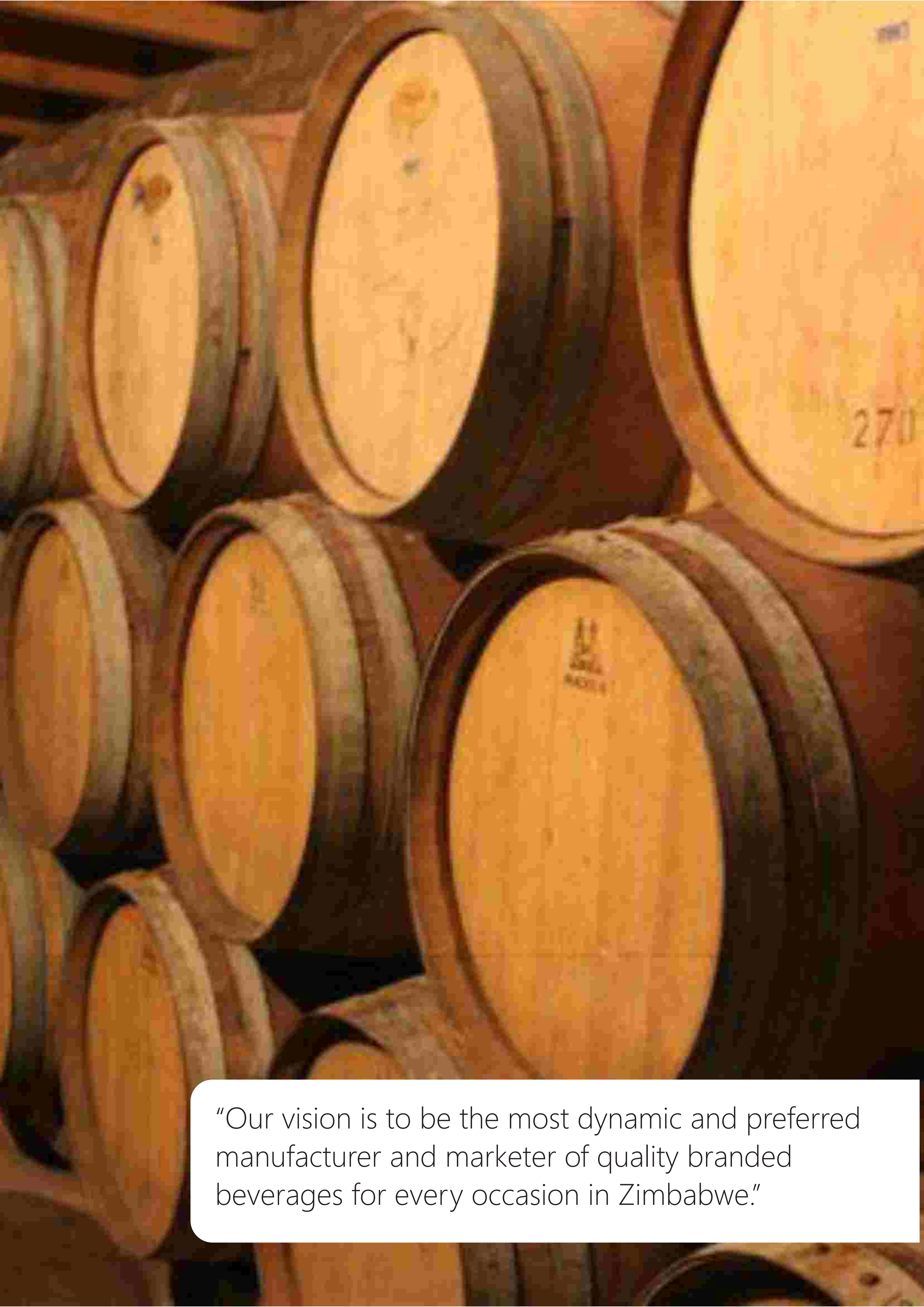
AFRICAN DISTILLERS
LIMITED

2013 annualreport



"Our vision is to be the most dynamic and preferred manufacturer and marketer of quality branded beverages for every occasion in Zimbabwe."

contents

"Our Mission is to sustainably grow the profitability and value of our business by providing branded quality beverages for our consumers."

Company Profile

The core business of African Distillers Limited is the manufacture, distribution and marketing of branded wines and spirits for the Zimbabwean market and for export.

HISTORICAL PROFILE

In April 1944, P J Joubert Limited was registered in Bulawayo. In 1946, this Company changed its name to African Distillers (Rhodesia) Limited. Initially, its activities were centred around the sale and distribution of imported spirits, liqueurs and wines. During the same year a distillery was acquired in Mutare, and the local production of a range of spirits commenced. In 1951 African Distillers became a public quoted Company. In 1974, the Company moved to its present headquarters at Stapleford, a complex just outside Harare which houses production, warehousing and distribution facilities.

The Company has five depots in Bulawayo, Harare, Kwekwe, Masvingo and Mutare which ensure a first-class distribution service. These outlets are supplemented by Customer Collection Depots countrywide.

MISSION AND CORE VALUES

Vision

To be the most dynamic and preferred manufacturer and marketer of quality branded beverages for every occasion in Zimbabwe.

Mission

To sustainably grow the profitability and value of our business by providing branded quality beverages for our consumers.

Core values

Our people are our greatest strength

- Our people are crucial to the achievement of our business goals.
- We provide a great place to work where each and every one of our people is inspired to be the best they can be.
- We believe that our organisation is stronger for having people of diverse backgrounds, traits and paradigms.
- We interact with each other and with all our stakeholders with trust, mutual respect and integrity.
- We value human life above all else and manage risks accordingly.

We believe in the power of working in teams.

- Our success is team-driven.
- We believe in sharing knowledge and knowhow throughout our organisation.
- We work in teams that demonstrate discipline, commitment and dedication.
- We encourage everyone to participate and collaborate with each other.
- We act with a sense of ownership and strive for excellence.

We hold ourselves accountable for the commitments we make as individuals and as teams.

- We ensure that all employees' roles are clearly defined and that all deliverables are accounted for.
- We ensure that our mission, goals and objectives are aligned and clearly articulated.
- We value performance management as the way to effectively drive individual and business performance.
- We balance short and long term results.
- We conduct ourselves with passion and seriousness of purpose in our pursuit of our goals.

We value openness and frankness in all our communications with each other.

- We encourage our people to express different views and opinions.
- We communicate with openness and frankness with each other.
- We communicate sincere feedback to each other without offensive intent.
- Honesty and integrity are characteristic of all our communications and social interactions.
- We keep our promises.

We foster an entrepreneurial spirit to enhance continuous improvement and innovation in all our work.

- We are a learning organisation that believes in life-long-learning.
- We anticipate and respond to changing customer, consumer, employee and community needs.
- We demand, recognise and reward excellence.
- We invest in our people, empower them and realise the potential of everyone through appropriate training and development.

We care for our customers, consumers and communities.

- Our success is founded on an intimate understanding of our customers, consumers and communities.
- We believe that we succeed only when we exceed the expectations of our consumers.
- We strive to refresh our consumers, reward our stakeholders and enhance the lives of our local communities.
- We have a passion for responsibly serving our customers with excellence.

We are responsible corporate citizens.

- We avoid conflicts of interest but will declare situations where they may occur.
- We endeavour to ensure the use of safe and reliable materials and services in all our processes.
- We are committed to and encourage responsible marketing and consumption of alcoholic beverages.
- We comply with the laws of the countries in which we do business.
- We are an equal opportunity employer.
- We endeavour to make a positive difference to our communities.
- We commit to respect our environment – we subscribe to the principle of sustainable development.

Financial Highlights

SUMMARY

	2013 USD	2012 USD	2011 USD	2010 USD
Revenue	22 091 417	19 547 604	15 030 013	12 050 383
Operating income/(loss)	1 660 912	1 163 444	230 686	(2 415 516)
EBITDA	1 763 347	2 069 175	(291 118)	(2 154 110)
Profit/(loss) before taxation	1 213 127	1 665 795	(972 171)	(2 464 040)
Profit/(loss) attributable to shareholders	808 767	1 143 683	(932 200)	(1 536 798)
Headline earnings/(loss)	795 176	1 151 865	(832 510)	(1 484 892)
Interest bearing debt	2 882 523	1 431 620	899 999	543 424
Net cash on hand	(2 793 698)	(1 355 256)	(711 539)	207 575
Total Assets	13 930 330	11 648 554	11 915 879	11 568 192

SHARE PERFORMANCE

	2013	2012	2011	2010
Number of ordinary shares in issue (millions)	95	95	95	95
Market capitalisation (millions)	31 417 275	10 472 425	13 328 541	13 545 174
Number of ordinary share holders	827	813	862	890
Middle market price (cents)	33	11	14	14
Attributable earnings/(loss) per share (cents)	0.85	1.20	(0.98)	(1.62)
Headline earnings/(loss) per share (cents)	0.90	1.21	(0.88)	(1.56)
Diluted earnings/(loss) per share (cents)	0.83	1.20	(0.98)	(1.62)
Dividend per share	-	-	-	-
Net Asset Value per share (cents)	6.25	5.31	4.04	5.03

FINANCIAL STATISTICS

	2013	2012	2011	2010
Return on shareholders' equity (%)	14	23	(24)	(32)
Dividend cover (times)	-	-	-	-

Chairman's Statement

It is my pleasure to present my report for the year ended 30 June 2013.

Overview

The Company continues on a path to sustainable growth as it re-establishes itself in the market as the leader in the fine spirits and wine categories.

While deliberately focusing on revenue growth and cost management, the Company continues to improve its brand portfolio and invest in upgrading plant and equipment so as to underpin the growth platform.

Volume and Operations

The year's volumes, at 5.6 million litres grew by 18% on prior year. Local and imported product portfolios contributing 58% and 42% respectively. This is a significant shift towards the locally produced beverages which contributed 68% in the final quarter resulting in higher margins for the business during this period. The frequent import duty increases experienced during the years resulted in the 'import' business portfolio losing both margins and volumes. Focus is now on local production of all 'Ready to Drink' (RTD) products, with the project planned to come on line in early 2014.

Financial Performance

Gross turnover for the year amounted to $29.8 million which is 16 % above prior year. This is on a volume increase of 18%. Earnings before interest and tax grew by 43% to $1.7 million. Gross margin rose to 32 % from 31%. This is a result of a favourable mix coming from the stronger local product volume growth particularly brown spirits.

Earnings per share has decreased this year to 0.85 cents from 1.2 cents. This was due to an exchange gain in the previous year of $673 000 and reorganisational costs of $265 000 in the current year.

Risk Management

The Board is committed to its responsibility of maintaining its risk management strategy for the Company and monitoring its performance through regular assessment. Executive management is responsible for implementing and maintaining a risk management programme based on the broad objectives set by the Board.

The risk management system is Company-wide and has been cascaded down to all levels of the organisation. The Company is Hazard Analysis Critical Control Points (HACCP) certified and audited twice annually by the Standards Association of Zimbabwe. The Board Audit Committee, attended by both the external and internal auditors, meets twice a year to consider issues relating to financial and accounting controls as well as risk management.

Directorate

Mr Malcolm Hollingworth retired as the Managing Director on the 30th of June 2013 but has remained on the Board as a non-executive director. Mr Cecil Gombera, the former Chief Operating Officer, was appointed to the position of Managing Director with effect from 1st of July 2013 while Mrs Muchaneta Ndachena joined the Company as the Finance Director on the 1st of January 2013.

Dividend

The Company still needs to preserve cash in order to consolidate its working capital requirements and attend to basic factory upgrades. In view of this immediate need, no dividend will therefore be paid.

Future Prospects

I am confident that the business will continue to deliver value to all stakeholders going forward. The strategic focus of the Company remains on volume and revenue growth whilst focusing on cost containment and improved efficiencies.

Appreciation

The Board pays tribute to the Company's management and employees for their effort and commitment during the past year. Special recognition goes to Mr Malcolm Hollingworth who retired as Managing Director after having been with the Company for 10 years. The Board is grateful to him for his significant contribution during the difficult years of hyperinflation and for his astute leadership. He leaves the Company well positioned for future growth and prosperity.

J S Mutizwa
CHAIRMAN

Review of Operations

Performance for the year under review was marked by buoyant volume growth in the first two quarters as ciders in particular, grew ahead of total market but was adversely affected by the introduction of a 25% surtax at the turn of the year. The poor producer prices in the agricultural sector, especially for cotton, did not help the rural market performance. In the tobacco growing regions sales performance was boosted as farmers reaped rich rewards from a generally good crop.

Regionally, the northern part of the country led by the greater Harare district fared better than the other two regions due to the concentration of the organised retail chains as well as the vibrant informal sector. This region's volumes grew by 23% against an overall growth rate of 18% while the eastern region's 12% growth was below expectation mainly due to very little economic activity in this part of the country. Southern region fared slightly better despite being under immense pressure from smuggled products.

Spirits Business

Spirits volumes continue to recover in a market cluttered with a plethora of brands from across the entire globe, including some of questionable quality, priced to compete at the bottom end of the market. Total volumes grew by 18% while brown spirits grew by 37%, led by the brandy product segment which witnessed a staggering 42% growth on prior year. Performance was led by the two flagship brands, Chateau and Viceroy which sold a combined 1,03 million litres. This was on the back of strong brand support campaigns which included label upgrades.

Encouraging performance from the whisky product segment is worth noting given the strong contribution of the Gold Blend brand which contributed 414,725 litres towards the product group's total sales.

Ready-to-drink Business

Dominated by ciders, this segment witnessed volume growth of 20.5% on prior year.

The re-launch of Sting spirit cooler, towards the tail-end of the year was aimed at addressing the problem of affordability at the bottom end of the market where spending continues to be under severe pressure. This product is now available in a non-returnable bottle and complete with an upgraded label, offering convenience to the take-home market segment.

Demand for ciders slowed down significantly towards the last half of the year, a direct result of the 25% surtax levied on these products at the turn of the year. Despite this setback, Hunters volumes surpassed the million litre mark for the first time, making it a significant player in the market. Future business growth lies with initiatives taken in this product range as the company finalises local production of some key brands to counter the risks associated with the volatility of the Rand and informal imports.

Wine business

The long term objective is to achieve a million litres annually. Performance for the period under review saw volumes growing by 7% on prior year. A product line rationalisation exercise was taken with the view of growing market share through a focussed brand approach. A massive product tasting exercise is planned for the selected lines as the company aims at recovering lost market share.

Directors' Report

The Directors present their sixty third annual report to shareholders together with the audited financial statements for the year ended 30 June 2013.

FINANCIAL RESULTS

	30 June 2013 USD	30 June 2012 USD
Operating income	1 660 912	1 163 444
Reorganisation costs	(265 373)	-
Interest expenditure	(286 541)	(170 153)
Exchange gains	104 129	672 504
Profit before taxation	1 213 127	1 665 795
Taxation expense	(404 360)	(522 112)
Profit for the year	808 767	1 143 683
Other comprehensive income	-	-
Total comprehensive income for the year	**808 767**	**1 143 683**

FINANCIAL HIGHLIGHTS

	30 June 2013	30 June 2012
Statement of Financial Position Ratios (:1)		
Current ratio	1.23	1.21
Acid test ratio	0.60	0.70
Interest bearing debt to shareholders' equity (%)	48.42	28.35
Share Performance:		
Ordinary shares in issue	95 203 850	95 203 850
Middle market price (cents)	33	11
Market capitalisation (USD)	31 417 275	10 472 425
ZSE industrial index	211.19	131.20

Dividends

No dividend will be paid for the year ended 30 June 2013, as the Company still requires funds to undertake capital expansion projects.

SHARE CAPITAL

Authorised

At 30 June 2013, the authorised share capital of the Company remained unchanged at 100 000 000 ordinary shares of US$0.01.

Issued and fully paid up shares

The issued share capital at 30 June 2013 is 95 203 850 ordinary shares (2012: 95 203 850 shares).

Options

In terms of an Employees' Share Option Scheme, options outstanding at 30 June 2013 were 4 651 000 (2012 – 4 520 000). There are nil (2012 – 131 000) unallocated options at year end.

RESERVES

The movements in the reserves of the Company are shown in the Statement of Changes in Shareholders' Equity.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for the year ended 30 June 2013 was $445 235 (2012 – $381 121), while receipts from disposal of property, plant and equipment were $5 645 (2012 - $3 304).

Directors' Report (cont'd)

Borrowing Powers
The details of the Company's borrowing powers appear in Note 20 to the financial statements.

Directors and their interests
Mr C Gombera and Mrs M Ndachena were appointed to the Board of Directors in November 2012. The Company's Articles of Association require that they retire at the Annual General Meeting but being eligible offer themselves for election.

In terms of Article 99 of the Company's Articles of Association, Messrs J S Mutizwa, C Z Guyo, G J Schooling and A Chitapi retire from the Board by rotation but, being eligible, offer themselves for re-election.

At 30 June 2013, the Directors held, directly and indirectly, 4 871 396 (2012: 4 782 472) shares being 5.11% (2012: 5.02%) of the issued share capital of the Company. This holding is detailed in Note 13.4 of the financial statements. No change in the interest of Directors has taken place between the financial year-end and the date of this report.

Board Committee Meetings Attendance
Details of attendance by the Directors at Board and Committee meetings during the financial year ended 30 June 2013 are set out below:

	Main Board		Audit Committee		Remuneration Committee	
Name of Director	Attended	Possible	Attended	Possible	Attended	Possible
J S Mutizwa	4	4			2	2
M J Hollingworth	4	4	2	2	2	2
C Gombera*	3	3			1	1
A Chitapi	4	4				
C Guyo	4	4				
S W Klopper	4	4				
R H Maunsell	3	4	2	2		
M Ndachena*	3	3	1	1		
S V Rushwaya	4	4	2	2	2	2
G J Schooling	4	4	2	2		
M Valela	3	4	1	2		

** Mr C Gombera and Mrs M Ndachena were appointed as Directors in November 2012.*

DIRECTORS' EMOLUMENTS
Members will be asked to confirm the Directors' fees of $63 405 (2012 - $59 340) for the year ended 30 June 2013, and to approve the recommendations of the remuneration committee for the fees for the year ending 30 June 2014.

AUDITORS
Members will be asked to re-appoint Messrs Deloitte & Touche as auditors of the Company for the ensuing year and to fix their remuneration, excluding value added tax, of $74 000 (2012 - $70 000) for the financial year ended 30 June 2013.

ANNUAL GENERAL MEETING
The sixty third Annual General Meeting of the Company will be held at 11am on Wednesday 06 November 2013, at the registered office of the Company.

By Order of the Board

J S Mutizwa
Chairman

C Gombera
Managing Director

22 August 2013
Harare

Corporate Governance

African Distillers Limited follows the principles and general guidelines set out by the King Report on Corporate Governance. The Company also complies with the Zimbabwe Stock Exchange requirements and other regulatory authorities.

Afdis Code

African Distillers Limited personnel are committed to a long-published code of ethics. This incorporates the Company's operating, financial and behavioural policies in a set of integrated values, which include the ethical standards required of members of the Afdis family in their interface with one another and with all stakeholders.

There are detailed policies and procedures in place covering the regulation and reporting of transactions in securities of the Company by directors and officers.

Directorate

The Board of Directors comprises seven non executive directors and four executive directors who meet at least quarterly. A non executive director chairs the Board.

Directors' Interests

As provided by the Companies Act (Chapter 24:03) and the Company's Articles of Association, the Directors are bound to declare during the year, in writing, whether they have material interests in any contracts of significance with the Company which could give rise to conflict of interest. No such conflicts were reported this year.

Audit Committee

R H M Maunsell – Chairman

The Audit Committee comprises four non executive directors and the Managing Director. A non executive director chairs the committee which meets twice a year. External auditors review accounting, auditing, financial reporting, internal control and risk management issues. The external auditors are appointed each year based on recommendations of the Audit Committee.

Remuneration Committee

J S Mutizwa - Chairman

The Remuneration Committee is chaired by a non executive director. The Committee is responsible for reviewing the organisational structure in line with the strategy and make recommendations to the Board. It also recommends the remuneration of executive directors and senior executives.

Risk Management

The risk management process at African Distillers Limited involves the identification, assessment and prioritisation of risk that may impact the achievement of strategic business objectives. The environment in which the Company operates is subject to change and regular assessment of risk is necessary.

The Board, through the Audit Committee is ultimately responsible for maintaining risk management strategies for the Company and monitoring performance through regular assessment. The Board Audit Committee meets twice a year to consider issues relating to financial and accounting controls as well as risk management.as well as risk management.

Directors' Responsibility Statement

To the Members of African Distillers Limited:

The Directors of the Company are responsible for the preparation and integrity of the annual financial statements and the related financial information included in this report. The Company's external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 13. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with international standards.

The Company's Directors are required by the Zimbabwe Companies Act (Chapter 24:03) 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 Company at the end of the financial period and of the profit and cash flows for the period. In preparing the accompanying financial statements, International Financial Reporting Standards (IFRS) have been followed, 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 in line with the Company accounting philosophy.

The Directors have reviewed the Company's budget and cash flow forecast for the year to 30 June 2014. On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the Directors are satisfied that, notwithstanding the uncertainty resulting from recent economic policy decisions, African Distillers Limited is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The Company's policy on business conduct, which covers ethical behaviour, compliance with legislation and sound accounting practice, underpins the Company's internal financial control process.

The Board and management are responsible for the Company's systems of internal control and, in order to comply with these responsibilities, management is required to maintain accurate accounting records and to ensure that adequate systems of internal control are in place. The control systems include accounting and control policies and procedures, defined lines of accountability and delegation of authority and comprehensive financial reporting and analysis. These systems are designed to provide reasonable but not absolute assurance, as to the integrity and reliability of the financial information and also to safeguard, verify and maintain accountability of its assets. They are also designed to minimise fraud and loss. The responsibility for operating the systems is delegated to the Executive Directors who confirm they have reviewed their effectiveness.

The Directors have satisfied themselves that these systems and procedures have been implemented, maintained and monitored by appropriately trained personnel with suitable segregation of authority, duties and reporting lines. The senior executives have signed a representation letter on this compliance. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these internal controls, procedures and systems has occurred during the period under review.

The Company's external auditors have reviewed and tested appropriate aspects of internal financial control systems during the course of their statutory examinations of the Company.

The Company's Audit Committee has met the external auditors to discuss their reports on the results of their work, which include assessments of the relative strengths and weaknesses of key control areas and no breakdowns involving material loss have been reported to the Directors in respect of the year under review.

These annual financial statements for the year ended 30 June 2013 which appear on pages 14 to 37 have been approved by the Board of Directors on 22 August 2013 and signed on their behalf by:

J S Mutizwa	C Gombera
Chairman	Managing Director

22 August 2013
Harare

Financial Information

Revenue increased by 16%.
Operating income up by 43% to $1.66 million.

Report of the Independent Auditors

Deloitte.

TO THE MEMBERS OF AFRICAN DISTILLERS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of African Distillers Limited as set out on pages 14 to 37, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI 33/99 and SI 62/96). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of African Distillers Limited as at 30 June 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Deloitte & Touche

Deloitte &Touche
Chartered Accountants (Zimbabwe)

28 August 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Notes	2013 USD	2012 USD
Revenue	5	22 091 417	19 547 604
Cost of sales		(12 435 958)	(11 477 261)
Gross profit		9 655 459	8 070 343
Other income		67 643	32 334
Distribution costs		(707 479)	(536 014)
Administrative expenses		(1 232 512)	(901 819)
Other operating expenses		(6 122 199)	(5 501 400)
Operating income	6	1 660 912	1 163 444
Reorganisation costs		(265 373)	-
Interest expenditure		(286 541)	(170 153)
Exchange gains		104 129	672 504
Profit before taxation		1 213 127	1 665 795
Taxation expense	7	(404 360)	(522 112)
Profit for the year		808 767	1 143 683
Other comprehensive income		-	-
Total comprehensive income for the year		808 767	1 143 683
Weighted average number of shares in issue (millions)		95	95
Earnings per share (Cents):			
Attributable earnings	8.1.2	0.85	1.20
Headline earnings	8.2.2	0.90	1.21
Diluted earnings	8.3.3	0.83	1.20

Statement of Financial Position

as at 30 June 2013

	Notes	2013 USD	2012 USD
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	4 557 805	4 496 241
Long term loans	10	574 901	414 439
		5 132 706	4 910 680
Current Assets			
Inventories	11	4 457 967	2 822 296
Trade and other receivables	12	4 250 832	3 839 214
Bank balances and cash		88 825	76 364
		8 797 624	6 737 874
Total Assets		13 930 330	11 648 554
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	13	952 039	952 039
Share option reserve		156 268	62 548
Non-distributable reserves		5 361 409	5 361 409
Accumulated loss		(516 548)	(1 325 315)
		5 953 168	5 050 681
Non-Current Liabilities			
Deferred taxation	14	898 473	1 009 236
Current Liabilities			
Overdrafts	15	1 832 702	931 620
Bank borrowings	16	1 049 821	500 000
Trade and other payables	17	4 075 785	4 157 017
Current tax liability		120 381	-
Total Current Liabilities		7 078 689	5 588 637
Total Liabilities		7 977 162	6 597 873
Total Equity and Liabilities		13 930 330	11 648 554

J S Mutizwa
Chairman

C Gombera
Managing Director

22 August 2013

Statement of Cash Flows

for the year ended 30 June 2013

	Notes	2013 USD	2012 USD
CASH FLOW FROM OPERATING ACTIVITIES			
Operating income before finance costs and taxation	18.1	1 468 235	1 588 491
Adjustments for non-cash items	18.2	503 179	551 414
Cash generated from operations after non-cash items		1 971 414	2 139 905
Changes in working capital	18.3	(2 128 521)	(2 033 071)
Cash (used in)/ generated from operations		(157 107)	106 834
Interest expense paid		(286 541)	(170 153)
Income tax paid	18.5	(394 742)	-
Net Cash Outflow from Operating Activities		(838 390)	(63 319)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment	18.4	(439 590)	(377 817)
Long term loans		(160 462)	(202 581)
Net Cash Outflow from Investing Activities		(600 052)	(580 398)
Net Cash Outflow from Investing and Operating Activities		(1 438 442)	(643 717)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in short term borrowings		1 450 903	531 621
Net Movement in Cash and Cash Equivalents		12 461	(112 096)
Cash and Cash Equivalents at the Beginning of Year		76 364	188 460
Cash and Cash Equivalents at the End of the Year		88 825	76 364
Comprising:-			
Bank balances and cash		88 825	76 364

Statement of Changes in Shareholders' Equity

for the year ended 30 June 2013

	Share Capital USD	Share Option Reserve USD	Non-Distributable Reserve USD	Accumulated Loss USD	Total USD
Balance at 30 June 2011	**952 039**	**-**	**5 361 409**	**(2 468 998)**	**3 844 450**
Recognition of share based payment expense	-	62 548	-	-	62 548
Total comprehensive income for the year	-	-	-	1 143 683	1 143 683
Balance at 30 June 2012	**952 039**	**62 548**	**5 361 409**	**(1 325 315)**	**5 050 681**
Recognition of share based payment expense	-	93 720	-	-	93 720
Total comprehensive income for the year	-	-	-	808 767	808 767
Balance at 30 June 2013	**952 039**	**156 268**	**5 361 409**	**(516 548)**	**5 953 168**

Notes to the Financial Statements

for the year ended 30 June 2013

1. NATURE OF BUSINESS

The main business of the Company is the manufacture, importation and wholesale distribution of spirits and wines. The Company is incorporated in Zimbabwe and is a subsidiary of Afdis Holdings (Private) Limited, a company which is also incorporated in Zimbabwe.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 New and revised IFRS with no material effect on current reporting

In the current year, the Company adopted the following new and revised IFRS and annual improvements to IFRSs with no significant impact on the operating results or financial position.

- IAS 1 – Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented (effective for annual financial statements for periods beginning on or after 1 July 2012).
- IAS 12 – Income taxes (issued 20 December 2010) – Amends IAS 12 Income Taxes to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will normally be through sale.

2.2 New and revised IFRS in issue, but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective nor applied by the Company:

- IFRS 1 – Amendments in terms of Government loans – (effective for annual periods beginning on or after 1 January 2013).
- IFRS 7 – Financial Instruments: Disclosures- Amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective for annual financial statements for periods beginning on or after 1 January 2013).
- IFRS 7 – Financial Instruments: Disclosures-Amendments requiring disclosures about the initial application of IFRS 9 (effective for annual financial statements for periods beginning on or after 1 January 2015).
- IFRS 9 – Financial Instruments – applicable to annual periods beginning on or after 1 January 2015.
- IFRS 10 – Consolidated Financial Statements (effective for annual financial statements for periods beginning on or after 1 January 2013).
- IFRS 11 – Joint Arrangements (effective for annual financial statements for periods beginning on or after 1 January 2013)
- IFRS 12 – Disclosure of Interests in Other Entities (effective for annual financial statements for periods beginning on or after 1 January 2013).
- IFRS 13 – Fair Value Measurement (effective for annual financial statements for periods beginning on or after 1 January 2013).
- Revised IAS 19- Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects (effective for annual financial statements for periods beginning on or after 1 January 2013).
- Revised IAS 27-Consolidated and Separate Financial Statements-Reissued as IAS 27 Separate Financial Statements (as amended in 2011) (effective for annual financial statements for periods beginning on or after 1 January 2013).
- Revised IAS 28-Investments in Associates-Reissued as IAS 28 Investments in Associated and Joint Ventures (as amended in 2011) (effective for annual financial statements for periods beginning on or after 1 January 2013).
- Revised IAS 32-Financial Instruments: Presentation- Amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual financial statements for periods beginning on or after 1 January 2014)
- Annual improvements 2009 to 2011 cycle- applicable to annual period beginning on or after 1 January 2013.

The Directors have not quantified the impact that the adoption of these standards and interpretations in future periods will have on the Financial Statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

The financial statements have been prepared in conformity with International Financial Reporting Standards, promulgated by the International Accounting Standards Boards (IASB). The financial statements have been prepared in compliance with Zimbabwe Companies Act (Chapter 24:03) and the relevant statutory instruments (SI33/99) and SI62/96).

3.2 Basis of Preparation

The financial statements of the Company are prepared under the historical cost convention, except for the fair valuation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

3.3 Property, Plant and Equipment

These are stated at their cost less related accumulated depreciation and accumulated impairment losses. The estimated useful lives, residual values, and depreciation method are reassessed each year, with effect of any changes in estimate accounted for on a prospective basis.

Computer hardware is stated at cost less accumulated depreciation. Software up-grades are written off in the year of purchase.

Depreciation is not provided on freehold land, or capital work in progress. It is provided on other property, plant and equipment as is deemed appropriate, so as to reduce carrying amounts to their residual values over their estimated useful lives as stated below.

Asset Category	Method	Estimated Useful Lives
Buildings	Straight line	40 years
Plant & Machinery	Straight line	2 – 20 years
Motor Vehicles	Straight line	3 – 40 years
Office Equipment	Straight line	3 – 10 years

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

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value, allowance being made for obsolescence and deterioration. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost is determined on the following basis:

Raw materials	Weighted average cost
Maturing wines, spirits and finished goods	Weighted average cost. Where applicable, an appropriate share of overhead expenses is included. Out of bond inventories also include excise and customs duties.

3.5 Share Based Payments

The Company issues share options to certain employees. The options are valued at fair value at the date of grant. The fair value determined is expensed on straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. The fair value is calculated using the Black-Scholes option pricing model, as adjusted for dividends by Robert Merton. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions as regards closed periods and behavioural considerations. The value transferred to the share options reserve is amortised to retained earnings as the related share options are exercised or forfeited.

3.6 Taxation

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

3.6.1 Current Taxation

Current income taxation charge is determined by applying the current rate of income taxation to income for the year, after taking into account allowances on capital expenditure, income that is not subject to taxation, disallowable expenditure and losses brought forward from prior years. Capital gains tax is determined on the profit arising on the sale of specified assets at the current rate of capital gains tax.

3.6.2 Deferred Taxation

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.6.3 Current and Deferred Taxation for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current and deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.7 Foreign Currency Transactions and Balances

These Financial Statements are presented in United States Dollars (USD), which is also the functional currency of the Company. Transactions in other foreign currencies are translated to USD at the rate of exchange prevailing at dates of transactions. Exchange gains or losses on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur (therefore forming party of the net investment in the foreign operation,) which are recognised initially in other comprehensive income and reclassified from equity to profit or loss repayment of the monetary items.

Assets and liabilities in other foreign currencies are translated to USD at the official rates ruling at reporting date.

3.8 **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if 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.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

3.9 **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, value added tax and excise and customs duties. Sales of goods are recognised when goods are delivered and title has passed.

Revenue relating to barter transactions is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

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.

3.10 **Retirement Benefit Costs**

The Company operates a defined contribution plan for all eligible employees. The scheme is funded by payments from employees and by the Company, and the assets are held in various funds which are independently administered. The Company's contributions are charged to the Statement of Comprehensive Income in the year to which they relate. The Company also participates in the National Social Security Authority (NSSA) scheme. Payments made to NSSA are dealt with as payments to defined contribution plans, where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.11 **Borrowing Costs**

Borrowing costs which relate to funds raised specifically for the acquisition of property, plant and equipment are capitalised until such time as the assets are substantially ready for intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying asset, is deducted from the borrowing costs eligible for capitalisation.

3.12 **Impairment of Assets**

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

Where an impairment subsequently reverses, the carrying amount of the asset (cash-generated unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset (cash-generated unit) in prior years. A reversal of an impairment is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation increase.

3.13 **Financial Instruments**

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

3.13.1 **Financial Assets**

Financial assets of the Company are classified as "loans and receivables" as they do not fall into the other financial asset categories as defined under IAS 39 "Financial Assets: Recognition and Measurement".

3.13.2 **Loans and Receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

3.13.3 **Impairment of Financial Assets**

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired if there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

The carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3.13.4 Derecognition of Financial Assets

The Company derecognises financial assets only when the contractual rights to the cash flows from the assets expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.13.5 Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

3.13.6 Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, namely forward exchange contracts.

Derivatives are initially recognised at fair value at the date the derivatives contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of profit or loss depends on the nature of the hedge relationship.

3.13.7 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date.

for the year ended 30 June 2013

4.1 **Useful Lives and Residual Values of Property, Plant and Equipment**

During the year, management assessed the residual values of property, plant and equipment. Residual values of each asset category have been assessed using the fair value of the asset after taking into account age, usage and obsolescence. These residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is diminution in value.

Management assesses useful lives of property, plant and equipment each year taking into account past experience and technology changes. The useful lives are set out in Note 3.3.

4.2 **Share Based Payments**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at that grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed and on straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company computes the fair value of the scheme using the Black-Scholes option pricing model. Based on the model, with a vesting period of 3 years and extension of 7 more years, the average estimated remaining life is computed. Assumption applied in the model are set out in Note 13.5.

4.3 **Allowance for Doubtful Receivables**

The Company makes provision for debtors' balances where it considers the recoverability to be doubtful. A significant degree of judgement is applied by management when considering whether a debtor is recoverable or not.

Factors taken into account, include default of payments, history of the specific customer with the Company, indications of financial difficulties of the specific customer, credit terms specific to the customer and general economic conditions. See Note 12.

for the year ended 30 June 2013

		2013 USD	2012 USD
5.	REVENUE		
	Brown Spirits	12 537 357	8 939 497
	White Spirits	6 546 248	7 129 262
	Ciders	6 003 285	5 759 433
	Liqueurs	1 742 088	1 394 234
	Still wines	1 731 014	1 563 301
	Sparkling wines	412 792	357 218
	Spirit Coolers	308 554	24 963
	Fortified wines	273 133	291 791
	Sparkling juice	186 190	171 669
	Exports	64 643	70 374
	Excise duties & discounts	(7 713 887)	(6 154 138)
		22 091 417	19 547 604
6.	OPERATING INCOME		
	Operating income for the year is stated after:		
6.1	Loss on disposal of property, plant and equipment	48 975	8 182
	Employee share option expense	93 720	62 548
6.2	Depreciation:		
	Buildings	-	-
	Plant and machinery	114 258	140 762
	Motor vehicles	110 626	70 134
	Office equipment	38 795	22 331
		263 679	233 227
6.3	Auditors' Remuneration:		
	Current year audit fees and expenses	74 000	70 000
6.4	Staff Costs:		
	Salaries and wages	4 167 172	3 651 259
	Termination costs	265 373	-
	Pension costs – defined contribution funds	370 573	325 107
	– National Social Security Authority scheme	17 256	18 721
		4 820 374	3 995 087
7.	TAXATION EXPENSE		
7.1	Income Taxation:		
	Current taxation:	507 123	-
	Capital gains tax	8 000	-
	Deferred taxation expense for the year (Note 14)	(110 763)	522 112
		404 360	522 112

for the year ended 30 June 2013

		2013 USD	2012 USD
7.2	Reconciliation of Rate of Income Taxation:		
	Standard Rate	25.75%	25.75%
	Adjusted for:		
	Disallowed expenditure	7.58%	5.59%
	Effective rate	33.33%	31.34%
8.	EARNINGS PER ORDINARY SHARE		
8.1	Attributable Earnings Basis:		
8.1.1	Attributable Earnings:		
	Profit attributable to shareholders (USD)	808 767	1 143 683
8.1.2	Per Share:		
	Earnings per ordinary share (Cents)	0.85	1.20
8.1.3	Basis:		
	Calculations are based on the earnings attributable to ordinary shareholders and the average ordinary share capital in issue for the year.		
	Average number of shares in issue (millions)	95	95
8.2	Headline Earnings Basis:		
8.2.1	Headline Earnings:		
	Profit attributable to shareholders (USD)	808 767	1 143 683
	Loss on disposal of property, plant and equipment	48 975	8 182
		857 742	1 151 865
8.2.2	Per Share:		
	Earnings per ordinary share (Cents)	0.90	1.21

8.2.3 Basis:

Calculations are based on attributable earnings per share adjusted for items of a capital nature (Note 8.2.1) and the average ordinary share capital in issue for the period. (Note 8.1.3)

8.3 Diluted Earnings Basis:

Diluted earnings per share evaluates the sensitivity of base earnings with regards to the changes in capital structure of the Company. The calculations are based on the diluted earnings determined below (Note 8.3.1) and the total of weighted average number of shares used for Earnings Per Share (EPS) (Note 8.1.3) and weighted potential number of ordinary shares.

		2013 USD	2012 USD
8.3.1	Diluted Earnings		
	Profit attributable to shareholders	808 767	1 143 683
8.3.2	Weighted Average Number of Shares (millions)	95	95
8.3.3	Per Share		
	Diluted earnings per share (Cents)	0.83	1.20

for the year ended 30 June 2013

	2013 USD	2012 USD
9. PROPERTY, PLANT AND EQUIPMENT		
Land and Improvements		
Cost	681 084	681 084
Accumulated depreciation	-	-
	681 084	681 084
Buildings		
Cost	2 764 998	2 756 735
Accumulated depreciation	(577 409)	(577 409)
	2 187 589	2 179 326
Plant and Machinery		
Cost	3 237 461	3 266 587
Accumulated depreciation	(2 398 189)	(2 440 962)
	839 272	825 625
Motor Vehicles		
Cost	2 037 891	2 208 329
Accumulated depreciation	(1 449 385)	(1 596 003)
	588 506	612 326
Office Equipment		
Cost	425 387	333 937
Accumulated depreciation	(214 681)	(216 181)
	210 706	117 756
Capital Work In Progress		
Cost	50 648	80 124
Accumulated depreciation	-	-
	50 648	80 124
Total Property, Plant and Equipment	**4 557 805**	**4 496 241**
Movement in Net Book Value for the Year		
At the beginning of the year	4 496 241	4 359 833
Additions	445 235	381 121
Disposals	(119 992)	(11 486)
Depreciation	**(263 679)**	**(233 227)**
At End of the Year	**4 557 805**	**4 496 241**

for the year ended 30 June 2013

		2013 USD	2012 USD
10	**LONG TERM LOANS**		
	Farming operations - Springvale	120 525	116 525
	Loans to staff	291 191	165 015
	Loans to Directors	163 185	132 899
		574 901	414 439

Loans to staff and Directors are largely loans to purchase vehicles under a new car scheme at an interest rate of 6% p.a. and a tenor of 5 years

		2013 USD	2012 USD
11	**INVENTORIES**		
	Finished products	2 324 729	1 411 913
	Maturing spirits and wines	149 004	118 840
	Raw materials	1 984 546	1 292 105
		4 458 279	2 822 858
	Allowance for obsolete inventory	(312)	(562)
		4 457 967	2 822 296

		2013 USD	2012 USD
12	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	4 108 550	3 591 239
	Allowance for doubtful receivables	(439 422)	(313 520)
		3 669 128	3 277 719
	Prepayments and other receivables	581 704	561 495
		4 250 832	3 839 214

The average credit period on sale of goods is 21 days. No interest is charged on overdue trade receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experiences. The estimate of average days in trade receivables is 69 days (2012: 67 days)

Before accepting any new customer, the Company uses a credit scoring system to assess the potential customer's credit quality and defines credit limits for the customer. Limits attributed to customers are reviewed at management discretion and when the customer is showing signs of financial distress.

Included in the Company's trade receivables are debtors with a carrying amount of USD2 455 702 which are past due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company has eight (8) secured debtors owing $173 370 with security valued at $300 000.

Ageing of past due but not impaired trade receivables	2013 USD	2012 USD
21 – 90 days	1 570 778	789 678
91 – 120 days	12 164	75 268
120 + days	872 760	549 954
	2 455 702	1 414 900

for the year ended 30 June 2013

	2013 USD	2012 USD

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debt.

	2013 USD	2012 USD
Ageing of impaired trade receivables		
21 – 90 days	1 328	1 914
91 – 120 days	954	751
120 + days	437 140	310 855
	439 422	**313 520**

	2013 USD	2012 USD
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	313 520	200 551
Impairment losses recognised on receivables	226 086	112 969
Bad debts recovered	(8 743)	-
Bad debts written off	(91 441)	-
Balance at the end of the year	439 422	313 520

13. SHARE CAPITAL

13.1 Authorised Share Capital

Authorised share capital comprises of 100 000 000 ordinary shares. The authorised share capital has not changed during the year.

13.2 Issued and Fully Paid Share Capital

	2013 Number of Shares Millions	2012 Number of Shares Millions
At the beginning of the year	95 203 850	95 203 850
At the end of the year	95 203 850	95 203 850
Ordinary shares at nominal value of $0.01	**952 039**	**952 039**

13.3 Unissued Share Capital

Subject to the restrictions imposed by the Companies Act (Chapter 24.03) and the Zimbabwe Stock Exchange (ZSE), the Articles of Association permit the Directors to allocate, at their discretion, the unissued share capital of 4 796 150 ordinary shares (2012: 4 796 150 ordinary shares).

13.4 **Directors' Interests:**

At the end of the year, the Directors held, directly and indirectly, the following ordinary shares:

	DIRECT Beneficial	DIRECT Non-beneficial	INDIRECT Beneficial	INDIRECT Non-beneficial	Total 2013	Total 2012
A Chitapi	4 443	100	-	-	4 543	4 543
C Gombera	-	208	-	-	208	-
C Z Guyo	785 000	100	-	-	785 100	785 100
M J Hollingworth	1 030 000	-	-	-	1 030 000	1 030 308
S W Klopper	-	100	-	-	100	100
R H M Maunsell	271 487	100	-	-	271 587	271 587
J S Mutizwa	-	100	1 000	-	1 100	1 100
M Ndachena	88 924	100	-	-	89 024	-
M Valela	-	100	2 687 283	-	2 687 383	2 687 383
S V Rushwaya	2 151	100	-	-	2 251	2 251
G J Schooling	-	100	-	-	100	100
	2 182 005	**1 108**	**2 688 283**	**-**	**4 871 396**	**4 782 472**

The holding, directly and indirectly, of the Directors in the issued share capital is 5.11% (2012 – 5.02%).

13.5 **Employees' Share Option Scheme - shares under option**

The Directors are empowered to grant share options to certain employees of the Company. These options are exercisable for a period of seven years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day prior to the granting of options. Each employee share option converts into one ordinary share of African Distillers Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The number of shares subject to option is approved by shareholders in General Meeting, and the number of options granted is calculated in accordance with the performance-based formula approved by the Remuneration Committee. The number of share options are limited in line with the Zimbabwe Stock Exchange (ZSE) regulations.

Details of Share Options outstanding during the year are as follows;

Date of Grant	Subscription Price US$	Number of Options 2013
6 September 2011	0.10	600 000
2 November 2011	0.13	3 790 000
13 February 2013	0.14	261 000
		4 651 000

Movement in Share Options during the year	2013	2012
Number outstanding at beginning of the year	4 520 000	-
New options granted during the year	261 000	4 520 000
Exercised during the year	-	-
Forfeited during the year	(130 000)	-
Outstanding at year end	**4 651 000**	**4 520 000**
Breakdown as follows:		
Directors	2 561 000	2 300 000
Other key management personnel	1 000 000	1 000 000
Other management	1 090 000	1 220 000
	4 651 000	**4 520 000**

for the year ended 30 June 2013

All options expire, if not exercised ten years after date of grant. Share options granted under the employee share option scheme carry no rights to dividends and have no voting rights.

In terms of the Company share option scheme, options were granted on 13 February 2013. The estimated fair value of the options granted on that date was US$15 562. The Company recognised total share option expenses of US$93 720 in respect of the granted share options.

Unallocated share options at year end were nil (2012 – 131 000).

The fair values were calculated using Black-Scholes pricing model and the following assumptions were applied for each grant.

Assumption	Date of issue February 2013
Grant date share price – US$	0.14
Exercise Price	0.14
Expected volatility	50%
Dividend Yield	-
Risk –free interest rate	8%

	2013 USD	2012 USD
14. DEFERRED TAXATION		
Arising from the following:		
Property, plant and equipment	870 828	902 510
Other assets	27 725	196 869
Liabilities	(80)	(145)
Current year assessed loss	-	(89 998)
	898 473	1 009 236
Deferred tax movement for the current year		
At the beginning of the year	1 009 236	487 124
Arising on current year temporary differences	(110 763)	522 112
At the end of the year	898 473	1 009 236
15. OVERDRAFTS		
Floating interest rates	1 832 702	931 620

The Company borrows from financial institutions to fund its working capital needs and these balances have wide fluctuations which are directly related to the working capital needs at any point in time.

The average interest rate is about 12% p.a. (2012: 14% p.a.)

		2013 USD	2012 USD
16. BANK BORROWINGS			
The bankers acceptances at year end were structured as follows:			
Bank	Interest Rate p.a		
Standard Chartered Bank	9%	290 863	200 000
Standard Chartered Bank	9%	450 000	200 000
Standard Chartered Bank	9%	-	100 000
BancABC	13%	308 958	-
		1 049 821	500 000

	2013 USD	2012 USD
17. TRADE AND OTHER PAYABLES		
Trade payables	2 336 729	2 787 307
Accruals	1 722 817	1 355 523
Other financial liabilities (Note 22.4.1)	16 239	14 187
	4 075 785	4 157 017

Trade payables and accruals are principally comprised of amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases is 21 days.

18. CASH FLOW INFORMATION

	2013 USD	2012 USD
18.1 Income before Finance Costs and Taxation		
Operating income	1 660 912	1 163 444
Reorganisational costs	(265 373)	-
Realised exchange gain	72 696	425 047
	1 468 235	1 588 491
18.2 Non-Cash Items		
Depreciation (Notes 6.2 & 9)	263 679	233 227
Loss on disposal of property, plant and equipment (Note 6.1)	114 347	8 182
Unrealised exchange gain	31 433	247 457
Share option expense	93 720	62 548
	503 179	551 414
18.3 Changes in Working Capital		
(Increase)/decrease in inventories	(1 635 671)	1 110 852
Increase in trade and other receivables	(411 618)	(616 634)
Decrease in trade and other payables	(81 232)	(2 527 289)
	(2 128 521)	(2 033 071)

for the year ended 30 June 2013

		2013 USD	2012 USD
18.4	**Property, Plant and Equipment**		
	Acquisition of property, plant and equipment		
	Expand operations	(195 927)	(184 619)
	Replacements	(249 308)	(196 502)
	Proceeds on disposal of property, plant and equipment	5 645	3 304
		(439 590)	(377 817)
18.5	**Income Taxation Paid**		
	Liability at the beginning of the year	-	-
	Current tax (Note 7.1)	515 123	-
	Liability at the end of the year	(120 381)	-
		394 742	-

19. RELATED PARTY TRANSACTIONS

Distell Ltd (SA) and Delta Corporation Ltd each have an effective shareholding of 28.41% in the Company.

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

	2013	2012
Distell Ltd (SA)		
Purchase of raw materials	1 191 674	580 056
Purchase of finished products for resale	6 101 508	5 403 129
Management Fees	68 000	-
Purchase of property, plant and equipment and spares	70 172	45 178
	7 431 354	6 028 363
Delta Corporation Ltd		
Purchase of raw materials	1 028 934	113 796
Purchase of finished products	-	3 000
Management Fees	68 000	-
Technical services supplied	22 528	1 546
	1 119 462	118 342
Year-end Balances Payable/ (Receivable)		
Delta Corporation Ltd –raw materials	150 402	113 796
Delta Corporation Ltd – finished products	-	1 252
Delta Corporation Ltd – technical services supplied	5 875	-
Delta Corporation Ltd – Management fees	20 000	-
Distell Ltd (SA) – raw materials	167 610	2 224
Distell Ltd (SA) – finished products	954 530	1 658 319
Distell Ltd (SA) – property, plant and equipment	1 036	(8 225)
	1 299 453	1 767 366

		2013 USD	2012 USD
19.1	**Compensation of Key Management Personnel**		
	The remuneration of Directors and other members of key management during the period, as determined by the Remuneration Committee, was as follows:		
	Short term benefits	1 539 016	809 803
	Post employment benefits	169 070	93 186
	Termination cost accrual	235 373	-
		1 943 459	902 989
19.2	**Directors' Emoluments**		
	Fees as directors	63 405	59 340
	Managerial services	575 783	429 201
	Termination costs	235 373	-
		874 561	488 541
19.3	**Loans to Key Management**		
	Refer to Note 10 for terms of the loans	566 604	157 468

20. BORROWING POWERS

In terms of Article 52 of the Company's Articles of Association, the amount owing at any one time in respect of money borrowed or secured by the Directors, shall not, without the sanction of a general meeting, exceed the aggregate of the issued share capital and capital and revenue reserves of the Company.

21. PENSION FUNDS

All employees contribute to one or more of the following independently administered pension funds.

	2013 USD	2012 USD
African Distillers Pension Fund – defined contribution	370 573	325 107
National Social Security Authority Scheme	17 256	18 721
	387 829	343 828

21.1 African Distillers Pension Fund

As at 30 June 2013 202 employees were members of the African Distillers Pension Fund. The fund is an independently administered defined contribution scheme and is, accordingly, not subject to actuarial valuation.

21.2 National Social Security Scheme

This is a defined benefit scheme promulgated under the National Social Security Authority Act 1989. The Company's obligation under the scheme are limited to specific contributions legislated from time to time. These are presently 3.5% (2012: 3%) of pensionable emoluments up to a maximum of USD700 (2012: USD200) per month for each employee.

for the year ended 30 June 2013

22 FINANCIAL RISK MANAGEMENT

22.1 Liquidity Risk Management

The Company manages liquidity risk through the compilation and monitoring of forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables show principal cash flows. All interest rate cash flows are fixed in nature.

	Weighted Average Effective Interest rate	Less than 1 month USD	1 – 3 Months USD	Total USD
30 June 2013				
Fixed interest rate instruments	10	-	1 049 821	1 049 821
30 June 2012				
Fixed interest rate instruments	9	-	500 000	500 000

The Company has access to financing facilities of which USD1 117 476 (2012: USD 1 068 380) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows.

BANK FACILITIES

	2013 USD	2012 USD
Unsecured bank loan facilities		
Amount used	2 882 524	1 431 620
Amount not used	1 117 476	1 068 380
Total facilities	4 000 000	2 500 000

22.2 Interest Rate Risk Management

The Company is exposed to interest rate risk as it borrows at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings within market expectations, and the Company adopts a non-speculative approach to managing interest rate risk.

The Company's exposure to interest rate on financial assets and financial liabilities are detailed in Notes 10, 12, 15, 16 and 22.1.

Sensitivity Analysis

The sensitivity analysis below has been determined based on exposure to interest rates on floating rate liabilities at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding at year end was outstanding for the whole year. A 1% increase or decrease is used and represents management assessment of the reasonably possible change in interest rate.

If interest rates had been 1% higher/ lower, and all other variables were held constant, the Company's profit for the year ended 30 June 2013 would decrease/ increase by $18 327 (2012: $9 316).

22.3 Credit Risk Management

Financial assets which potentially subject the Company to concentration of credit risk consist of cash, short term deposits and trade receivables. The Company's cash equivalents and short term deposits are placed with high credit quality financial institutions. Credit risk in respect of trade receivables is limited due to a widespread customer base and on-going evaluations of the financial condition of customers. Accordingly the Company has no significant concentration of credit risk.

22.4 Foreign Currency Risk Management

The Company undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise. Trade related import exposures are managed by the use of the natural hedges arising from export revenue and forward exchange contracts (FECs) arranged with financial institutions and the introduction of a "cash against delivery" system for most major foreign suppliers.

The Company's net foreign liability exposure as at year end determined using the fair market rates is summarised as follows:

CURRENCY		2013 USD	2012 USD
Payables	ZAR	1 124 186	1 640 187
Payables	EURO	-	375
Payables	GBP	-	39
Receivables	ZAR	-	180
Receivables	GBP	-	-

Using a 10% sensitivity on change in foreign currency rates used to adjust the translation at year end of outstanding foreign currency denominated monetary items, the effect on profit and loss would be $12 919 (2012:$55 036) increase in profit before tax where the USD strengthens 10% against the relevant currency and vice versa.

22.4.1 Forward Exchange Contracts

Included in current liabilities are Rand denominated payables of R11 284 628 (2012: R13 924 214) of which 89% (2012: 66%) are covered under forward exchange contracts at an average rate of US$1 - R9.86 (2012: R8.28). These agreements extend to August 2013.

The following table details the forward exchange contracts outstanding at the end of the reporting period.

Outstanding contracts	Foreign Currency ZAR	National Value USD	Fair value Assets/ (liabilities) USD
At fair value			
Less than 3 months	10 068 059	1 019 964	(16 239)
Net asset/(liability)			**(16 239)**
2012			
At fair value			
Less than 3 months	3 376 186	422 274	(19 623)
	5 915 603	700 070	5 436
Net asset/(liability)			**(14 187)**

22.5 Fair Values of Financial Instruments

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

22.6 Capital Risk Management

The entity's capital consists of equity attributable to the shareholders, comprising the issued share capital, reserves and retained income.

The entity's operating target is to maintain operating assets at a level that is higher than the available operating funds at all times in order to restrict recourse on shareholder's equity for operational funding. The objective was met at all times during the course of the year under review.

The Company's primary objectives in managing capital are:

- to guarantee the ability of the entity to continue as a going concern whilst providing an equitable return to the shareholders and benefit to customers and other stakeholders.
- To maintain a strong fallback position which is commensurate with the level of risk undertaken by the entity in the normal course of its business.

Supplementary Information

Directorate

NON-EXECUTIVE DIRECTORS

J S Mutizwa (Chairman) B.Sc. (Hons), MBA *
Appointed as alternate director in 1995, director in November 2001 and Chairman in 2003.

S W Klopper B.Acc. (Hons), CA (SA)
Director Operations, Distell Group South Africa.
Appointed as director in December 2009.

R H M Maunsell B. Bus. Sc., CA (SA), CA (Z)#
Appointed as director in August 2003

S V Rushwaya B.Sc (Soc)#*
Managing Director, Aberfoyle Holdings Limited.
Appointed as director in October 1997.

G J Schooling B.Comm.#*
Group General Manager: Africa, Distell Group, South Africa.
Appointed as director in May 2009.

M M Valela B TECH (Accounts), CA (Z)#
Executive Director Finance, Delta Corporation Limited.
Appointed as director in August 2011

M J Hollingworth B. Compt., CA (Z)
Managing Director – effective January 2011
Joined the Company in February 2003.
Appointed as director in June 2003.
Retired as Managing Director – effective 30 June 2013

EXECUTIVE DIRECTORS

C Z Gombera B.A (Hons) Business Studies, MBA #
Chief Operating Officer
Joined the Company in October 2012
Appointed as director in November 2012.
Managing Director – Effective 1 July 2013

M Ndachena B.Acc. (Hons), CA (Z), MBA
Finance Director
Joined the Company in January 2013
Appointed Director in November 2012

C Z Guyo B.Sc. (Hons), MBA
Operations Director.
Joined the Company in 1986.
Appointed as director in May 2001.

A Chitapi B-Tech Mgt Hons
Sales, Marketing and Distribution Director
Joined the Company in January 2011
Appointed as director January 2011.

COMPANY SECRETARY

L Mutamuko ACIS
Appointed as Company Secretary in January 2011

TERMS OF REFERENCE AND MEMBERSHIP

Audit Committee
To assist the Board in the discharge of its responsibilities for corporate governance, financial reporting and corporate control.

* Remuneration Committee
To recommend to the Board the remuneration policies for executive directors and senior management and to determine the remuneration of those executives.

Shareholders' Analysis

Size of Shareholding	2013 SHAREHOLDERS Number	2013 SHAREHOLDERS %	2013 SHARES HELD Number	2013 SHARES HELD %	2012 SHAREHOLDERS Number	2012 SHAREHOLDERS %	2012 SHARES HELD Number	2012 SHARES HELD %
1- 5000	614	74.24	638 710	0.67	602	74.05	636 992	0.67
5001 - 10000	65	7.86	482 530	0.51	63	7.75	478 335	0.50
10001 - 25000	62	7.50	888 676	0.93	59	7.26	547 226	0.57
25001 - 50000	33	3.99	1 004 739	1.06	29	3.57	1 086 320	1.14
50001 - 100000	23	2.78	1 494 709	1.57	25	3.08	1 772 351	1.86
100 001 - 200 000	11	1.33	1 221 491	1.28	15	1.85	1 684 123	1.77
200 001 - 500 000	7	0.85	2 044 814	2.15	8	0.98	2 295 182	2.41
Above 500 000	12	1.45	87 428 181	91.83	12	1.48	86 703 321	91.07
Total	827	100	95 203 850	100	813	100	95 203 850	100

Classification Breakdown: Residents

Companies	133	16.08	60 165 829	63.20	128	15.74	72 335 276	75.98
Insurance Companies	6	0.73	12 334 426	12.96	5	0.62	110 549	0.12
Pension Funds	26	3.14	7 846 277	8.24	27	3.32	7 784 098	8.18
Individuals	533	64.45	6 925 343	7.27	509	62.61	6 760 744	7.10
Nominees	44	5.32	538 557	0.57	57	7.01	1 640 024	1.72
Investments and Trusts	36	4.35	581 731	0.61	38	4.67	587 079	0.62
Other Organisations	16	1.93	296 141	0.31	16	1.97	157 546	0.17
	794	96	88 688 304	93	780	96	89 375 316	94

Classification Breakdown: Non-Resident

Companies	4	0.48	6 010 938	6.31	13	1.60	5 629 972	5.91
Individuals	29	3.52	504 608	0.53	20	2.46	198 562	0.21
	33	4	6 515 546	7	33	4	5 828 534	6
Total	827	100	95 203 850	100	813	100	95 203 850	100

Ten Largest Shareholders

Afdis Holdings	54 087 379	56.81	Afdis Holdings	54 087 379	56.81
Old Mutual Life Assurance Co.	12 223 877	12.84	Old Mutual Life Assurance Co.	12 223 877	12.84
Stanbic Nominees (Pvt) Ltd NNR	5 833 177	6.13	Mining Industry Pension Fund	5 416 867	5.69
Mining Industry Pension Fund	5 416 867	5.69	Stanbic Nominees (Pvt) Ltd NNR	5 093 464	5.35
Amavail Investments P/L	2 687 283	2.82	Amavail Investments P/L	2 687 283	2.82
Local Authorities Pension Fund	1 500 000	1.58	Local Authorities Pension Fund	1 501 704	1.58
Danchen Investments	1 474 507	1.55	Danchen Investments	1 474 507	1.55
KG Javis	1 305 000	1.37	KG Javis	1 305 000	1.37
MJ Hollingworth	1 030 000	1.08	MJ Hollingworth	1 030 000	1.08
C Guyo	785 000	0.82	C Guyo	785 000	0.82
	86 343 090	90.69		85 605 081	89.92
Other	8 860 760	9.31	Other	9 598 769	10.08
Total	95 203 850	100	Total	95 203 850	100

Corporate Information & Shareholders' Calendar

CORPORATE INFORMATION

Business Address & Registered Office
St Marnock's
Stapleford
Harare

P O Box WGT 890 or WGT 900
Harare

Telephone: 263-4-2930308/9
E-mail: headoffice@afdis.co.zw

Auditors
Deloitte & Touche
Kenilworth Gardens
1 Kenilworth Road
Highlands
Harare

P O Box 267
Harare

Telephone: 263-4-746248
Facsimile: 263-4-746255

Transfer Secretaries
Corpserve (Private) Limited
2nd Floor, ZB Centre
Kwame Nkrumah Avenue/First Street
Harare

P O Box 2208
Harare

Telephone: 263-4-751559
Facsimile: 263-4-752629
E-mail: corpserve@corpserve.co.zw

Bankers
BancABC
Barclays Bank of Zimbabwe Limited
MBCA Bank
Standard Chartered Bank

Lawyers
Gill, Godlonton and Gerrans
6th & 7th Floors Beverley Court
100 Nelson Mandela Avenue
Harare

Telephone: 263-4-707224
Facsimile: 263-4-707380

SHAREHOLDERS' CALENDAR

30 June 2013
Financial year end

28 August 2013
Final approval of audited results for the year ended 30 June 2013

06 November 2013
Sixty Third Annual General Meeting

6 February 2014 *
Interim Announcement on unaudited results for six months ended 31 December 2013.

24 March 2014 *
Interim Dividend Payable

30 June 2014
Financial Year End

21 August 2014 *
Final approval of audited results for the year ended 30 June 2014

26 September 2014 *
Final dividend payable

05 November 2014 *
Sixty Fourth Annual General Meeting

(Anticipated dates)*

Notice to shareholders and proxies

Notice is hereby given that the sixty third Annual General Meeting of Members of African Distillers Limited will be held at the Registered Office of the Company, at Lomagundi Road, Stapleford, Harare, Zimbabwe on Wednesday 06 November 2013, at 1100hrs for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year ended 30 June 2013 with the Reports of the Directors and Auditors.

2. Mr C Gombera and Mrs M Ndachena were appointed as Directors by the Board in November 2012. The Company's Articles of Association require that they retire at the Annual General Meeting but being eligible offer themselves for election.

   In terms of Article 99 of the Company's Articles of Association, Messrs J S Mutizwa, C Z Guyo, A Chitapi and G J Schooling retire from the Board by rotation but, being eligible, offer themselves for re-election.

3. To confirm the fees of Directors for the year ended 30 June 2013 of USD63 405, and approve the recommendations of the Remuneration Committee for the fees for the year ending 30 June 2014.

4. To appoint Auditors for the current year and approve their remuneration for the past year ended 30 June 2013 of USD74 000.

By Order of the Board

L MUTAMUKO
Company Secretary

St Marnock's
Stapleford
Harare
Zimbabwe

8 October 2013

PROXIES

Members are notified that they are entitled to appoint one or more proxies to act in their alternative, to attend and vote and speak in their place at the meeting. A proxy need not be a member of the Company. Proxies must be lodged at the registered office of the Company at least forty-eight hours before the meeting.

Notes