
Q. Swart	Non Executive Director Chairman of the Remuneration Committee
H. Neser	(Resigned 31 August 2023) Non Executive Director Member of the Audit Committee

GROUP MANAGEMENT

J. P. Van Gend	B Comm, ACMA Re - joined in 2010 Group Managing Director
M. Matafeni	ACMA, CGMA, RPAcc (Z), FCT, MBA (UZ) Joined in 1991 Group Finance Director
A. K. Nicholson	B.Sc. Econ (Hons) Joined in 2009 Group Company Secretary

ADMINISTRATION

Physical Address
68 Birmingham Road, Southerton
P O Box 4351
Harare, Zimbabwe

Company Secretary
A. K. Nicholson

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

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

Internal Auditors
EY Advisory Services (Proprietary) Limited
102 Rivonia Road
Private Bag X14, Sandton, Johanessburg 2146
South Africa

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

Bankers
CABS
CBZ Bank Limited
Ecobank Zimbabwe Limited
NMB Bank Limited
Nedbank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Standard Chartered Bank Zimbabwe Limited

Statement of Corporate Governance and Directors' Responsibility

CORPORATE GOVERNANCE

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

ACCOUNTABILITY AND AUDIT

The Directors of Nampak Zimbabwe Limited are responsible for the overall preparation and the final approval of the annual financial statements. The external auditors are responsible for auditing and providing an opinion on the annual financial statements in the course of executing their statutory duties. The external auditor's report is set out on pages 17 to 19.

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

BOARD OF DIRECTORS

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

A virtual Board meeting was held on 20 January 2023 when the Financial Statements for the year ended 30 September 2022 were approved for publication in the press on 31 January 2023. The Board Charters were reviewed and adopted at the same meeting. The Seventy-Second Annual General Meeting was held virtually on 8 March 2023 and the results thereof were published in the press shortly thereafter. The Half Year Results to 31 March 2023 were also approved for publication in the Press on 28 June 2023 following a virtual board meeting held on 21 June 2023. A further virtual Board meeting was held on 22 August 2023.

BOARD COMMITTEES

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

Audit and Risk Committee

Members:
S. H. Murray - Chairman
Ms. A. Aldridge - (Appointed 1 November 2023)
Ms. H. Neser - (Resigned 31 August 2023)

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

Remuneration and Nominations Committee

Members:
Q. Swart - Chairman
A. H. Howie
M. Valela

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

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

Risk Management

J. P. Van Gend (Chairman) - B. Comm, ACMA
G. Ndawana - B Tech Environ Health
J. Nhemachena - BSc. Mech Eng (Hons), MBA (UZ)
T. Tauya - BSc. (Hons) Environ Science and Health

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

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

MANAGEMENT REPORTING

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

Statement of Corporate Governance and Directors’ Responsibility (continued)

STAKEHOLDER COMMUNICATION

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

INTERNAL CONTROL

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

INTERNAL AUDIT

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

SAFETY, HEALTH AND ENVIRONMENTAL STEWARDSHIP

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

ETHICS

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

ZIMBABWE STOCK EXCHANGE LISTING REQUIREMENTS

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

The Group issued Trading Updates for the 1st Quarter on 10 February 2023, the 2nd Quarter and Half Year on 21 June 2023, the 3rd Quarter and Nine Months on 9 August 2023. The 4th Quarter and the Year ended 30 September 2023 was published on 12 December 2023.

PREPARATION OF FINANCIAL STATEMENTS

The Directors of the Group and Company are required by the Zimbabwe Companies and Other Businesses Entities Act (Chapter 24:31) to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Group and Company at the end of the financial year and the financial performance and cash flows for the year.

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

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

The financial statements were approved by the Board of Directors on 12 December 2023 and are signed on its behalf by:

A. H. Howie
Chairman

12 December 2023

J. P. Van Gend
Group Managing Director

12 December 2023

Directors' Report

The Directors have pleasure in submitting their seventy third Annual Report, together with the Audited Financial Statements of the Group for the year ended 30 September 2023.

FINANCIAL RESULTS

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Re-stated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
The Group results are summarised as follows:				
Profit for the year	51 554 240	21 295 765	99 822 384	8 319 288
Earnings attributable to ordinary members	**51 554 240**	**21 295 765**	**99 822 384**	**8 319 288**

DIVIDENDS

An interim dividend was declared on 16 February 2023 of ZW$ 100.43 cents per ordinary share to shareholders registered in the books of the company on 3 March 2023. A further interim dividend of ZW$ 160.00 cents per ordinary share was declared on 28 June 2023 to shareholders registered in the books of the company on 14 July 2023.

A final dividend of US0.2 cents per share was declared and will be paid on or about the 26th of January 2024.

SHARE CAPITAL

Authorised
The authorised share capital as at 30 September 2023 is ZW$1 500 000 divided into 1 500 000 000 ordinary shares with a nominal value of ZW$0,001 each.

Issued and fully paid
The issued share capital at 30 September 2023 is ZW$755 648 comprised of 755 648 101 ordinary shares of ZW$0,001 each.

Director's interests in share capital
There are no Directors or their nominees with direct beneficial or non-beneficial interests in the shares of the Company.

RESERVES

Details of movements on the non-distributable and distributable reserves are shown in the statement of changes in equity on page 23.

DIRECTORATE

The names of the Directors in office at the date of this report are set out on page 11. Mr. K. C. Katsande resigned on 8 March 2023. Ms H. Neser resigned on 31 August 2023. Ms. A. Aldridge was appointed on 1 November 2023.

Directors' fees
A resolution will be proposed at the Annual General Meeting to approve historical directors' fees amounting to ZW$ 160,15 million (2022 - ZW$14,74 million).

BORROWING FACILITIES

Group had no borrowings at 30 September 2023 (2022 - $nil).

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

GOING CONCERN

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

BOARD COMMITTEES

These comprise the Audit and Risk Management Committee and the Remuneration and Nominations Committee, details of which are included in the Corporate Governance Report on page 12.

The following Board's Committees were operational during the year:

Audit : Mr. S. H. Murray (Chairman);
: Ms. A. Aldridge (appointed 1 November 2023); and
: Ms. H. Neser (resigned 31 August 2023).

Remuneration : Mr. Q. Swart (Chairman);
: Mr A.H. Howie; and
: Mr M. Valela.

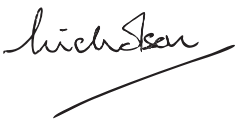
AUDITORS

Deloitte & Touche was the external auditor of Nampak Zimbabwe Limited and it's subsidiaries for the financial year ended 30 September 2023. At the Annual General Meeting to be held on 28 February 2024, shareholders will be requested to appoint PricewaterhouseCoopers ("PwC") as external auditor of Nampak Zimbabwe Limited and it's subsidiaries following the Audit and Risk committees' decision to nominate PwC as its independent auditor for the financial year commencing 1 October 2023.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held virtually on Wednesday, 28 February 2024 at 09:00 hours. Details of the virtual AGM will be sent by our Transfer Secretaries, First Transfer Secretaries (Private) Limited through emails to Shareholders.

By Order of the Board



A. K. Nicholson
Group Company Secretary

12 December 2023

68 Birmingham Road
Southerton
Harare

FINANCIAL INFORMATION

Statistics

for the year ended 30 September 2023

	INFLATION ADJUSTED		HISTORICAL	
	2023	2022 Re-Stated	2023	2022
Share performance				
Ordinary shares in issue	755 648 101	755 648 101	755 648 101	755 648 101
Earnings per ordinary share (cents)	6 822.52	2 818.21	13 210.17	1 100.95
Closing market price per ordinary share (cents)	22 000	950	22 000	950
Net asset value per ordinary share (cents)	19 283.99	13 228.36	14 395.69	1 441.68
Solvency				
Interest cover (times)	882	702	1 637	955
Total current liabilities as a percentage of total shareholders' equity (%)	64	58	82	69
Liquidity				
Current ratio	2.30	2.39	2.10	2.21
Acid test ratio	1.69	1.62	1.65	1.58
Profitability				
Return on shareholders' equity (%)	42.0	37.6	166.9	119.8
Operating profit to turnover (%)	20.6	15.0	46.4	36.7
Asset turnover	2.8	2.9	2.7	2.8
Capital expenditure				
Capital expenditure (ZW$ 000)	13 143 992	12 444 309	5 916 767	1 021 093
Productivity				
Permanent employees	449	467	449	467
Revenue per employee (ZW$ 000)	1 277 905	843 994	649 163	65 413

DEFINITIONS USED IN THIS REPORT

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

Current ratio
The ratio of current assets to current liabilities.

Total liabilities
Long term liabilities plus current liabilities.

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

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

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

Deloitte.

PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

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 63 which comprise the inflation adjusted consolidated statement of financial position as at 30 September 2023, 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, 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 2023, 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 Opinion

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. We have not determined any 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. We have nothing to report in this regard.

Report of the Independent Auditors (continued)

Responsibilities of the directors for the inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with 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 and Company'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.

Report on other legal and regulatory matters

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

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

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 2023.

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

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

Report of the Independent Auditors (continued)

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

Deloitte & Touche

Deloitte & Touche
Per: Tapiwa Chizana
Partner
Registered auditor
PAAB practice certificate number: 0444

27 December 2023

Preparer of the Annual Financial Statements

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

M. Matafeni - ACMA, CGMA, RPAcc (Z), FCT, MBA (UZ)
Group Finance Director
Registered Public Accountant
PAAB Number : 03729

Harare
12 December 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 September 2023

		INFLATION ADJUSTED		HISTORICAL	
	Notes	2023 ZW$ 000	2022 Re-Stated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Revenue	6	**573 779 208**	**394 145 197**	**291 474 335**	**30 547 901**
Raw materials and consumables used		(311 774 389)	(209 132 945)	(133 434 479)	(13 834 457)
Transport outwards expenses		(3 367 628)	(2 943 018)	(1 617 584)	(222 452)
Depreciation and amortisation expenses	7.1	(3 675 126)	(2 252 195)	(413 778)	(94 170)
Employee expenses		(65 593 532)	(47 923 742)	(30 679 167)	(3 711 157)
Other operating expenses	7.2	(77 322 829)	(50 667 875)	(36 504 576)	(3 875 369)
Other operating income	7.3	2 472 102	2 249 497	1 085 265	218 404
Trading income		**114 517 806**	**83 474 919**	**89 910 016**	**9 028 700**
Other income	7.4	71 185 047	18 642 314	45 371 371	2 190 677
Net monetary (loss) on hyperinflation		(67 312 135)	(42 977 185)	-	-
Operating profit		**118 390 718**	**59 140 048**	**135 281 387**	**11 219 377**
Finance income	8.1	72 647	374 961	17 185	24 545
Finance costs	8.2	(146 466)	(138 621)	(58 478)	(10 561)
Profit before tax		**118 316 899**	**59 376 388**	**135 240 094**	**11 233 361**
Tax expense	9	(66 762 659)	(38 080 623)	(35 417 710)	(2 914 073)
Profit for the year and total comprehensive income		**51 554 240**	**21 295 765**	**99 822 384**	**8 319 288**
Weighted average number of shares in issue		755 648 101	755 648 101	755 648 101	755 648 101
Basic earnings per ordinary share (cents)	10	6 822.52	2 818 .21	13 210.17	1 100.95
Diluted earnings per ordinary share	10	6 822.52	2 818 .21	13 210.17	1 100.95

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

Consolidated Statement of Financial Position

for the year ended 30 September 2023

		INFLATION ADJUSTED			HISTORICAL	
	Notes	2023 ZW$ 000	2022 Re-stated ZW$ 000	2021 Re-stated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
ASSETS						
Non-current assets						
Property, plant and equipment	11	32 189 314	22 870 928	13 330 167	6 484 415	1 255 889
Right of use assets	12	514 909	916 899	1 376 297	28 475	33 345
Intangible assets	13	185 413	2 443	2 548	200 002	2 443
Biological assets	14	1 771 682	434 377	774 100	1 771 682	57 883
Investments	15	15 691	12 696	6 970	2 986	410
Deferred tax asset	21	737 092	1 200 601	251 954	2 819 650	516 275
Total non current assets		**35 414 101**	**25 437 944**	**15 742 036**	**11 307 210**	**1 866 245**
Current assets						
Inventories	16	57 451 706	44 277 787	27 193 665	39 821 935	4 750 805
Trade and other receivables	17	146 266 812	82 933 955	54 648 795	136 692 439	10 414 873
Cash and cash equivalents	18	10 968 168	11 417 403	13 144 835	10 968 168	1 521 425
Total current assets		**214 686 686**	**138 629 145**	**94 987 295**	**187 482 542**	**16 687 103**
Total assets		**250 100 787**	**164 067 089**	**110 729 331**	**198 789 752**	**18 553 348**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	19	756	756	756	756	756
Share premium	19	24 054	24 054	24 054	24 054	24 054
Non distributable reserves	20	752 343	752 343	752 464	752 343	752 343
Retained earnings		144 941 977	99 182 687	77 886 801	107 971 343	10 116 893
Total shareholders' equity		**145 719 130**	**99 959 840**	**78 664 075**	**108 748 496**	**10 894 046**
Non current liabilities						
Deferred tax liabilities	21	11 174 296	5 085 980	1 209 303	600 324	-
Non current lease liability	22.2	6 907	898 557	956 886	6 907	119 737
Total non current liabilities		**11 181 203**	**5 984 537**	**2 166 189**	**607 231**	**119 737**
Current liabilities						
Trade and other payables	23	82 320 259	48 872 783	27 663 215	78 708 164	6 306 967
Provisions	24	313 370	38 282	154 235	159 036	5 101
Income tax payable	25	10 566 825	9 211 647	2 081 617	10 566 825	1 227 497
Total current liabilities		**93 200 454**	**58 122 712**	**29 899 067**	**89 434 025**	**7 539 565**
Total equity and liabilities		**250 100 787**	**164 067 089**	**110 729 331**	**198 789 752**	**18 553 348**

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

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

A.H. Howie
Chairman

J. P. Van Gend
Group Managing Director

Registered Office
68 Birmingham Road
Southerton
Harare

12 December 2023

Consolidated Statement of Changes in Equity

for the year ended 30 September 2023

	INFLATION ADJUSTED					
	Share Capital ZW$ 000	Share Premium ZW$ 000	Functional Currency Conversion Reserve ZW$ 000	Non Distributable Reserve Other ZW$ 000	Retained Earnings ZW$ 000	Total Equity ZW$ 000
Balance as at 1 October 2021 Re-stated	**756**	**24 054**	**3 199**	**749 265**	**77 886 801**	**78 664 075**
Profit for the year and total comprehensive income	-	-	-	-	21 295 765	21 295 765
Transfer between reserves	-	-	-	(121)	121	-
Balance as at 30 September 2022- Restated	**756**	**24 054**	**3 199**	**749 144**	**99 182 687**	**99 959 840**
Profit for the year and total comprehensive income	-	-	-	-	51 554 240	51 554 240
Dividend declared and paid	-	-	-	-	(5 794 950)	(5 794 950)
Balance as at 30 September 2023	**756**	**24 054**	**3 199**	**749 144**	**144 941 977**	**145 719 130**
	Note 19	Note 19	Note 20	Note 20		

	HISTORICAL						
	Share Capital ZW$ 000	Share Premium ZW$ 000	Functional Currency Conversion Reserve ZW$ 000	Non Distributable Reserve ZW$ 000	Asset Revaluation Reserve Other ZW$ 000	Retained Earnings ZW$ 000	Total Equity ZW$ 000
Balance as at 1 October 2021	**756**	**24 054**	**3 199**	**730 628**	**18 637**	**1 797 484**	**2 574 758**
Profit for the year and total comprehensive income	-	-	-	-	-	8 319 288	8 319 288
Transfer between reserves	-	-	-	-	(121)	121	-
Balance as at 30 September 2022	**756**	**24 054**	**3 199**	**730 628**	**18 516**	**10 116 893**	**10 894 046**
Profit for the year and total comprehensive income	-	-	-	-	-	99 822 384	99 822 384
Dividends declared and paid	-	-	-	-	-	(1 967 934)	(1 967 934)
Balance as at 30 September 2023	**756**	**24 054**	**3 199**	**730 628**	**18 516**	**107 971 343**	**108 748 496**
	Note 19	Note 19	Note 20	Note 20	Note 20		

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

Consolidated Statement of Cash Flows

for the year ended 30 September 2023

		INFLATION ADJUSTED		HISTORICAL	
	Notes	2023 ZW$ 000	2022 Re-stated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Cash generated from operating activities	29.1	101 968 002	58 964 465	132 030 229	11 419 794
Increase in working capital	29.2	(42 784 212)	(24 275 667)	(88 793 563)	(7 107 638)
Cash generated from operations		**59 183 790**	**34 688 798**	**43 236 666**	**4 312 156**
		(42 193 784)	**(23 434 014)**	**(27 822 725)**	**(2 188 045)**
Interest received	8.1	72 647	374 961	17 185	24 545
Interest paid on leases		(146 466)	(138 621)	(58 478)	(10 561)
Tax paid	25	(42 119 965)	(23 670 354)	(27 781 432)	(2 202 029)
Net cash generated from operating activities		**16 990 006**	**11 254 784**	**15 413 941**	**2 124 111**
Investing activities		**(12 572 024)**	**(12 060 328)**	**(5 610 835)**	**(995 232)**
Purchase of plant and equipment for maintaining operations		(13 035 709)	(12 226 429)	(5 874 276)	(1 008 513)
Purchase of property, plant and equipment for expanding operations		(108 283)	(217 880)	(42 490)	(12 579)
Proceeds on disposal of property, plant and equipment		571 968	383 981	305 931	25 860
Net cash generated / (utilised) before financing activities		**4 417 982**	**(805 544)**	**9 803 106**	**1 128 879**
Financing activities		**(6 953 484)**	**(921 888)**	**(2 442 630)**	**(67 918)**
Principal portion of lease liability paid	22.1	(1 158 534)	(921 888)	(474 696)	(67 918)
Dividend payment		(5 794 950)	-	(1 967 934)	-
Net cash (utilised) / generated after financing activities		**(2 535 502)**	**(1 727 432)**	**7 360 476**	**1 060 961**
Effects of exchange rate on cash and cash equivalents		2 086 267	-	2 086 267	-
Net (decrease) / increase in cash and cash equivalents		**(449 235)**	**(1 727 432)**	**9 446 743**	**1 060 961**
Cash and cash equivalents at the beginning of the year		11 417 403	13 144 835	1 521 425	460 464
Cash and cash equivalents at the end of the year		**10 968 168**	**11 417 403**	**10 968 168**	**1 521 425**
REPRESENTED BY:					
Bank balances, cash and short term deposits	18	10 968 168	11 417 403	10 968 168	1 521 425

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

Notes to the Financial Statements

for the year ended 30 September 2023

1. CORPORATE INFORMATION

1.1 Nature of Business

The consolidated financial statements of Nampak Zimbabwe Limited for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the Directors on 12 December 2023. Nampak Zimbabwe Limited is a public limited Company incorporated and domiciled in Zimbabwe. The Company was first incorporated in 1951 and was listed on the Zimbabwe Stock Exchange in September 1952. The shares have been publicly traded since then. The shareholding of the Company is on page 76. The address of the registered offices is on page 11.

Nampak Zimbabwe Limited comprises of a holding company and its subsidiaries collectively known as the "Group". The Group is principally engaged in the manufacturing of paper, plastic and metal packaging products as well as leasing of land. The principal activities of the Group are described on page 8.

1.2 Currency of Reporting

The Group's financial statements are presented in Zimbabwe dollars (ZW$), which became the functional currency of the Company from 24 June 2019 through promulgation of Statutory Instrument 142 of 2020 (SI142/19). All values are rounded to the nearest thousand except where otherwise stated.

Statutory instrument 185 of 2020 which was promulgated on 24 July 2020 permitted companies to charge for their goods and services in Zimbabwe dollars or any other foreign currency. The Group implemented the charging of goods in both Zimbabwe dollars and foreign currency. There has been a shift in charging of the Group's goods and services towards a more stable currency during the year. Management will continue to assess the functional currency in line with the provisions of IAS 21.

1.3 Hyperinflation

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

Appropriate adjustments and reclassifications, including statements for changes and general purchasing power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29 have been made in these financial statements to the historical cost financial information.

"The conversion factors have been adopted from the Consumer Price Index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) for the period to January 2023. From February 2023, the government of Zimbabwe through Statutory instrument 27 of 2023, legislated the publication of blended CPI rates which took into account general price changes in both the US$ and the ZW$.

In terms of the requirements of IAS29 para 17 "A general price index may not be available for the periods for which the restatement of property, plant and equipment is required by this Standard. In these circumstances, it may be necessary to use an estimate based, for example, on the movements in the exchange rate between the functional currency and a relatively stable foreign currency". The group considered the movement in the RBZ auction market foreign exchange rate for the alternative computation of CPI indices for the period from February 2023 to September 2023, in line with the provisions of IAS 29.

The indices and conversion factors used were as follows:

	Indices	Conversion factor
CPI as at 30 September 2023	95 404.54	1
CPI as at 30 September 2022	12 713.12	7.50
CPI as at 30 September 2021	3 342.00	28.55

1.4 Borrowing powers

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

2 BASIS OF PREPARATION AND COMPLIANCE

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

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

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

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operation and existence for the foreseeable future. Consequently, the Board supports the continued adoption of the going concern basis of accounting in the preparation of financial statements.

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

3.1 New and revised IFRS mandatorily effective in the current year

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

- **Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies**

  IAS 1 requires that an entity discloses its significant accounting policies. The Board concluded that the concept of materiality could be applied in making decisions about the disclosure of accounting policies. Therefore, the Board decided to amend IAS 1 to replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. In the Board's view, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

  The Board concluded that these amendments would help entities reduce immaterial accounting policy disclosures in their financial statements. The Board made it clear that if an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

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

- **Amendments to IAS 12 - Income Taxes**

  The amendments introduce an exception to the initial recognition exemption in IAS 12. An entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented.

  For some transactions, IFRS Standards require the simultaneous recognition of an asset and a liability. A consequence is that IAS 12 could also require the recognition of offsetting temporary differences. Before the amendments, it was not clear whether IAS 12 required recognition of deferred taxes for these temporary differences or whether the initial recognition exemption applied. That exemption prohibits an entity from recognizing deferred tax assets and liabilities on initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable profit. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early application of the amendments is permitted.

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

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

3.2 New and revised IFRS in issue but not yet effective

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

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

- **IFRS 16 – Leases**
  The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

  Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a re-measurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

- **IAS 7 - Statement of Cash Flows**
  The IASB amends IAS 7 to require entities to provide qualitative and quantitative information about its supplier finance arrangements. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

  The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements. To meet the disclosure objective set out above, an entity is required to disclose in aggregate for its supplier finance arrangements:

(a) The terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided). However, an entity is required to disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions

(b) As at the beginning and end of the reporting period:
   (i) The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.
   (ii) The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
   (iii) The range of payment due dates (for example, 30-40 days after the invoice date) for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement. Comparable trade payables are, for example, trade payables of the entity within the same line of business or jurisdiction as the financial liabilities disclosed under (i). If ranges of payment due dates are wide, an entity is required to disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges).

(c) The type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

- **IFRS 7 - Financial Instruments**
  Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms. In the Guidance on implementing IFRS 7, the amendments add that concentrations of liquidity risk and market risk may arise from supplier finance arrangements resulting in the entity concentrating with finance providers a portion of its financial liabilities originally owed to suppliers.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2023, together with appropriate share of post-acquisition results and reserves of its material associated and joint venture companies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

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

Control is achieved when the Company:
- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss

4.2 Business combinations and goodwill

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

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

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

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

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

4.3 Biological assets

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation

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

Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and for qualifying assets, borrowing costs in accordance with the Group's accounting policy are included in the carrying value of the asset. Costs also include an estimate of costs of dismantling and removing the item and restoring the site on which it is located. When parts of an item of property, plant and equipment have different useful lives or residual values, they are accounted for as separate items (major components).

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

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

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

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

The average rates of depreciation used are:

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

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

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.5 Intangible assets excluding goodwill

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

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

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Leases

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

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

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

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

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

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

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

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

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

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

4.9 Inventories

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

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

4.10 Taxation

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

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's asset and liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Taxation (continued)

Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

Value added tax (VAT)

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

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

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

Uncertain tax position

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

4.11 Foreign currency translation

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments

Recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

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

4.12.1 Financial assets

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

Trade and other receivables

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

The allowance for credit losses is established and recognised in profit or loss when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of the recoverability based on historical trend analyses and events that exist at reporting date. Bad debts are written off to profit or loss when identified.

Cash and cash equivalents

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

Loans and receivables

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

4.12.1 Financial assets (continued)

De-recognition of financial assets
A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

4.12.2 Financial liabilities
Financial liabilities include trade and other accounts payables and interest bearing borrowings, and these are recognised initially at fair value including transaction costs and subsequently carried at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Trade and other payables
Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier.

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

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

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

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Revenue recognition

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

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

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

Sale of goods

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

Services

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

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

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in finance income in profit and loss.

Rental income

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

4.14 Employee benefits

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

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered, such as paid vacation and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of incentive and or bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and the obligation can be measured reliably.

Long-term employee benefits

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

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

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

Pensions and other post-employment benefits

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

4.15 Estimates of useful lives, residual lives and depreciation methods

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Critical accounting judgements, estimates and assumptions

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

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

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of non-financial assets

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

b) Biological assets

The biological assets have been valued at fair value less any anticipated costs to sell. The key assumptions used in the valuation of biological assets are disclosed in note 14.

c) Deferred tax assets

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

d) Expect credit losses

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

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

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

e) Lack of long term exchangeability

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Critical accounting judgements, estimates and assumptions (continued)

e) Lack of long term exchangeability (continued)

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

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

The directors have concluded that there is no long term lack nor a temporary lack of exchangeability of foreign currency in terms of IAS 21, which would trigger the need to determine a spot exchange rate through estimation. The primary source of foreign currency for the Group is the official auction market.

f) Hyperinflation computations

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

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

The application of the consumer price index in the determination of hyper inflated financial information, in a volatile economy, driven by a number of economic fundamentals including currency fluctuations, and price-controlled goods and services, affects the reported values of assets and liabilities. In the current year, in the absence of published CPI information, the Group considered the movements in the RBZ auction market exchange rate for the alternative computation of CPI indices for the period from February 2023 to September 2023, in line with the provisions of IAS 29.

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

International Accounting Standard 21 (IAS 21) defines the spot exchange rate as the exchange rate for immediate delivery. During the current year ended 30 September 2023 (including the comparative periods 1 October 2021 to 30 September 2022 and 1 October 2020 to 30 September 2021), the Group translated foreign transactions using auction exchange rates as at the date of transaction, whilst the foreign balances on the Statement of financial position were translated at the closing auction rate at 30 September 2023 (as well as the closing auction rate at 30 September 2022 for the comparatives). The Group has therefore applied the official auction exchange rate in its determination of the spot rate pursuant to complying with IAS 21 for the year ended 30 September 2023.

4.18 Segment reporting

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

The basis of the segmental allocation is determined as follows:

Segment revenue

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

Segment trading profit

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

Segments assets

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

Segment liabilities

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

Geographical information

Geographical information for revenues to external customers are disclosed on note 31.5.

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

5 PRIOR PERIOD ERROR

Nampak Zimbabwe Limited is a subsidiary of Nampak International through Nampak Southern Africa Holdings.

Following the introduction of a currency called the RTGS dollar through Statutory Instrument 33 of 2019 (""SI33/19"") with effect from 22 February 2019, Nampak Zimbabwe applied the exchange rate of 1:1 as mandated by the RBZ for the period up to the effective date of SI 33/19. The Nampak group reported the financial information in hyperinflation terms for the first time by uplifting the October 2018 opening balances using the relevant factors.

This treatment resulted in non-compliance with IFRS standards with respect to comparative financial information on property, plant and equipment, depreciation, deferred tax and retained earnings. Modified audit opinions have been issued on the Consolidated and Separate Inflation Adjusted Financial Statements in the prior years due to the non-compliance to IFRS standards mentioned above.

Nampak Zimbabwe has now aligned the current and comparative inflation adjusted financial information with the IFRS reporting framework.

The effect of aligning the accounts on the Nampak Zimbabwe group is detailed below:

INFLATION ADJUSTED

Changes in the statement of profit / (loss)	As at 30 September 2022 ZW 000 Restated Audited
Decrease in depreciation charge	5 805 877
Decrease in other operating expenses	67 417
Increase in Net monetary loss	(12 156 162)
(Decrease) in profit before tax	(6 282 868)
Decrease in tax charge	7 951 242
Increase in Profit after tax	**1 668 375**
Impact to EPS	
Number of shares in issue	755 648 101
Increase in Earnings Per Share (cents)	220.79

INFLATION ADJUSTED

Changes in the statement of financial position	As at 30 September 2022 ZW 000 Re-stated Audited	As at 30 September 2021 ZW 000 Re-stated Audited
Decrease in owner occupied properties	(24 365 591)	(25 076 493)
Decrease in plant and machinery	(17 949 420)	(22 060 728)
Decrease in vehicles	(242 739)	(296 878)
Decrease in computers and office equipment	(88 150)	(127 942)
Decrease in furniture and fittings	(63 116)	(71 709)
Decrease in goodwill and intangible assets	(3 634 543)	(3 570 781)
Increase in deferred tax asset	1 182 075	69 538
Decrease in investments	(2 240)	(70)
Decrease in deferred tax liability	6 950 731	11 253 695
Total decrease in net assets	**(38 212 993)**	**(39 881 368)**
Change in equity		
Decrease in share capital and premium	(36 925 210)	(36 241 412)
Decrease in non distributable reserves	(281 491)	(426 695)
Decrease in distributable reserves	(1 006 292)	(3 213 261)
Total change in equity	**(38 212 993)**	**(39 881 368)**

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

6 REVENUE

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
The following is an analysis of Group's revenue for the year:				
Sale of goods - Local	496 490 802	356 431 045	247 804 881	25 376 839
Sale of goods - Export	77 288 406	37 348 022	43 669 454	5 141 496
Other sales	-	366 130	-	29 566
Total	**573 779 208**	**394 145 197**	**291 474 335**	**30 547 901**

7 OPERATING PROFIT

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

	INFLATION ADJUSTED 2023 ZW$ 000	2022 Restated ZW$ 000	HISTORICAL 2023 ZW$ 000	2022 ZW$ 000
7.1 Depreciation and amortisation expenses consists of:				
Land and buildings	41 942	27 200	2 827	1 088
Plant and equipment	3 142 258	2 189 293	376 416	76 504
Intangible assets	16 262	18	17 558	2
Right of use assets	474 664	35 684	16 977	16 576
Total	**3 675 126**	**2 252 195**	**413 778**	**94 170**
7.2 Included in other operating expenses are:				
Audit fees	2 473 065	1 940 242	1 275 329	155 079
Directors' fees	295 227	183 961	160 146	14 741
Rentals and rates	3 350 858	2 133 002	12 846	75 238
Energy costs	25 402 471	11 878 339	10 706 342	262 942
Maintenance expenses	17 125 528	13 495 065	7 868 102	301 913
Risk control	7 006 440	5 773 142	2 777 823	62 423
Information technology	2 498 876	1 525 011	1 333 638	27 663
Professional services	740 314	531 324	328 137	40 624
Allowance for credit loss on trade receivables	2 820 445	2 318 045	2 820 445	308 891
7.3 Other operating income				
Gain / (loss) on disposal of plant and equipment and intangible assets	129 795	(303 415)	212 052	15 249
Rentals received	638 182	4 814	287 915	397
Fair value gain on investments	3 009	4 021	2 576	163
Sundry waste paper and scrap sales	1 701 116	2 544 077	7 582 722	202 595
Total	**2 472 102**	**2 249 497**	**1 085 265**	**218 404**
7.4 Other (expenses) / income				
Retrenchment, termination and restructuring costs	(452 625)	(447 431)	(303 043)	(20 404)
Fair value gain on biological assets	1 713 799	230 882	1 713 799	30 766
Net exchange gain on foreign currency	69 923 873	18 858 863	43 960 615	2 180 315
Total	**71 185 047**	**18 642 314**	**45 371 371**	**2 190 677**

8 FINANCE INCOME AND COSTS

	INFLATION ADJUSTED 2023 ZW$ 000	2022 Restated ZW$ 000	HISTORICAL 2023 ZW$ 000	2022 ZW$ 000
8.1 Finance income				
Interest received - short term investments	10 823	314 281	2 178	20 815
Interest received - other	61 824	60 680	15 007	3 730
Total	**72 647**	**374 961**	**17 185**	**24 545**
8.2 Finance costs				
Interest on lease liabilities	146 466	138 621	58 478	10 561
Total	**146 466**	**138 621**	**58 478**	**10 561**

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

9 TAX EXPENSE

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Income tax	60 413 606	38 375 127	37 120 760	3 342 584
Deferred tax charge / (credit)	6 349 053	(402 309)	(1 703 050)	(442 825)
Withholding tax	-	480	-	12
Capital gains tax	-	107 325	-	14 302
Total	**66 762 659**	**38 080 623**	**35 417 710**	**2 914 073**

Zimbabwean income tax is calculated at 24.72% (2022: 24.72%) of the estimated taxable profit for the year. Withholding taxes are paid on interest received.

Reconciliation of the rate of taxation

	INFLATION ADJUSTED		HISTORICAL	
	%	**%**	**%**	**%**
Standard rate	24.72	24.72	24.72	24.72
Adjusted for:				
Other taxes	-	0.18	-	0.13
Exempt income	(1.44)	(0.92)	(1.27)	(0.25)
Non deductible expenses	33.15	40.15	2.74	1.34
Effective rate	**56.43**	**64.13**	**26.19**	**25.94**

The non deductible expenses are largely driven by the net monetary loss on hyperinflation for the inflation adjusted amounts.

10 EARNINGS PER SHARE

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

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

Basic and headline earnings or loss per share are based on a weighted average of 755 648 101 (2022 : 755 648 101) ordinary shares in issue during the year.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Earnings per share				
Earnings attributable to ordinary members	51 554 240	21 295 765	99 822 384	8 319 288
Ordinary shares in issue at year end	755 648 101	755 648 101	755 648 101	755 648 101
Basic earnings per ordinary share (cents)	**6 822.52**	**2 818.21**	**13 210.17**	**1 100.95**
Diluted earnings per ordinary share	**6 822.52**	**2 818.21**	**13 210.17**	**1 100.95**
Determination of headline earnings or (loss)				
Profit for the year	51 554 240	21 295 765	99 822 384	8 319 288
Adjust for:				
Gain on disposal of property, plant and equipment - net of tax	(416 784)	(151 168)	(219 784)	(11 479)
Other material income - net of tax (note 7.4)	(53 588 104)	(14 030 470)	(34 155 568)	(1 649 142)
Headline (loss) / earnings	**(2 540 648)**	**7 114 127**	**65 447 032**	**6 658 667**
Headline (loss) / earnings per share				
Headline (loss) / earnings attributable to ordinary members	(2 540 648)	7 114 127	65 447 032	6 658 667
Ordinary shares in issue at year end	755 648 101	755 648 101	755 648 101	755 648 101
Headline (loss) / earnings per ordinary share (cents)	**(324.31)**	**941.46**	**8 661.05**	**881.19**

11 PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED

	Land and buildings ZW$ 000	Plant and machinery ZW$ 000	Motor vehicles ZW$ 000	Computer and office equipment ZW$ 000	Furniture and fittings ZW$ 000	Capital work in progress ZW$ 000	Total ZW$ 000
Costs							
Opening costs - 2022	915 452	7 440 321	1 103 067	975 025	63 379	4 389 077	14 886 321
Additions - 2022	217 880	3 948 697	2 054 467	572 682	227 279	5 423 304	12 444 309
Disposals 2022	-	(681 317)	(9 012)	(737)	-	(349)	(691 415)
Closing Balance 2022	**1 133 332**	**10 707 701**	**3 148 522**	**1 546 970**	**290 658**	**9 812 032**	**26 639 215**
Additions - 2023	108 289	5 972 713	2 169 410	382 792	35 433	4 276 123	12 944 760
Disposals 2023	(5)	(421 558)	(22 195)	(192)	-	-	(443 950)
Transfers	-	4 290 669	-	-	-	(4 290 669)	-
Closing Balance 2023	**1 241 616**	**20 549 525**	**5 295 737**	**1 929 570**	**326 091**	**9 797 486**	**39 140 025**
Accumulated depreciation							
Opening - 2022	326 623	817 324	70 954	329 519	11 733	-	1 556 154
Charge for the year - 2022	27 200	1 497 940	414 943	264 332	11 738	-	2 216 152
Disposals 2022	-	(1 567)	(2 090)	(362)	-	-	(4 019)
Closing Balance 2022	**353 823**	**2 313 897**	**483 807**	**593 489**	**23 471**	**-**	**3 768 287**
Charge for the year - 2023	41 942	1 943 646	786 896	376 187	35 530	-	3 184 201
Disposals 2023	2	142	(1 763)	(158)	-	-	(1 777)
Closing Balance 2023	**395 767**	**4 257 485**	**1 268 940**	**969 518**	**59 001**	**-**	**6 950 711**
Net book values							
Ast at 30 September 2022	779 509	8 394 004	2 664 715	953 481	267 187	9 812 032	22 870 928
Ast at 30 September 2023	**845 849**	**16 292 040**	**4 026 797**	**960 052**	**267 090**	**9 797 486**	**32 189 314**

HISTORICAL

	Land and buildings ZW$ 000	Plant and machinery ZW$ 000	Motor vehicles ZW$ 000	Computer and office equipment ZW$ 000	Furniture and fittings ZW$ 000	Capital work in progress ZW$ 000	Total ZW$ 000
Costs							
Opening costs - 2022	21 531	209 109	35 324	18 968	681	113 357	398 970
Additions - 2022	12 579	355 890	152 370	50 200	26 950	423 103	1 021 092
Disposals 2022	-	(159)	(12 502)	(368)	-	-	(13 029)
Closing Balance 2022	**34 110**	**564 840**	**175 192**	**68 800**	**27 631**	**536 460**	**1 407 033**
Additions - 2023	42 440	2 913 655	579 050	144 861	4 889	2 016 753	5 701 648
Disposals 2023	(3)	(76 714)	(17 997)	(147)	-	-	(94 861)
Closing Balance 2023	**76 547**	**3 401 781**	**736 245**	**213 514**	**32 520**	**2 553 213**	**7 013 820**
Accumulated depreciation							
Opening - 2022	3 095	66 226	2 264	4 229	156	-	75 970
Charge for the year - 2022	1 088	49 508	17 641	8 724	631	-	77 592
Disposals 2022	-	(1 872)	(431)	(115)	-	-	(2 418)
Closing Balance 2022	**4 183**	**113 862**	**19 474**	**12 838**	**787**	**-**	**151 144**
Charge for the year - 2023	2 827	253 508	80 391	38 844	3 673	-	379 243
Disposals 2023	2	(37)	(765)	(182)	-	-	(982)
Closing Balance 2023	**7 012**	**367 333**	**99 100**	**51 500**	**4 460**	**-**	**507 516**
Net book values							
Ast at 30 September 2022	29 927	450 977	155 719	55 963	26 844	536 459	1 255 889
Ast at 30 September 2023	**69 535**	**3 034 447**	**637 145**	**162 016**	**28 060**	**2 553 212**	**6 484 415**

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

12 RIGHT OF USE ASSETS

	Land - Maganga Estate ZW$ 000	Lifting Equipment - Forklifts ZW$ 000	Total ZW$ 000
INFLATION ADJUSTED			
Cost			
At 1 October 2021	-	979 410	979 410
Additions	12 823	-	12 823
At 30 September 2022	**12 823**	**979 410**	**992 233**
Additions	72 673	-	72 673
At 30 September 2023	**85 496**	**979 410**	**1 064 906**
Accumulated depreciation			
At 1 October 2021	-	39 308	39 308
Charge for the year	342	35 684	36 026
At 30 September 2022	**342**	**74 992**	**75 334**
Charge for the year	2 793	471 870	474 663
At 30 September 2023	**3 135**	**546 862**	**549 997**
Carrying amounts			
At 30 September 2022	12 481	904 418	916 899
At 30 September 2023	**82 361**	**432 548**	**514 909**
HISTORICAL			
Cost			
At 1 October 2021	-	49 589	49 589
Additions	1 709	-	1 709
At 30 September 2022	**1 709**	**49 589**	**51 298**
Additions	12 106	-	12 106
At 30 September 2023	**13 815**	**49 589**	**63 404**
Accumulated depreciation			
At 1 October 2021	-	1 376	1 376
Charge for the year	46	16 530	16 576
At 30 September 2022	**46**	**17 906**	**17 952**
Charge for the year	447	16 530	16 977
At 30 September 2023	**493**	**34 436**	**34 929**
Carrying amounts			
At 30 September 2022	1 663	31 682	33 345
At 30 September 2023	**13 323**	**15 152**	**28 475**

The Group leases forklifts for use in its operations. The remaining lease period is 1 year (2022: 2 years). The lease was established in September 2021. The group also leases land from the government of Zimbabwe. The remaining lease period is 23 years (2022: 24 years). The lease was established in January 2022. The corresponding non current lease liability and current portion of the non current lease liability matching the above assets is disclosed in notes 22 and 23 respectively.

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

13 INTANGIBLE ASSETS

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 Restated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
GOODWILL				
At cost or valuation				
As at 30 September 2022	2 441	2 441	2 441	2 441
As at 30 September 2023	**2 441**	**2 441**	**2 441**	**2 441**
SOFTWARE				
At cost or valuation				
As at 30 September 2022	68	68	207	207
Addition	199 232	-	215 118	-
As at 30 September 2023	**199 300**	**68**	**215 325**	**207**
Aggregate amortisation	**16 328**	**66**	**17 763**	**205**
As at 1 October 2022	66	49	205	203
Charge for the year	16 262	17	17 558	2
Net carrying amount as at 30 September 2023	**182 972**	**2**	**197 562**	**2**
Carrying amounts				
As at 30 September 2022	2 442	2 460	2 443	2 445
As at 30 September 2023	**185 413**	**2 443**	**200 002**	**2 443**

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

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

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

The goodwill relates to the acquisition of MegaPak (Zimbabwe Limited) and CarnaudMetal Box Limited. In testing the goodwill, management took into consideration the economic outlook and the market for plastic and metals sector. Volumes for MegaPak decreased by 2% largely due to power cut issues, whilst CMB increased by 4% . There is strong demand which is expected to continue into the foreseeable future. As a result, management determined that significant headroom exists in the calculation such that no impairment of the goodwill was required for the current year.

The Directors of the Company have assessed the goodwill and believe that no impairment is required as at 30 September 2023 (2022: No goodwill impairment was recognised).

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

14 BIOLOGICAL ASSETS

Hunyani Forests Limited, a subsidiary of the Group, is engaged in the production and distribution of timber for both the treated timber and commercial firewood. The value of the biological assets has been stated at fair value less estimated costs to sell. The fair value of standing timber is determined based on the market prices in the local area.

Valuation of biological assets

A valuation was carried out as at 30 September 2023 by an accredited independent valuer to arrive at estimated fair values. In accordance with IAS 41 - Agriculture, the Directors have a valuation model that takes into account market prices, volume, fire damage and insect damage of standing timber in order to determine fair values. In arriving at their estimates of fair values, the Directors have used market knowledge, professional judgement and historical transactional comparables. All timber plantations remain designated for compulsory acquisition.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Reconciliation of carrying amounts of biological assets				
Carrying amount as at the beginning of the year	**434 377**	**774 100**	**57 883**	**27 117**
Fair valuation	**1 713 799**	**230 882**	**1 713 799**	**30 766**
Gains arising from price changes	1 709 878	234 195	1 709 879	31 208
(Loss) / gain from physical growth of plantation	3 921	(3 313)	3 920	(442)
Effects of IAS 29	(376 494)	(570 605)	-	-
Carrying amount as at the end of the year	**1 771 682**	**434 377**	**1 771 682**	**57 883**

The elements used in the fair valuation are; the age profile of standing timber, the current use of timber which is usable as firewood only and not for poles, and the current state of timber material.

Fair valuation of biological assets

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

Fair value hierarchy

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Level 1	-	-	-	-
Level 2	1 771 682	434 377	1 771 682	57 883
Level 3	-	-	-	-
Total	**1 771 682**	**434 377**	**1 771 682**	**57 883**

The biological assets are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the biological assets as at 30 September 2023 and 30 September 2022 were performed by an independent valuer not related to the Group. The Independent valuer has appropriate qualifications and experience in the fair value measurement of biological assets. The valuation was based on recent market transactions on arm's length terms for similar biological assets.

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

15 INVESTMENTS - AVAILABLE FOR SALE

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Balance at the beginning of the year	**12 698**	**6 970**	**410**	**247**
Fair value adjustment	3 009	4 021	2 576	163
Effects of IAS 29	(16)	1 707	-	-
Closing balance at the end of the year	**15 691**	**12 698**	**2 986**	**410**

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

16 INVENTORIES

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Raw materials	36 669 203	26 439 369	23 584 711	2 902 221
Finished goods	7 262 969	5 288 252	5 991 763	595 112
Work in progress	976 569	736 663	976 569	98 164
Stores and consumables	24 298 828	13 448 632	10 347 180	1 184 821
Sub total	**69 207 569**	**45 912 916**	**40 900 223**	**4 780 318**
Allowance for obsolete inventory	(11 755 863)	(1 635 129)	(1 078 288)	(29 513)
Total	**57 451 706**	**44 277 787**	**39 821 935**	**4 750 805**

The amount of inventory provision recognised under other operating expenses is ZW$ 11.8 billion (2022: ZW$ 1,6 billion). The cost of inventory recognised as an expense due to sales which is included in cost of sales is ZW$ 311.77 billion (2022 - ZW$ 209.13 billion).

17 TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Gross trade receivables	116 591 288	57 160 863	116 591 288	7 616 964
Allowance for credit losses	(2 820 445)	(2 318 046)	(2 820 445)	(308 891)
Trade receivables	**113 770 843**	**54 842 817**	**113 770 843**	**7 308 073**
Prepayments	30 438 321	22 258 073	20 863 948	2 329 520
Other receivables	1 740 240	4 025 403	1 740 240	536 405
Reserve Bank of Zimbabwe auction receipts outstanding	317 408	1 807 660	317 408	240 875
Total	**146 266 812**	**82 933 953**	**136 692 439**	**10 414 873**

Trade receivables are non-interest bearing and normally settled on 30 and 60 day terms for local and foreign customers respectively. Other receivables are non-interest bearing and are normally settled on 60 day terms. The Directors consider that the carrying amount of trade and other receivables approximates their fair value due to their short term nature. There is no single major debtor whose aggregated balance exceeds 10% of the total trade receivables.

Reserve Bank of Zimbabwe auction receipts outstanding are amounts the Group won on the foreign exchange auction system and are yet to be received or paid to our suppliers. The USD equivalent is USD249 920 (2022 : USD 415 306)

The Group uses the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The assessment of the probability of default and the expected credit losses is based on historical and current data and is adjusted by forward looking information on the receivables and economic conditions. On that basis the loss allowance for trade receivables as at 30 September 2023 was determined as follows:

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

17 TRADE AND OTHER RECEIVABLES (continued)

	Current ZW$ 000	More than 30 days past due ZW$ 000	More than 60 days past due ZW$ 000	More than 90 days past due ZW$ 000	More than 120 days past due ZW$ 000	Total ZW$ 000
2023 - Inflation adjusted and historical						
Gross carrying amount	83 839 094	19 561 073	5 258 862	3 893 475	4 038 783	116 591 288
Average expected loss rate	0.47%	6.10%	14.16%	3.19%	8.96%	2.42%
Credit loss allowance	**396 958**	**1 192 856**	**744 604**	**124 049**	**361 978**	**2 820 445**
2022 - Inflation adjusted						
Gross carrying amount	47 377 890	5 866 238	2 795 760	720 295	400 680	57 160 863
Average expected loss rate	2.09%	12.32%	14.14%	13.41%	28.73%	4.06%
Credit loss allowance	**988 268**	**722 604**	**395 444**	**96 618**	**115 111**	**2 318 045**
2022 - Historical						
Gross carrying amount	6 313 335	781 705	372 549	95 983	53 392	7 616 964
Average expected loss rate	2.09%	12.32%	14.14%	13.41%	28.73%	4.06%
Credit loss allowance	**131 692**	**96 291**	**52 695**	**12 875**	**15 339**	**308 891**

During the year there was an increase of ZW$ 502,4 million in estimated irrecoverable allowances for credit losses from sale of goods (2022: ZW$ 208,5 million). This was net of provisions raised during the year, reversals and utilisation of the provisions from prior year.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Movements in the allowance for credit losses:				
Balance at the beginning of the year	2 318 045	753 513	308 891	26 396
Net increase in allowance for credit losses	2 511 554	2 119 966	2 511 554	282 495
Effects of IAS 29	(2 009 154)	(555 434)	-	-
Balance at the end of the year	**2 820 445**	**2 318 045**	**2 820 445**	**308 891**
The ageing analysis of trade receivables for the year ended 30 September 2023 is as follows:				
Neither past due nor impaired	83 839 094	47 377 890	83 839 094	6 313 335
Past due but not impaired				
- Less than 30 days	19 561 073	5 866 237	19 561 073	781 705
- 30-60 days	5 258 862	2 795 760	5 258 862	372 549
- 61-90 days	3 893 475	720 295	3 893 475	95 983
- 91days and above	1 218 339	(1 917 364)	1 218 339	(255 499)
Total	**113 770 843**	**54 842 818**	**113 770 843**	**7 308 073**

See note 28.6 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired

18 CASH AND CASH EQUIVALENTS

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 Restated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Cash on hand	246 408	1 232 155	246 408	164 191
Short term bank deposits	5	397 874	5	53 019
Bank balances and cash in transit	10 216 138	9 482 319	10 216 138	1 263 565
Restricted cash	505 617	305 055	505 617	40 650
Total	**10 968 168**	**11 417 403**	**10 968 168**	**1 521 425**

Cash and cash equivalents comprise bank balances and cash held by the Group and other short term bank deposits with an original maturity of three months or less. Restricted cash relates to ZW$ equivalent of USD 96 259 (2022: USD 65 403) foreign currency for gold coins held by the Group and amounts liquidated by the Reserve Bank of Zimbabwe on Nostro accounts receipts but not yet credited in the local currency accounts as at the reporting date. The carrying amount of these balances approximates their fair value due to their short term nature.

The average interest rate on short term bank deposits is 110% (2022: 55%). The average maturity of these deposits is 30 days (2022: 30 days) from the end of the reporting period.

19 SHARE CAPITAL

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 Restated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Authorised share capital				
1 500 000 000 ordinary shares of $0.001 each	1 500	1 500	1 500	1 500

The authorised ordinary share capital at 30 September 2023 is US$1 500 000 comprising 1 500 000 000 ordinary shares of $0.001 each.

Issued and fully paid share capital

	INFLATION ADJUSTED		HISTORICAL	
	2023	2022 Restated	2023	2022
Number of shares issued	755 648 101	755 648 101	755 648 101	755 648 101
	ZW$ 000	ZW$ 000	ZW$ 000	ZW$ 000
Share capital	756	756	756	756
Share premium	**24 054**	**24 054**	**24 054**	**24 054**

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

20 NON DISTRIBUTABLE RESERVES

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 Restated ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Balance at the beginning of the year	**752 343**	**752 464**	**752 343**	**752 464**
Transfer to retained earnings	-	(121)	-	(121)
Balance at the end of year	**752 343**	**752 343**	**752 343**	**752 343**
Non distributable reserve relates to the following:				
Asset revaluation reserve	-	-	18 516	18 516
Functional currency reserve (at conversion from ZW$ to USD)	3 199	3 199	3 199	3 199
Non distributable reserve other	749 144	749 144	730 628	730 628
Balance at the end of the year	**752 343**	**752 343**	**752 343**	**752 343**

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

Asset revaluation reserve

The asset revaluation reserve under the historical supplementary information is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. The asset revaluation reserve was recognised under Hunyani Holdings Limited before the restructuring into Nampak Zimbabwe Limited. The asset revaluation reserve was transferred to non distributable reserves - Other under hyperinflation accounting in October 2018 when the hyperinflation accounting was first adopted.

Functional currency conversion reserve

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

Non Distributable Reserve Other

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

21 DEFERRED TAX

21.1 Deferred tax asset

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 Restated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Balance at the beginning of the year	**1 200 601**	**251 954**	**516 275**	**73 450**
Credit to the statement of profit or loss and other comprehensive income	211 684	1 269 919	2 303 375	442 825
Effects of IAS 29	(675 193)	(321 272)	-	-
Balance at the end of year	**737 092**	**1 200 601**	**2 819 650**	**516 275**
Deferred tax asset relates to the following:				
Property, plant & equipment and biological assets	(1 305 110)	(297 580)	137 953	69 993
Inventory	(1 272 211)	(541 048)	-	-
Prepayments	(127 028)	(714 044)	-	-
Provisions	1 709 531	604 702	1 355 422	306 016
Deferred income	135 365	342 639	-	-
Net unrealised exchange losses	1 596 545	1 745 560	1 326 275	132 221
Assessed loss	-	60 372	-	8 045
Deferred tax asset	**737 092**	**1 200 601**	**2 819 650**	**516 275**
The deferred tax ageing of the assessed loss is as follows:				
2022 assessed loss	-	(23 466)	-	(3 127)
2021 assessed loss	-	(36 906)	-	(4 918)
Total	**-**	**(60 372)**	**-**	**(8 045)**

21.2 Deferred tax liability

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 Restated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Balance at the beginning of the year	**5 085 980**	**1 209 303**	**-**	**-**
Charge to the statement of profit or loss and other comprehensive income	6 349 053	1 672 228	600 324	-
Effects of IAS 29	(260 737)	2 204 449	-	-
Balance at the end of year	**11 174 296**	**5 085 980**	**600 324**	**-**
Deferred tax liability relates to the following:				
Property, plant & equipment and biological assets	5 505 978	3 903 561	505 924	-
Inventory	5 701 718	1 938 140	-	-
Prepayments	2 240 419	466 680	-	-
Provisions	(2 284 725)	(1 940 625)	(403 902)	-
Deferred income	(757 545)	(38 712)	-	-
Net unrealised exchange gains	775 734	798 778	505 462	-
Other assets / liabilities	(7 283)	(41 842)	(7 160)	-
Deferred tax liability	**11 174 296**	**5 085 980**	**600 324**	**-**

22 LEASES

22.1 Lease liability

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
LAND				
Balance at the beginning of the year	**12 823**	**-**	**1 709**	**-**
Arising during the year	13 815	13 164	13 677	1 761
Interest accrued	14 242	3 128	5 337	416
Lease payments	(41 466)	(9 390)	(6 908)	(468)
Effects of IAS 29 adjustment	14 401	5 921	-	-
Balance at the end of the year	**13 815**	**12 823**	**13 815**	**1 709**

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
LIFTING EQUIPMENT				
Balance at the beginning of the year	**1 783 417**	**1 396 803**	**237 649**	**48 930**
Interest accrued	132 136	135 272	53 141	10 144
Lease payments	(1 263 534)	(1 051 119)	(526 266)	(78 011)
Foreign exchange rate movements	1 237 432	3 299 900	1 237 432	256 586
Effects of IAS 29 adjustment	(887 495)	(1 997 439)	-	-
Balance at the end of the year	**1 001 956**	**1 783 417**	**1 001 956**	**237 649**

22.2 Non current lease liability

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Non current lease liability	6 907	898 557	6 907	119 737

The non current liability relates to the right of use asset for land disclosed in note 12. The lease agreement is denoted in local currency and was entered on 1 January 2022 for 25 years. The payments are made in advance, hence there is no interest charged in the first month of September 2022. The borrowing rate is 80%. The current portion of this non current lease liability is disclosed under note 23.

23 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Trade payables	38 763 106	38 490 100	38 763 106	3 011 075
Other payables	42 532 062	9 485 000	38 919 967	3 176 271
Current portion of non current lease liability	1 008 864	897 683	1 008 864	119 621
Shareholders dividend outstanding	16 227	-	16 227	-
Total	**82 320 259**	**48 872 783**	**78 708 164**	**6 306 967**

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

Other payables consists of employee costs provisions, accruals, withholding taxes and customer prepayments reclassified to other creditors.

The Group imports paper raw materials from Sappi on credit terms under a 60 day Sappi/Nedbank credit facility. The Sappi/Nedbank facility is underwritten by Sappi who acts as guarantors to Nedbank in case of default by Hunyani Paper & Packaging (1997) (Private) Limited. The facility has a nominal interest rate of 2,5% per annum. The amount outstanding under Sappi/Nedbank facility at year end was US$3,2 million (2022 - US$203 thousand) and has been included under trade payables at the closing exchange rate as at 30 September 2023.

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

24 PROVISIONS

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Balance at the beginning of the year	**38 282**	**154 235**	**5 101**	**5 402**
Arising during the year	452 625	-	303 044	-
Utilised	(149 410)	(2 257)	(149 109)	(301)
Effects of IAS 29 adjustment	877 123	(113 706)	-	-
Balance at the end of the year	**313 370**	**38 282**	**159 036**	**5 101**

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

25 INCOME TAX PAYABLE

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Balance at the beginning of the year	**9 211 647**	**2 081 617**	**1 227 497**	**72 628**
Charge for the year	**60 413 606**	**38 466 477**	**37 120 760**	**3 356 898**
- income tax expense (note 8)	60 413 606	38 358 672	37 120 760	3 342 584
- withholding tax	-	480	-	12
- capital gains tax	-	107 325	-	14 302
Effects of IAS 29	(16 938 463)	(7 666 093)	-	-
Tax paid	**(42 119 965)**	**(23 670 354)**	**(27 781 432)**	**(2 202 029)**
- income tax paid	(42 106 099)	(23 539 798)	(27 775 832)	(2 188 028)
- capital gains tax	(13 866)	(130 556)	(5 600)	(14 001)
Balance at the end of the year	**10 566 825**	**9 211 647**	**10 566 825**	**1 227 497**

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

26 COMMITMENTS AND CONTINGENCIES

26.1 Commitments

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Contracted commitments of purchase of plant and machinery	3 506 695	3 531 661	3 506 695	470 611
Contracted commitments of ZW$ 3.5 billion (2022: ZW$3.5 billion) relate to plant and equipment for Hunyani Paper and Packaging of ZW$ 0.56 billion, MegaPak of ZW$ 2.81 billion and CMB ZW$ 0.14 billion (2022: ZW$ 0,055 billion for Hunyani Paper and Packaging, ZW$0,139 Billion for Carnaud Metal Box and ZW$ 0,210 billion for Megapak.)				
Contingent liabilities				
Guarantees (unsecured)	286 201	253 991	286 201	33 865
Insurance cover for value added tax payable on default of an inward processing bond arrangement with the Zimbabwe Revenue Authority.				
Operating lease commitment- Group as a lessor				
The Group has entered into a commercial property lease on its biological assets plantation. The lease includes a clause to enable upward revision of the rental charges on an annual basis according to prevailing conditions. No revisions were done in the current year. Future minimum rentals receivables under non-cancellable operating lease at 30 September 2023 are as follows:				
Not later than one year	536 779	495 782	536 779	66 065
Later than one year and not later than five years	1 073 559	991 564	1 073 559	132 131
Operating lease commitment - Group as a lessee				
The Group has entered into various commercial leases which mainly includes property lease for warehousing, sales and exhibition, factory premises and forklifts. Most leases are short term of less than 12 months, have non identifiable assets and have low values. The leases with a tenor of more than 12 months do not have identifiable assets. Future minimum rentals payable under non-cancellable operating leases at 30 September 2023 are as follows:				
Not later than one year	1 008 864	893 703	1 008 864	119 090
Later than one year and not later than five years	6 907	898 557	6 907	119 737

26.2 Contingencies

Uncertain Tax Positions

There have been significant currency changes in Zimbabwe since 2018. These changes created some uncertainties in the tax treatment of some transactions for tax purposes due to the absence of immediate and clear guidelines and transitional measures.

The Zimbabwe Revenue Authority (ZIMRA) has made income tax assessments and levied penalties and interest relating to the provisions and reversals of the legacy debts related transactions raised at one of the Group's entities for the period from 2019 to 2020. The ZW$ equivalent of the disputed assessments including interest and penalties amount to ZW$ 6,66 billion as at 30 September 2023.

These assessments have been challenged and objected to through the relevant ZIMRA levels of authority in line with the legal provisions. Based on legal advice received to date, the Board is of the view that there is no liability and that ZIMRA will reverse the assessments once the on going engagements and clarifications are concluded.

27 FINANCIAL RISK MANAGEMENT

27.1 Capital risk management

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

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

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

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

No changes were made in the objectives, policies or processes during the year ended 30 September 2023. The Group monitors capital using the gearing ratio, which is net debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio below 30%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes retained earnings and other reserves.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Analysis of debt				
Long term lease liability	6 907	898 557	6 907	119 737
Trade and other payables and current lease liability	82 320 259	48 872 783	78 708 164	6 306 967
Less cash and short term deposits	(10 968 168)	(11 417 403)	(10 968 168)	(1 521 425)
Net debt	**71 358 998**	**38 353 937**	**67 746 903**	**4 905 279**
Equity				
Share capital	756	756	756	756
Share premium	24 054	24 054	24 054	24 054
Non distributable reserves	752 343	752 343	752 343	752 343
Retained earnings	144 941 977	99 182 687	107 971 343	10 116 893
Equity	**145 719 130**	**99 959 840**	**108 748 496**	**10 894 046**
Capital and net debt	**217 078 129**	**138 313 778**	**176 495 399**	**15 799 325**
Gearing ratio	33%	28%	38%	31%

27.2 Treasury risk management

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

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

27 FINANCIAL RISK MANAGEMENT (continued)

27.3 Currency risk management

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

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

	INCOME STATEMENT		EQUITY	
	2023 ZW$ 000	2022 ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
ZWL weakens by 10%	2 319 973	161 554 174	2 319 973	161 554 174
ZWL strengthens by 10%	(2 319 973)	(161 554 174)	(2 319 973)	(161 554 174)

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

	ASSETS		LIABILITIES		NET EXPOSURE	
	2023 US$ 000	2022 US$ 000	2023 US$ 000	2022 US$ 000	2023 US$ 000	2022 US$ 000
Amount	9 282	3 855	(4 865)	(1 255)	4 417	2 600

27.4 Liquidity risk management

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group generally borrows short term and total borrowings are limited by the clauses in the Memorandum and Articles of Association. The Board also monitors the Group's exposure to interest rates on a quarterly basis. As at 30 September 2023, the Group had cash and cash equivalents of $10.97 billion (2022: $11.4 billion inflation adjusted) which is sufficient to meet its obligations.

	INFLATION ADJUSTED			
	Within 3 months ZW$ 000	3 to 12 months ZW$ 000	More than 12 months ZW$ 000	Total ZW$ 000
Year ended 30 September 2023				
Liabilities				
Long term lease liabilities	-	-	6 907	6 907
Trade payables, other payables and current lease liability	58 558 603	23 768 563	-	82 320 259
Total	**58 558 603**	**23 768 563**	**6 907**	**82 327 166**
Assets				
Trade and other receivables	146 266 812	-	-	146 266 812
Cash and cash equivalents	10 968 168	-	-	10 968 168
Total	**157 234 979**	**-**	**-**	**157 234 979**
Year ended 30 September 2022				
Liabilities				
Long term lease liabilities	-	-	119 737	119 737
Current trade and other payables	6 411 289	101 248	-	6 512 537
Total	**6 411 289**	**101 248**	**119 737**	**6 632 274**
Assets				
Trade and other receivables	11 051 353	-	-	11 051 353
Cash and cash equivalents	1 521 425	-	-	1 521 425
Total	**12 572 778**	**-**	**-**	**12 572 778**

27 FINANCIAL RISK MANAGEMENT (continued)

27.4 Liquidity risk management (continued)

	HISTORICAL			
	Within 3 months ZW$ 000	**3 to 12 months ZW$ 000**	**More than 12 months ZW$ 000**	**Total ZW$ 000**
Year ended 30 September 2023				
Liabilities				
Long term lease liabilities	-	-	6 907	6 907
Trade payables, other payables and current lease liability	58 558 603	20 149 561	-	78 708 164
Total	**58 558 603**	**20 149 561**	**6 907**	**78 715 071**
Assets				
Trade and other receivables	138 681 908	7 584 908	-	146 266 812
Cash and cash equivalents	10 968 168	-	-	10 968 168
Total	**149 650 076**	**7 584 908**	**-**	**157 234 980**
Year ended 30 September 2022				
Liabilities				
Long term lease liabilities	-	-	119 737	119 737
Current trade and other payables	6 205 720	101 248	-	6 306 967
Total	**6 205 720**	**101 248**	**119 737**	**6 426 704**
Assets				
Trade and other receivables	10 414 873	-	-	10 414 873
Cash and cash equivalents	1 521 425	-	-	1 521 425
Total	**11 936 298**	**-**	**-**	**11 936 298**

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

27.5 Interest rate risk management

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

Interest rate sensitivity analysis

The table below illustrates the hypothetical sensitivity of the Group's reported profit and equity to a 10% increase or decrease in interest rates, assuming all variables were unchanged. The sensitivity rate of 10% represents the Directors' assessment of a reasonably possible change. As at 30 September 2023, the Group did not have any loans hence no exposure to any interest rate movement.

The group received interest from short term bank deposits. The sensitivity analysis to changes in the interest rate is indicated below.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Interest rates increase by 10%	7 265	37 496	1 719	2 455
Interest rates decrease by 10%	(7 265)	(37 496)	(1 719)	(2 455)

27 FINANCIAL RISK MANAGEMENT (continued)

27.6 Credit risk management

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

Trade receivables

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

Bank and cash deposits

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

27 FINANCIAL RISK MANAGEMENT (continued)

27.7 Fair value of financial instruments

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

INFLATION ADJUSTED	Carrying Amount 2023 ZW$ 000	Fair Value 2023 ZW$ 000	Carrying Amount 2022 ZW$ 000	Fair Value 2022 ZW$ 000
Financial assets				
Trade and other receivables	146 266 812	146 266 812	82 933 954	82 933 954
Bank balances, cash and short term investments	10 968 168	10 968 168	11 417 403	11 417 403
Financial assets	15 691	15 691	12 698	12 698
Total financial assets	**157 250 671**	**157 250 671**	**94 364 055**	**94 364 055**
Financial liabilities				
Trade and other payables	81 624 765	81 624 765	48 013 382	48 013 382
Total financial liabilities	**81 624 765**	**81 624 765**	**48 013 382**	**48 013 382**

HISTORICAL	Carrying Amount 2023 ZW$ 000	Fair Value 2023 ZW$ 000	Carrying Amount 2022 ZW$ 000	Fair Value 2022 ZW$ 000
Financial assets				
Trade and other receivables	136 692 439	136 692 439	10 414 873	10 414 873
Bank balances, cash and short term investments	10 968 168	10 968 168	1 521 425	1 521 425
Financial assets	2 986	2 986	410	410
Total financial assets	**147 663 592**	**147 663 592**	**11 936 708**	**11 936 708**
Financial liabilities				
Trade and other payables	77 858 335	77 858 335	6 192 449	6 192 449
Total financial liabilities	**77 858 335**	**77 858 335**	**6 192 449**	**6 192 449**

Fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 : Techniques which uses inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instruments at fair value:

	Total	Level 1	Level 2	Level 3
As at 30 September 2023				
Financial assets	15 691	15 691	-	-
As at 30 September 2022				
Financial assets	12 698	12 698	-	-

27.8 Biological assets risk management policies

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

28 RELATED PARTY DISCLOSURES

28.1 Compensation of key management personnel of the Group

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Short-term employee benefits	8 843 009	5 570 010	3 649 988	390 544
Post -employment pension and medical benefits	1 065 017	561 804	488 852	42 805
Total compensation paid to key management personnel	**9 908 026**	**6 131 814**	**4 138 840**	**433 349**

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

Directors' interests in an Employee Share Purchase Scheme

Directors were empowered to grant 6 500 000 shares to key employees within the Group. During 2010, 2 500 000 shares were issued and have been fully paid and the remaining 4 000 000 shares are under the control of the Directors. As at 30 September 2023, no Director held any shares in the scheme.

28.2 Interests in Operating Subsidiaries and Joint Ventures

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

Name of Subsidiary / Joint venture	Nature of Relationship	Country of Incorporation	Effective % holding 2023	Effective % holding 2022
Hunyani Paper and Packaging (1997) (Private) Limited	Subsidiary	Zimbabwe	100%	100%
Mega Pak Zimbabwe (Private) Limited	Subsidiary	Zimbabwe	100%	100%
CarnaudMetalbox Zimbabwe Limited	Subsidiary	Zimbabwe	100%	100%
Hunyani Forests Limited	Subsidiary	Zimbabwe	100%	100%
Hunyani Properties Limited	Subsidiary	Zimbabwe	100%	100%

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

28 RELATED PARTY DISCLOSURES (continued)

28.3 Related party transactions and balances

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

	INFLATION ADJUSTED			
Fellow subsidiaries	**Sales to related parties ZW$ 000**	**Purchases from related parties ZW$ 000**	**Amounts owed by related parties ZW$ 000**	**Amounts owed to related parties ZW$ 000**
2023				
Nampak Malawi Limited	-	-	-	383
Nampak South Africa (all companies)	-	491 026	72 450	152 815
Nampak International Limited	-	1 451 606	6 965	-
Total	**-**	**1 942 632**	**79 415**	**153 198**
2022				
Nampak Malawi Limited	1 413 801	(5 587)	(2 874)	116 251
Nampak South Africa (all companies)	232 364	774 786	-	80 980
Nampak International Limited	-	2 183 102	359 341	(878)
Total	**1 646 164**	**2 952 300**	**356 467**	**196 353**

	HISTORICAL			
Fellow subsidiaries	**Sales to related parties ZW$ 000**	**Purchases from related parties ZW$ 000**	**Amounts owed by related parties ZW$ 000**	**Amounts owed to related parties ZW$ 000**
2023				
Nampak Malawi Limited	-	-	-	383
Nampak South Africa (all companies)	-	426 472	72 450	152 815
Nampak International Limited	-	270 947	6 965	-
Total	**-**	**697 419**	**79 415**	**153 198**
2022				
Nampak Malawi Limited	55 006	(279)	(383)	15 491
Nampak South Africa (all companies)	11 291	65 656	-	10 791
Nampak International Limited	-	134 079	47 884	(117)
Total	**66 297**	**199 456**	**47 501**	**26 165**

28.4 Directors' fees to related Parties

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Nampak Southern Africa Holdings Limited	171 538	183 961	101 302	14 741

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

29 CONSOLIDATED CASH FLOW INFORMATION

		INFLATION ADJUSTED		HISTORICAL	
		2023 ZW$ 000	2022 ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
29.1	**Cash generated from operating activities**				
	Operating profit	**118 390 718**	**59 140 048**	**135 281 387**	**11 219 377**
	Non cash adjustments to reconcile profit before tax to net cash flows;				
	Depreciation of property, plant and equipment and amortisation of intangible assets	3 675 126	2 252 195	413 778	94 170
	Gain on disposal of land, property, plant and equipment	(129 795)	303 415	(212 052)	(15 249)
	Fair value increase of biological assets	(1 713 799)	(230 882)	(1 713 799)	(30 766)
	Fair value increase in investments	(3 009)	(4 021)	(2 576)	(163)
	Net monetary loss on hyperinflation	67 312 135	42 977 185	-	-
	Other non cash items	(4 907 342)	3 008 680	(1 736 509)	152 425
	Effects of IAS29	(80 656 032)	(48 482 155)	-	-
	Cash generated from operating activities	**101 968 002**	**58 964 465**	**132 030 229**	**11 419 794**
29.2	**Changes in working capital**				
	Increase in inventories	(13 173 919)	(17 084 122)	(35 071 130)	(3 922 710)
	Increase in trade and other receivables	(63 332 857)	(28 285 160)	(126 277 566)	(8 548 135)
	Increase in trade, other payables and provisions	33 722 564	21 093 615	72 555 133	5 363 207
	Movement in working capital	**(42 784 212)**	**(24 275 667)**	**(88 793 563)**	**(7 107 638)**

30 RETIREMENT BENEFIT PLANS

Defined contribution plans

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

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

Contribution to pension schemes during the year

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	2022 ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
Private Pension Schemes	1 733 970	1 041 008	862 709	79 173
National Social Security Authority	1 235 019	772 900	511 250	62 491
	2 968 989	**1 813 908**	**1 373 959**	**141 664**

31 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable segments as follows; Printing and Converting, Plastics & Metals and Services. The divisions in each business unit are; Printing and Converting (Hunyani Corrugated Products Division, Hunyani Cartons, Labels & Sacks Division, Hunyani Management Services Division, Hunyani Forests Limited and Hunyani Properties Limited, Plastics & Metals (Mega Pak Zimbabwe (Private) Limited and CarnaudMetalbox Zimbabwe Limited) and Services (Nampak Zimbabwe Limited - Company). Detailed divisional activities are described on page 8.

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

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

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

31 OPERATING SEGMENT INFORMATION (continued)

31.1 Segment reporting for the year ended 30 September 2023

INFLATION ADJUSTED	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	236 091 717	260 399 085	-	496 490 802
Sales to export customers	54 350 377	22 938 029	-	77 288 406
Intersegmental sales	5 095 062	1 062 106	(6 157 168)	-
Total Sales	**295 537 156**	**284 399 220**	**(6 157 168)**	**573 779 208**
Result				
Trading income	59 928 392	56 492 534	(1 903 120)	114 517 806
Operating profit	48 366 698	65 263 417	4 760 603	118 390 718
Finance income	38 886	62 155	(28 394)	72 647
Finance costs	(278 342)	(28 394)	160 270	(146 466)
Taxation charge	(30 156 447)	(35 390 688)	(1 215 524)	(66 762 659)
Profit / (loss) for the year	**17 970 795**	**29 906 490**	**(3 676 955)**	**51 554 240**
Other information				
Segment assets	101 739 518	148 394 031	(32 761)	250 100 787
Segment liabilities	42 727 335	63 411 175	(1 756 853)	104 381 657
Capital expenditure	2 275 621	10 851 771	16 600	13 143 992
Depreciation and amortisation	1 228 307	2 244 716	202 103	3 675 126
Biological assets - fair value gain	1 713 799	-	-	1 713 799
Other material income	19 692 831	45 613 797	4 164 620	69 471 248
Monetary loss on hyperinflation	(32 968 324)	(36 842 915)	499 104	(67 312 135)

31.2 Segment reporting for the year ended 30 September 2022

INFLATION ADJUSTED	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	143 270 166	213 160 878	-	356 431 044
Sales to export customers	27 773 116	9 574 906	-	37 348 022
Other sales	366 131	-	-	366 131
Intersegmental sales	4 315 662	402	(4 316 064)	-
Total Sales	**175 725 075**	**222 736 186**	**(4 316 064)**	**394 145 197**
Result				
Trading income	30 811 486	51 968 645	694 788	83 474 919
Operating profit / (loss)	24 732 136	39 360 056	(4 952 144)	59 140 048
Finance income	918 341	79 332	(622 712)	374 961
Finance costs	(363 662)	(642 152)	867 193	(138 621)
Taxation charge	(18 468 601)	(25 754 208)	6 142 186	(38 080 623)
Profit for the year	**6 818 214**	**13 043 028**	**1 434 523**	**21 295 765**
Other information				
Segment assets	73 676 954	87 550 271	2 839 864	164 067 089
Segment liabilities	29 701 605	33 419 976	985 668	64 107 249
Capital expenditure	3 077 170	8 849 439	517 700	12 444 309
Depreciation and amortisation	2 168 768	1 646 924	(1 563 497)	2 252 195
Biological assets - fair value gain	230 882	-	-	230 882
Other material income	7 604 954	4 329 404	6 477 074	18 411 432
Monetary loss on hyperinflation	(13 915 186)	(16 937 992)	(12 124 006)	(42 977 184)

31 OPERATING SEGMENT INFORMATION (continued)

31.3 Segment reporting for the year ended 30 September 2023

HISTORICAL	Printing & Converting ZW$ 000	Plastics & Metals ZW$ 000	Services & Eliminations ZW$ 000	Total ZW$ 000
Sales to local customers	124 026 597	123 777 823	-	247 804 420
Sales to export customers	31 474 467	12 195 448	-	43 669 915
Intersegmental sales	2 708 576	503 589	(3 212 165)	-
Total Sales	**158 209 640**	**136 476 860**	**(3 212 165)**	**291 474 335**
Result				
Trading income	47 608 977	41 876 497	424 542	89 910 016
Operating income	62 789 451	69 572 706	2 919 230	135 281 387
Finance income	6 022	15 166	(4 003)	17 185
Finance costs	(56 761)	(4 003)	2 286	(58 478)
Taxation charge	(16 834 783)	(17 858 097)	(724 830)	(35 417 710)
Profit for the year	**45 903 929**	**51 725 772**	**2 192 683**	**99 822 384**
Other information				
Segment assets	91 782 683	107 388 818	(381 749)	198 789 752
Segment liabilities	40 854 214	50 943 894	(1 756 852)	90 041 256
Capital expenditure	833 600	5 082 311	855	5 916 766
Depreciation and amortisation	166 582	289 600	(42 404)	413 778
Biological assets - fair value gain	1 713 799	-	-	1 713 799
Other material income	13 466 675	27 696 210	2 494 687	43 657 572

31.4 Segment reporting for the year ended 30 September 2022

HISTORICAL				
Sales to local customers	9 285 015	16 091 823	-	25 376 838
Sales to export customers	4 320 242	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**
Result				
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
Finance income	60 361	4 492	(40 308)	24 545
Finance costs	(26 854)	(41 081)	57 374	(10 561)
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**
Other information				
Segment assets	8 633 769	9 601 953	317 626	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
Biological assets - fair value gain	30 766	-	-	30 766
Other material income	1 062 365	573 621	523 925	2 159 911

Notes to the Financial Statements (continued)

for the year ended 30 September 2023

31 OPERATING SEGMENT INFORMATION (continued)

31.5 Geographical Information

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZW$ 000	**2022 ZW$ 000**	**2023 ZW$ 000**	**2022 ZW$ 000**
Revenue by destination				
Zimbabwe	491 516 899	330 687 987	245 608 712	27 785 287
Zambia	32 293 459	24 596 526	18 523 245	1 190 298
Malawi	28 617 014	29 795 530	15 607 160	913 202
Mozambique	13 560 138	5 685 829	8 931 293	376 761
Tanzania	812 993	-	383 307	-
Democratic Republic of Congo	6 746 835	2 958 783	2 376 208	261 344
South Africa	231 870	420 542	44 410	21 009
Total	**573 779 208**	**394 145 194**	**291 474 335**	**30 547 901**

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

	2023 ZWL 000	**2022 ZWL 000**	**2023 ZWL 000**	**2022 ZWL 000**
Non-current assets				
Zimbabwe	35 414 101	25 437 946	11 307 210	1 866 245
	35 414 101	**25 437 946**	**11 307 210**	**1 866 245**

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

32 SUBSEQUENT EVENTS

There has not been any significant change in the operating environment and business for the Group since the balance sheet date.

33 GOING CONCERN

The Directors and management assess the ability of the Group to continue in operational existence for the foreseeable future on a continuing basis and at each reporting date. The budgets for the Group have been prepared, covering its future performance, capital and liquidity for a period of 5 years. The Group's strategies incorporate the impact of the government policies and initiatives intended to minimise the impact of the pandemic on the economy and to support the continued operation of the Group. In making this assessment for the financial statements for the year ended 30 September 2023, the Directors conducted a comprehensive review of the Group's affairs including but not limited to;

- The Group's financial performance and position for the year ended 30 September 2023.
- The Group's forecasts for the period up to 30 September 2024.
- The level of support received from the Reserve Bank of Zimbabwe, foreign currency auction market, the banks, customers, and local suppliers for the supply of foreign exchange and raw materials.
- The level of exports and further opportunities to generate more foreign exchange.
- The impact of the Russia/Ukraine conflicts on the business and the logistics supply chain.
- The classification of the Group's operations as essential service industries for packaging supplies which enabled continuous operation during the national lockdowns.
- Current economic conditions and all available information about future risks and uncertainties.

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

The Group reported a Total Comprehensive Profit Attributable to Members of ZW$51.55 billion for the year ended 30 September 2023. The Group's net current assets exceed the net current liabilities by ZW$121.5 billion, with cash and cash equivalents sitting at ZW$10.97 billion, which places the Group in a sound financial position.

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

Deloitte.

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

Opinion

The summarised inflation adjusted financial statements of Nampak Zimbabwe Limited ("the Company"), set out on pages 66 to 72 which comprises the summarised inflation adjusted statement of financial position as at 30 September 2023, the summarised inflation adjusted statement of profit or loss and other comprehensive income, the summarised inflation adjusted statement of changes in equity, the summarised inflation adjusted statement of cash flows for the year then ended, and the notes to the summarised inflation adjusted financial statements, are derived from the audited financial statements of the Company for the year ended 30 September 2023. We expressed an unmodified audit opinion on those financial statements dated 27 December 2023.

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

Summarised Inflation Adjusted Financial Statements

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

The Audited Inflation Adjusted Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited inflation adjusted financial statements in our report.

Emphasis of Matter – Basis of Presentation

We draw attention to note J of the summarised inflation adjusted financial statements, (set out on page 67), which describes the basis of preparation. The Company summarised financial statements and related notes have been presented to ensure compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"). The complete financial statements of the Company are presented separately. Our opinion is not modified in respect of this matter.

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

MAKING AN IMPACT THAT MATTERS since 1845

Independent Auditors’ Report on the Company (continued)

for the year ended 30 September 2023

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summarised inflation adjusted financial statements are consistent, in all material respects, with the audited inflation adjusted financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summarised Financial Statements.

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

Deloitte & Touche

Deloitte & Touche
Per: Tapiwa Chizana
Partner
Registered Auditor
PAAB Practice Certificate Number: 0444

27 December 2023

Summarised Company Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 September 2023

	INFLATION ADJUSTED		HISTORICAL*	
	2023 ZW$ 000	**2022 ZW$ 000 Restated**	**2023 ZW$ 000**	**2022 ZW$ 000**
CONTINUING OPERATIONS				
Revenue - management fees	11 288 221	6 848 966	5 312 944	543 290
Employee expenses	(7 133 842)	(4 855 643)	(3 176 048)	(397 049)
Depreciation expenses	(202 103)	(145 696)	(12 929)	(6 136)
Directors fees	(295 227)	(183 961)	(160 146)	(3 519)
Other administrative expenses	(2 349 758)	(945 329)	(1 672 128)	(70 717)
Trading profit	**1 307 291**	**718 337**	**291 693**	**65 969**
Other income	7 818 273	1 626 498	3 486 880	134 100
Net monetary loss on hyperinflation	(2 057 574)	(1 034 710)	-	-
Profit from operations	**7 067 990**	**1 310 125**	**3 778 573**	**200 069**
Finance income	-	19 212	-	773
Finance cost	(5 867)	(10 034)	(1 717)	(729)
Profit before taxation	**7 062 123**	**1 319 303**	**3 776 856**	**200 113**
Tax expense	(1 215 524)	(818 332)	(724 832)	(56 986)
Profit for the year and total comprehensive income	**5 846 599**	**500 971**	**3 052 024**	**143 127**

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

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

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

Other income relate to dividend income from subsidiaries of ZW$ 5.79 billion (2022: nil) and foreign exchange gain of ZW$ 2.02 billion (2022: ZW$ 1.63 billion).

Summarised Company Statement of Financial Position

for the year ended 30 September 2023

	Notes	INFLATION ADJUSTED		HISTORICAL*		
		2023 ZW$ 000	2022 ZW$ 000 Restated	2021 ZW$ 000 Restated	2023 ZW$ 000	2022 ZW$ 000
ASSETS						
Non current assets						
Plant and equipment	A	490 445	633 110	163 167	34 625	44 161
Investments in subsidiaries	C	22 340	22 340	22 340	22 340	22 340
Right of use asset	B	-	53 447	106 921	-	1 806
Deferred tax asset		99 247	-	251 954	219 404	4 166
Intangible asset		9 986	-	-	10 783	-
Total non current assets		**622 017**	**708 897**	**544 382**	**287 152**	**72 473**
Current assets						
Amounts due from Group companies	D	78 759	2 860 190	1 036 875	78 759	381 134
Inventory		4 470	6 453	4 219	3 434	654
Other receivables	E	2 216 419	106 256	434 865	2 203 332	10 293
Income tax		-	-	4,067	-	-
Bank and cash		457 427	1 414 495	1 220 692	457 427	188 488
Total current assets		**2 757 075**	**4 387 395**	**2 700 718**	**2 742 952**	**580 569**
Total assets		**3 379 093**	**5 096 292**	**3 245 100**	**3 030 104**	**653 042**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	18	756	756	756	756	756
Share premium	18	24 054	24 054	24 054	24 054	24 054
Non distributable reserves		314	314	314	314	314
Retained (loss) / earnings		1 608 415	1 556 766	1 055 795	1 259 427	175 336
Total shareholders' equity		**1 633 539**	**1 581 890**	**1 080 919**	**1 284 551**	**200 460**
Non current liabilities						
Deferred tax		-	118 028	-	-	-
Lease Liabilities		-	-	55 236	-	-
Total Non current liabilities		**-**	**118 028**	**55 236**	**-**	**-**
Current liabilities						
Trade and other payables	F	1 035 706	1 522 370	1 294 345	1 035 705	202 862
Current portion of non current lease liability		-	112 213	60 207	-	14 953
Amounts due to Group companies	D	-	1 525 651	754 393	-	203 300
Income tax payable		709 848	236 140	-	709 848	31 467
Total current liabilities		**1 745 554**	**3 396 374**	**2 108 945**	**1 745 553**	**452 582**
Total equity and liabilities		**3 379 093**	**5 096 292**	**3 245 100**	**3 030 104**	**653 042**

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

The financial statements were approved by the Board and were authorised for issue on 12 December 2023.

A. H. Howie
Chairman

J. P. Van Gend
Group Managing Director

Summarised Company Statement of Changes In Equity

for the year ended 30 September 2023

	INFLATION ADJUSTED				
	Issued Capital ZW$ 000	**Share Premium ZW$ 000**	**Functional Currency Conversion Reserve ZW$ 000**	**Retained Earnings ZW$ 000**	**Total Equity ZW$ 000**
Balance as at 1 October 2021 Re-stated	**756**	**24 054**	**314**	**1 055 795**	**1 080 919**
Profit for the year	-	-	-	500 971	500 971
Balance as at 30 September 2022 - Re-stated	**756**	**24 054**	**314**	**1 556 766**	**1 581 890**
Profit for the year	-	-	-	5 846 599	5 846 599
Dividend paid	-	-	-	(5 794 950)	(5 794 950)
Balance as at 30 September 2023	**756**	**24 054**	**314**	**1 608 415**	**1 633 539**

	HISTORICAL *				
	Issued Capital ZW$ 000	**Share Premium ZW$ 000**	**Functional Currency Conversion Reserve ZW$ 000**	**Retained Earnings ZW$ 000**	**Total Equity ZW$ 000**
Balance as at 30 September 2021 - Restated	**756**	**24 054**	**314**	**32 209**	**57 333**
Profit for the year	-	-	-	143 127	143 127
Balance as at 30 September 2021 - Restated	**756**	**24 054**	**314**	**175 336**	**200 460**
Profit for the year	-	-	-	3 052 024	3 052 024
Dividend paid	-	-	-	(1 967 933)	(1 967 933)
Balance as at 30 September 2022	**756**	**24 054**	**314**	**1 259 427**	**1 284 551**

* *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.*

Summarised Company Statement of Cash Flows

for the year ended 30 September 2023

	INFLATION ADJUSTED		HISTORICAL*	
	2023 ZW$ 000	2022 ZW$ 000 Restated	2023 ZW$ 000	2022 ZW$ 000
Cash generated from operating activities				
Operating profit	**7 067 990**	**1 310 125**	**3 778 573**	**200 069**
Depreciation	202 103	145 696	12 929	6 136
Profit on disposal of plant and equipment	(67 225)	(39 984)	(61 846)	(3 362)
Unrealised exchange loss	91 211	207 922	43 908	16 571
Net monetary loss on hyperinflation	2 057 574	1 034 710	-	-
Effects of IAS29	(2 492 987)	(1 226 926)	-	-
(Decrease) / Increase in working capital	**(1 339 066)**	**(497 657)**	**(1 263 902)**	**(6 399)**
Decrease / (increase) in inventory	1 983	(2 234)	(2 780)	(522)
(Increase) / decrease in other receivables	(2 110 162)	328 609	(2 193 038)	4 538
(Decrease) / increase in other payables	(486 664)	228 032	832 842	157 522
Decrease / (increase) in amounts due from Group companies	1 255 777	(1 052 064)	99 074	(167 937)
Cash generated from operations	**5 519 600**	**933 886**	**2 509 662**	**213 016**
	(607 227)	**(133 847)**	**(263 406)**	**(19 624)**
Finance income received	-	19 212	-	773
Interest paid on leases	(5 867)	-	(1 717)	-
Tax paid	(601 360)	(153 059)	(261 689)	(20 397)
Net cash generated from operating activities	**4 912 373**	**800 039**	**2 246 256**	**193 391**
Cash flow from investing activities	**50 664**	**(524 663)**	**49 477**	**(41 272)**
Purchase of plant and equipment maintaining operations	(16 600)	(564 647)	(12 407)	(44 643)
Proceeds on disposal of plant and equipment	67 264	39 984	61 884	3 371
Net cash generated before financing activities	**4 963 037**	**275 376**	**2 295 733**	**152 119**
Financing activities	**(5 920 105)**	**(81 575)**	**(2 026 795)**	**(6 392)**
Lease liability paid	(125 155)	(81 575)	(58 861)	(6 392)
Dividend paid	(5 794 950)	-	(1 967 934)	-
Net (decrease) / increase in cash and cash equivalents	**(957 068)**	**193 801**	**268 938**	**145 727**
Cash and cash equivalents at the beginning of the year	**1 414 495**	**1 220 694**	**188 488**	**42 761**
Cash and cash equivalents at the end of the year	**457 427**	**1 414 495**	**457 427**	**188 488**
REPRESENTED BY:				
Bank balances, cash and short term investments	457 427	1 414 495	457 427	188 488

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

Notes to the Summarised Company Financial Statements

for the year ended 30 September 2023

A PRIOR PERIOD ERROR

Nampak Zimbabwe Limited is a subsidiary of Nampak International through Nampak Southern Africa Holdings.

Following the introduction of a currency called the RTGS dollar through Statutory Instrument 33 of 2019 ("SI33/19") with effect from 22 February 2019, Nampak Zimbabwe applied the exchange rate of 1:1 as mandated by the RBZ for the period up to the effective date of SI 33/19. The Nampak group reported the financial information in hyperinflation terms for the first time by uplifting the October 2018 opening balances using the relevant factors.

This treatment resulted in non-compliance with IFRS standards with respect to comparative financial information on property, plant and equipment, depreciation, deferred tax and retained earnings. Modified audit opinions have been issued on the Consolidated and Separate Inflation Adjusted Financial Statements in the prior years due to the non compliance to IFRS standards mentioned above.

Nampak Zimbabwe has now aligned the current and comparative inflation adjusted financial information with the IFRS reporting framework. The restatement does not affect the historical information.

The effect of aligning the accounts on the Nampak Zimbabwe group is detailed below:

	INFLATION ADJUSTED
	As at 30 September 2022 ZW$ 000 Re-stated Audited
Changes in the statement of profit / (loss)	
Decrease in depreciation charge	39 740
Increase in net monetary loss	(1 451 729)
Decrease in profit before tax	**(1 411 989)**
Decrease in tax charge	160 953
Decrease in profit after tax	**(1 251 036)**
Impact to EPS	
Number of shares in issue	755 648 101
Decrease in earnings per share (cents)	(165.56)

	INFLATION ADJUSTED	
	As at 30 September 2022 ZW$ 000 Re-stated Audited	**As at 30 September 2021 ZW$ 000 Re-stated Audited**
Changes in the statement of financial position		
Decrease in plant and machinery	(127 317)	(123 861)
Decrease in vehicles	(7 200)	(8 625)
Decrease in computers and office equipment	(1 045)	(1 682)
Decrease in furniture and fittings	(1 318)	(1 502)
Increase in deferred tax asset	-	69 533
Decrease in investments	(33 249 124)	(32 021 781)
Decrease in deferred tax liability	47 051	-
Total decrease in net assets	**(33 338 954)**	**(32 087 918)**
Change in Equity		
Decrease in share capital and premium	(36 602 105)	(36 924 851)
Decrease in non distributable reserves	(1 154 521)	(1 147 458)
Decrease in distributable reserves	4 417 672	5 984 391
Total change in equity	**(33 338 954)**	**(32 087 918)**

Notes to the Summarised Company Financial Statements (continued)

for the year ended 30 September 2023

B PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED				
	Plant and Machinery	**Motor Vehicles**	**Computer and Office Equipment**	**Furniture and fittings**	**Total**
COSTS					
Opening costs - 2022	121	157 155	69 985	-	227 261
Additions - 2022	-	527 783	28 359	8 505	564 647
Disposals 2022	-	(9)	-	-	(9)
Closing Balance 2022	**121**	**684 929**	**98 344**	**8 505**	**791 899**
Additions - 2023	-	-	5 900	-	5 900
Disposals 2023	-	(164)	(118)	-	(282)
Closing Balance 2023	**121**	**684 765**	**104 126**	**8 505**	**797 517**
ACCUMULATED DEPRECIATION					
Opening - 2022	36	30 910	33 148	-	64 094
Charge for the year - 2022	12	74 098	20 025	569	94 704
Disposals 2022	-	(9)	-	-	(9)
Closing Balance 2022	**48**	**104 999**	**53 173**	**569**	**158 789**
Charge for the year - 2023	4	127 999	19 671	852	148 526
Disposals 2023	-	(162)	(81)	-	(243)
Closing Balance 2023	**52**	**232 836**	**72 763**	**1 421**	**307 072**
NET BOOK VALUES					
As at 30September 2022	73	579 930	45 171	7 936	633 110
As at 30 September 2023	**69**	**451 929**	**31 363**	**7 084**	**490 445**

	HISTORICAL				
COSTS					
Opening costs - 2022	121	3 861	717	2	4 701
Additions - 2022	-	41 787	2 456	400	44 643
Disposals 2022	-	(9)	-	-	(9)
Closing Balance 2022	**121**	**45 639**	**3 173**	**402**	**49 335**
Additions - 2023	-	-	855	-	855
Disposals 2023	-	(164)	(118)	-	(282)
Closing Balance 2023	**121**	**45 475**	**3 910**	**402**	**49 908**
ACCUMULATED DEPRECIATION					
Opening - 2022	36	518	290	1	845
Charge for the year - 2022	12	3 806	485	27	4 330
Disposals 2022	-	-	-	-	0
Closing Balance 2022	**48**	**4 324**	**775**	**28**	**5 175**
Charge for the year - 2023	4	9 119	1 189	40	10 352
Disposals 2023	-	(162)	(82)	-	(244)
Closing Balance 2023	**52**	**13 281**	**1 882**	**68**	**15 283**
NET BOOK VALUES					
As at 30 September 2022	73	41 314	2,400	374	44 161
As at 30 September 2023	**69**	**32 194**	**2 029**	**334**	**34 625**

Notes to the Summarised Company Financial Statements (continued)

for the year ended 30 September 2023

C RIGHT OF USE ASSET

	INFLATION ADJUSTED			HISTORICAL	
	2023 ZW$ 000	2022 Re-stated ZW$ 000	2021 Re-stated ZW$ 000	2023 ZW$ 000	2022 ZW$ 000
At cost or valuation					
Opening cost at the beginning of the year	166 648	166 648	18,497	5 482	5 482
Lease agreement modification	-	-	148 150	-	-
Closing cost at the end of the year	**166 648**	**166 648**	**166 648**	**5 482**	**5 482**
Aggregate depreciation					
Opening accumulated depreciation as at beginning of the year	113 201	59 716	8,478	3 676	1 870
Charge for the year	53 447	53 485	51 238	1 806	1 806
Closing accumulated depreciation as the end of the year	**166 648**	**113 201**	**59 716**	**5 482**	**3 676**
Net carrying amount at the end of the year	**-**	**53 447**	**106 932**	**-**	**1 806**

The Company leases buildings from a subsidiary for use as it's offices. The current lease expired on the 30th of September 2023 and a new lease was entered into with a tenure of 5 years and an option to renew for a further 5 years. The lease is denominated in United States dollars and has an interest rate of 12%.

D INVESTMENT IN SUBSIDIARIES

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

E AMOUNTS DUE (TO) / FROM GROUP COMPANIES

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

F OTHER RECEIVABLES

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

G OTHER PAYABLES

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

H ACCOUNTING POLICIES

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

I GOING CONCERN

As at 30 September 2023 the Company's current assets exceeded its current liabilities by ZW$1,01 billion (2022: Assets exceeded liabilities by ZW$0,99 billion). In addition the Company had a profit for the year of ZW$5.85 billion (2022: Profit of ZW$0.50 billion).

The Directors and management are aware of a number of material uncertainties related to events and conditions prevailing within the country's economic environment that could cast significant doubt on the Company's ability to continue as a going concern.

The Directors and management are continuously monitoring and evaluating the Company's operating landscape to re-assess and appropriately adapt its strategies. This is to ensure the continued operation of the Company into the foreseeable future. The Directors are of the opinion that due to the plans in place, the Company will be a going concern into the foreseeable future.

J BASIS OF PREPARATION

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

SUPPLEMENTARY INFORMATION

Shareholders' Diary

for the year ended 30 September 2023

Financial year end	30 September 2023
Annual Report for 2023	Published December 2023
Annual General Meeting	28 February 2024

Reports and profit statements for 2024

Half-year interim report	To be published May 2024
Year end profit announcement	To be released in December 2024

Notice To Shareholders

Annual General Meeting

Notice is hereby given that the seventy-third Annual General Meeting of the Company will be held virtually, on Wednesday 28 February 2024 at 09:00 hours for the purposes of transacting the following business:

Agenda

1. To receive, consider and adopt the Financial Statements for the year ended 30 September 2023 together with the Report of the Auditors.

2. To approve the remuneration of the Directors.

3. To elect the following directors: Mr. A. H. Howie and Mr. M. M. Valela retire by rotation but being eligible, offer themselves for re-election; Ms. A. Aldridge was appointed as Non Executive Director on 01 November 2023 and in terms of the Companies Articles of Association is required to retire, but being eligible, offers herself for re-election. The election of directors will be by individual motions.

4. To appoint PricewaterhouseCoopers as external auditors of the Company until the conclusion of the next Annual General Meeting and to approve remuneration of Deloitte and Touche for the past financial year, whose term of office has expired.

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

By Order of the Board

A. K. Nicholson
Group Company Secretary

12 December 2023

68 Birmingham Road
Southerton
P.O. Box 4351
Harare

Notes

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

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

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

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

Shareholders' Analysis

	as at 30 September 2023			as at 30 September 2022		
	Number of Shareholders	Number of Shares held	% of total issued shares	Number of Shareholders	Number of Shares held	% of total issued shares
CLASSIFICATION						
Employees and Directors	3	224 000	0.03	4	294 000	0.04
Employees Trust	1	2 961 655	0.39	1	2 961 655	0.39
Corporate holders - local	203	188 524 143	24.95	195	199 652 277	26.42
Corporate holders - external	3	425 768 775	56.34	3	388 641 739	51.43
Banks and nominees	43	24 357 873	3.22	26	2 847 190	0.38
Insurance companies	9	63 198 835	8.36	9	92 332 448	12.22
Individuals - resident	1 382	4 133 998	0.55	1 379	4 128 404	0.55
Individuals - non-resident	48	281 839	0.04	41	1 090 400	0.14
Investment, trusts and property companies	27	303 869	0.04	53	12 431 862	1.65
Pension funds	65	45 893 114	6.07	73	51 268 126	6.78
Total	**1 784**	**755 648 101**	**100.00**	**1 784**	**755 648 101**	**100.00**
1 - 500	935	137 415	0.02	924	135 238	0.02
501 - 1 000	215	175 823	0.02	206	168 008	0.02
1 001 - 5 000	319	774 780	0.10	328	792 030	0.10
5 001 - 10 000	88	678 854	0.09	91	702 971	0.09
10 001 - 50 000	120	2 748 498	0.36	128	2 941 389	0.39
50 001 & over	107	751 132 731	99.41	107	750 908 465	99.40
Total	**1 784**	**755 648 101**	**100.00**	**1 784**	**755 648 101**	**100.00**

TOP TEN SHAREHOLDERS

	30 September 2023			30 September 2022	
	Number of Shares held	% of total issued shares		Number of Shares held	% of total issued shares
Nampak Southern Africa Holdings Limited	388 636 739	51.43	Nampak Southern Africa Holdings Limited	388 636 739	51.43
Delta Corporation Limited	162 177 175	21.46	Delta Corporation Limited	162 177 175	21.46
Old Mutual Life Assurance Co. Of Zimbabwe Ltd	56 185 330	7.44	Old Mutual Life Assurance Co. of Zimbabwe Ltd	85 318 943	11.29
LHG Malta Holdings Limited	37 131 836	4.91	Morgan and Co. MIZ ETF ACC	33 254 068	4.40
TN Asset Management Nominees	22 327 659	2.95	NSSA - National Pension Scheme	20 100 000	2.66
NSSA - National Pension Scheme	20 100 000	2.66	Old Mutual Zimbabwe Limited	11 258 610	1.49
Brexhill Enterprises Pvt Ltd	11 000 000	1.46	Stanbic Nominees	7 219 346	0.96
Stanbic Nominees	8 476 168	1.12	SCB Nominees	4 715 883	0.62
Morgan And Co MIZ ETF ACC	4 455 684	0.59	Old Mutual Insurance Company Pvt Ltd	4 419 925	0.58
Old Mutual Insurance Co. Pvt Ltd	4 419 925	0.58	Public Service Pension Fund - OMIG	3 162 218	0.42
Total	**714 910 516**	**94.61**	**Total**	**720 262 907**	**95.32**

Nampak
Zimbabwe
Limited

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