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Core Business

The core business of African Distillers Limited is the manufacture, distribution and marketing of branded spirits, ciders and wines 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 six depots in Bulawayo, Harare, Kwekwe, Masvingo, Mutare and Victoria Falls which ensure a first-class distribution service. These outlets are supplemented by Customer Collection Depots countrywide.



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 everyone 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 through-out 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.

SUMMARY	2016 USD	2015 USD	2014 USD	2013 USD	2012 USD
Revenue	22 040 884	25 064 987	23 952 028	22 091 417	19 547 604
Operating income	2 625 307	3 840 953	2 996 504	1 660 912	1 163 444
EBITDA	2 612 047	4 520 874	3 342 513	1 763 347	2 069 175
Profit before taxation	1 794 594	4 026 505	2 802 851	1 213 127	1 665 795
Profit attributable to shareholders	1 119 282	3 112 501	2 077 531	808 767	1 143 683
Headline earnings	1 223 162	2 898 035	2 137 037	795 176	1 151 865
Interest bearing debt	-	1 873 959	-	2 882 523	1 431 620
Net cash on hand	2 542 353	504 957	448 589	(2 793 698)	(1 355 256)
Total assets	21 760 275	22 238 121	19 501 397	13 930 330	11 648 554
SHARE PERFORMANCE					
Number of ordinary shares in issue (millions)	115	115	111	95	95
Market capitalisation	51 887 711	57 522 512	33 406 507	31 417 275	10 472 425
Number of ordinary share holders	747	780	786	827	813
Middle market price (cents)	45	50	30	33	11
Attributable earnings per share (cents)	0.97	2.75	2.01	0.85	1.20
Headline earnings per share (cents)	1.06	2.56	2.07	0.90	1.21
Diluted earnings per share (cents)	0.97	2.72	1.96	0.83	1.20
Dividend per share (cents)	0.45	0.57	0.45	-	-
Net asset value per share (cents)	13.62	13.01	11.73	6.25	5.31
FINANCIAL STATISTICS					
Return on shareholders' equity (%)	7	21	16	14	23
Dividend cover (times)	2.16	4.75	4.16	-	-

Overview

Macro-economic conditions have deteriorated further, with a continued decline in consumer spend. This has had a negative impact on company performance particularly in the second half of the period under review.

The spirits segment of the business registered a decline of 18% in volumes, while ciders, wines and spirit coolers grew by 14%. Consumers in the alcoholic beverage sector continued to migrate to more affordable products.

Financial Performance

Revenue for the year at \$22 million declined by 12% ahead of a volume decrease of 5%. The decline in the high contributing spirits had an overall negative effect on revenue performance. This decline was further compounded by price reductions aimed at stimulating demand to maintain competitiveness. However, this decline was cushioned by the continued growth in the Ready-to-Drink and wine categories.

Operating income was 32% below prior year due to the decline in revenue and mix which was in favour of lower value products. Earnings per share decreased significantly due to reorganisation costs amounting to \$0.905 million and as reported at half year, an impairment of \$0.109 million resulting from the gazetting of Springvale Estate.

Working capital improved resulting in an injection of \$2,6 million to operations. Borrowings of \$1.9 million have been eliminated, leaving the company in a positive cash position.

Future Prospects

The Company will continue to identify revenue growth initiatives to improve profitability. These initiatives will include strengthening the existing product portfolio.

In order to align the company structure to the prevailing economic conditions, a reorganisation exercise has been embarked on. Further to this, ongoing cost reduction measures will be enhanced.

Dividend

The Board has recommended a final dividend of 0.30 cents per share resulting in a total dividend of 0.45 cents per share for the year.



P. Gowero

Chairman

18 August 2016



**AFRICAN DISTILLERS
LIMITED**

REVIEW OF OPERATIONS

30 June 2016



Overall volumes declined by 5% on prior year as the operating environment is characterised by constrained consumer spend and disposable incomes. In order to remain competitive, the business strategically focused on achieving affordability across all product categories. This resulted in price reductions which in turn impacted negatively on margins.

Spirits Business

Spirits, at 3.42 million litres and contributing 50% of total volumes, were 18% below prior year, declining faster than overall volumes. Our flagship brand Viceroy was affected by the general consumer shift from brandy to whisky. The brandy product category declined by 30% on prior year while whisky declined by a mere 3%. The pricing interventions on Viceroy in the last half of the year saw the brand performance recover and showed signs of continued growth in the fourth quarter.

There are on-going brand initiatives to revamp the images of both Viceroy and Chateau in an effort to maintain their flagship status.

The launch of 'Star Cane' during the second half of 2016 resulted in improved white spirit performance. The effect was a slowdown in the rate of decline in this category.

Ready-To-Drink (RTD) Business

Growing at 15% on prior year with volumes of 2.8 million litres, this product category witnessed strong performance from ciders. The two brands, Hunters and Savanna continued making inroads into the market through market penetration strategies as they appeal to new consumer entrants. Pricing initiatives introduced to counter the menace of smuggled products led to an upsurge in demand during the final quarter of the year.

Further exploitation of the on-consumption market segment will augment expected growth during F17.

Spirit Coolers grew by 7% on prior year driven by the popular brand 'Sting'. A new strawberry flavoured variant was added to the portfolio. Introduction of exciting fashionable flavours will remain a key strategy in this category.

Wine Business

Wine volumes at 596 thousand litres and growing by 11% on prior year remain the smallest of our categories. Growth was realised from the popular 'sweet wine' segment which witnessed the increased popularity of '4th Street'. The Nederberg range of wines performed very well offering a wide range of choice for both diners and casual wine drinkers. The business will continue to focus on offering competitively priced products covering the mainstream segment and the 'sparkling wine' segment. The J C Le Roux range of sparkling wines continued to make inroads into the market through strong presence in all leading retail chains.





**AFRICAN DISTILLERS
LIMITED**

DIRECTORS' REPORT

For the year ended 30 June 2016



The Directors present their sixty sixth annual report to shareholders together with the audited financial statements for the year ended 30 June 2016.

FINANCIAL RESULTS	Audited 30 June 2016 USD	Audited 30 June 2015 USD
Operating income	2 625 307	3 840 953
Interest income/(expenditure)	8 116	(66 145)
Exchange gains	66 641	251 697
Reorganisation costs	(905 470)	-
Profit before taxation	1 794 594	4 026 505
Taxation expense	(675 312)	(914 004)
Profit for the year	1 119 282	3 112 501
Other comprehensive income	-	-
Total comprehensive income for the year	1 119 282	3 112 501
FINANCIAL HIGHLIGHTS		
Statement of Financial Position Ratios (:1)		
Current ratio	2.28	1.80
Acid test ratio	1.24	0.85
Interest bearing debt to shareholders' equity (%)	-	13%
Share Performance:		
Ordinary shares in issue	115 306 024	115 045 024
Middle market price (cents)	45	50
Market capitalisation (USD)	51 887 710	57 522 512
ZSE industrial index	123.67	148.79

Dividends

A dividend of 0.30 cents per share has been proposed. This brings the total dividend for the year ended 30 June 2016 to 0.45 cents per share.

SHARE CAPITAL

Authorised

At 30 June 2016, the authorised share capital of the Company is 150 000 000 (2015:150 000 000) ordinary shares of US\$0.01.

Issued and fully paid up shares

The issued share capital at 30 June 2016 is 115 306 024 ordinary shares (2015: 115 045 024 shares).

Options

In terms of an Employees' Share Option Scheme, options outstanding at 30 June 2016 were 2 000 000 (2015-1 261 000). There are 1 000 000 (2015 - 2 000 000) 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 2016 was \$723 997 (2015 – \$5 484 425), while receipts from disposal of property, plant and equipment were \$39 622 (2015 - \$257 854).



Borrowing Powers

The details of the Company's borrowing powers appear in Note 22 to the financial statements.

Directors and their interests

In terms of Article 99 of the Company's Articles of Association, Messrs R H M Maunsell, S W Klopper and M Valela retire from the Board by rotation but, being eligible, offer themselves for re-election.

At 30 June 2016, the Directors held, directly and indirectly, 1 203 998 (2015: 5 062 582) shares being 1.04% (2015: 4.40%) of the issued share capital of the Company. This holding is detailed in Note 14.4 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 2016 are set out below:

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

*Mr J S Mutizwa retired in November 2015.

*Mr P Gowero was appointed as a director in August 2015.

DIRECTORS' EMOLUMENTS

Members will be asked to confirm the Directors' fees of \$88 386 (2015 - \$92 867) for the year ended 30 June 2016, and to approve the recommendations of the remuneration committee for the fees for the year ended 30 June 2017.

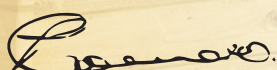
AUDITORS

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 \$68 000 (2015 - \$68 000) for the financial year ended 30 June 2016.

ANNUAL GENERAL MEETING

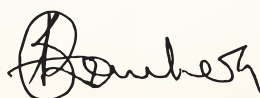
The sixty sixth Annual General Meeting of the Company will be held at 11am on Wednesday 02 November 2016, at the registered office of the Company.

By Order of the Board



P. Gowero
Chairman

18 August 2016
Harare



C. Gombera
Managing Director

African Distillers Limited follows the principles and general guidelines set out by the King Reports 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. These directors are subject to retirement by rotation and re-election by Shareholders at least once every three years in accordance with the Company's Articles of Association. Appointments of new directors, approved by the Board are subject to ratification by shareholders. The Board is chaired by a non executive director.

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. An internal audit function is also in place.

Remuneration Committee

M. Valela - 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.



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 15. 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 2017. 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 in the economy, 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.

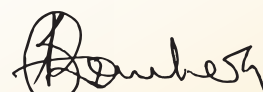
The Company's external auditors have reviewed and tested appropriate aspects of internal financial control systems during the course of their statutory examinations of the Company.

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 2016 which appear on pages 16 to 37 have been approved by the Board of Directors on 18 August 2016 and signed on their behalf by:



P. Gowero
Chairman



C. Gombera
Managing Director

18 August 2016
Harare



**AFRICAN DISTILLERS
LIMITED**

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2016



Report on the financial statements

We have audited the accompanying financial statements of African Distillers Limited as set out on pages 16 to 37, which comprise the statement of financial position at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 about 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.

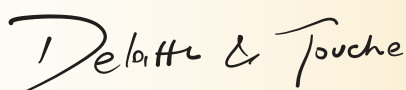
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of African Distillers Limited as at 30 June 2016, 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

Chartered Accountants (Zimbabwe)

18 August 2016

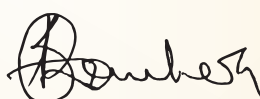
	Notes	Audited June 2016 USD	Audited June 2015 USD
Revenue	5	22 040 884	25 064 987
Cost of sales		(11 023 849)	(12 327 855)
Gross profit		11 017 035	12 737 132
Other income		67 890	75 187
Distribution costs		(629 273)	(804 371)
Administrative expenses		(872 114)	(1 151 208)
Other operating expenses		(6 958 231)	(7 015 787)
Operating income	6	2 625 307	3 840 953
Interest income/(expenditure)		8 116	(66 145)
Exchange gains		66 641	251 697
Reorganisation costs	7	(905 470)	-
Profit before taxation		1 794 594	4 026 505
Taxation expense	8	(675 312)	(914 004)
Profit for the year		1 119 282	3 112 501
Other comprehensive income		-	-
Total comprehensive income for the year		1 119 282	3 112 501
Weighted average number of shares in issue (millions)			
Earnings per share (Cents):		115	113
Attributable earnings	9.1.2	0.97	2.75
Headline earnings	9.2.2	1.06	2.56
Diluted earnings	9.3.3	0.97	2.72

	Notes	Audited June 2016 USD	Audited June 2015 USD
ASSETS			
Non-Current Assets			
Property, plant and equipment	10	10 092 981	10 404 696
Long term loans	11	479 703	566 974
		<u>10 572 684</u>	<u>10 971 670</u>
Current Assets			
Inventories	12	5 100 843	5 934 984
Trade and other receivables	13	3 544 395	4 826 510
Bank balances and cash		2 542 353	504 957
		<u>11 187 591</u>	<u>11 266 451</u>
Total Assets		<u>21 760 275</u>	<u>22 238 121</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	14	1 128 561	1 125 951
Share premium		4 247 151	4 213 221
Share option reserve		214 553	69 363
Non-distributable reserves		5 361 409	5 361 409
Accumulated profit		4 758 102	4 197 894
		<u>15 709 776</u>	<u>14 967 838</u>
Non-Current Liabilities			
Deferred taxation	15	1 136 172	1 022 391
Current Liabilities			
Overdrafts	16	-	773 959
Bank borrowings	17	-	1 100 000
Trade and other payables	18	4 623 076	4 106 609
Current tax liability		291 251	267 324
Total Current Liabilities		<u>4 914 327</u>	<u>6 247 892</u>
Total Liabilities		<u>6 050 499</u>	<u>7 270 283</u>
Total Equity and Liabilities		<u>21 760 275</u>	<u>22 238 121</u>



P. Gowero
Chairman

18 August 2016
Harare



C. Gombera
Managing Director



	Notes	Audited June 2016 USD	Audited June 2015 USD
CASH FLOW FROM OPERATING ACTIVITIES			
Operating income before finance costs and taxation	19.1	1 803 893	4 079 938
Adjustments for non-cash items	19.2	1 139 417	572 423
Cash generated from operations after non-cash items		2 943 310	4 652 361
Changes in working capital	19.3	2 632 723	(1 468 004)
Cash generated from operations		5 576 033	3 184 357
Interest income/(expense)		8 116	(66 145)
Income tax paid	19.4	(537 604)	(485 520)
Net Cash Inflow from Operating Activities		5 046 545	2 632 692
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment	19.5	(684 375)	(3 116 030)
Proceeds from disposal of investment	6.1	-	91 800
Decrease/(Increase) in long term loans		87 271	(123 141)
Net Cash Outflow from Investing Activities		(597 104)	(3 147 371)
Net Cash Inflow/(Outflow) from Investing and Operating Activities		4 449 441	(514 679)
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/Increase in short term borrowings		(1 873 959)	1 873 959
Increase /(Decrease) in shareholder funding	19.6	36 540	(561 480)
Dividend paid to owners of the company		(574 626)	(741 432)
Net Cash (Outflow)/Inflow from Financing Activities		(2 412 045)	571 047
Net Movement in Cash and Cash Equivalents		2 037 396	56 368
Cash and Cash Equivalents at the Beginning of Year		504 957	448 589
Cash and Cash Equivalents at the End of the Year		2 542 353	504 957
Comprising:-			
Bank balances and cash		2 542 353	504 957

	Share Capital USD	Share Premium USD	Share Option Reserve USD	Non- Distributable Reserve USD	Accumulated Profit USD	Total USD
Balance at 30 June 2014	1 113 550	4 787 101	212 708	5 361 409	1 589 227	13 063 995
Recognition of share based payment expense	-	-	94 253	-	-	94 253
Issue of shares under employees share option plan	36 900	424 800	-	-	-	461 700
Share buy back	(24 499)	(976 761)	-	-	-	(1 001 260)
Share buy back expenses	-	(16 419)	-	-	-	(16 419)
Transfer from share option reserve	-	-	(237 598)	-	237 598	-
Rights issue expenses	-	(5 500)	-	-	-	(5 500)
Total comprehensive income for the year	-	-	-	-	3 112 501	3 112 501
Dividend paid	-	-	-	-	(741 432)	(741 432)
Balance at 30 June 2015	1 125 951	4 213 221	69 363	5 361 409	4 197 894	14 967 838
Recognition of share based payment expense	-	-	160 742	-	-	160 742
Issue of shares under employees share option plan	2 610	33 930	-	-	-	36 540
Transfer from share option reserve	-	-	(15 552)	-	15 552	-
Total comprehensive income for the year	-	-	-	-	1 119 282	1 119 282
Dividend paid	-	-	-	-	(574 626)	(574 626)
Balance at 30 June 2016	1 128 561	4 247 151	214 553	5 361 409	4 758 102	15 709 776

1. NATURE OF BUSINESS

The main business of the Company is the manufacture, importation and wholesale distribution of spirits, ciders and 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

During the current financial year, no new accounting standards, interpretations and amendments to published accounting standards were adopted by the company.

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 9 – Financial Instruments. IFRS 9 introduces new requirements for the classification and measurement of financial instruments (effective on annual periods beginning on or after 1 January 2018).
- IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will super cede the current revenue recognition guidance including IAS 18 Revenue (effective on annual periods beginning on or after 1 January 2018 with earlier application permitted).
- Amendments to IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets: Clarification of acceptable methods of depreciation and amortisation. Amendments prohibit entities from using a revenue based depreciation method for property, plant and equipment (effective on annual periods beginning on or after 1 January 2016 with earlier application permitted).
- IFRS 11 – Accounting for Acquisitions of Interest in Joint Operations. IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. (Effective for annual periods beginning on or after 1 January 2016).
- IAS 27 – Equity Method in Separate Financial Statements. IAS 27 amendments allow an entity to optionally account for investments in subsidiaries, joint ventures and associates in its separate financial statements, at cost; in accordance with IAS 39 or IFRS 9 and using the equity method. (Effective for annual periods beginning on or after 1 January 2016).



2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

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

- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – clarify issues that arose in the context of applying the consolidation exception for investment entities. (Effective for annual periods beginning on or after 1 January 2016).
- IFRS 16 – Leases. IFRS 16 addressed issues raised by users on the need to record operating lease assets and related depreciation and interest expense. Previously, the operating lease contracts were recorded off balance sheet, with the lease payments being straight-lined over the lease period. (Effective for annual periods beginning on or after 1 January 2019).
- Revision on Investment Entities: Applying the Consolidation Exception, IFRS 10, IFRS 12 and IAS 28 clarifies specific issues raised by users in applying the consolidation exceptions (Effective for annual periods beginning on or after 1 January 2016).
- Revision of IAS 12 Income Taxes – clarifies issues to do with deferred tax arising from debt instruments measured at fair value for accounting at cost for tax purposes, estimates for future taxable losses and utilisation of future asset tax utilisation (Effective for annual periods beginning on or after 1 January 2017).
- IFRS 14 – Regulatory Deferral Accounts (Effective 1 January 2016) IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.
- Annual Improvements 2012-2014 Cycle (Effective 1 January 2016) Makes amendments to the following standards:
 - IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
 - IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
 - IFRS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
 - IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.
- Disclosure Initiative (Amendments to IAS 1) (Effective 1 January 2016) Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:
 - clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)**2.2 New and revised IFRS in issue, but not yet effective (continued)**

- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Management have done an initial assessment of these standards on future financial statements and have determined that these will not have a material impact 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-upgrades 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 part of the net investment in the foreign operation,) which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 profit or loss 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 profit or loss, 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 profit or loss, 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.

3.13.2 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".

3.13.3 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.

3.13.4 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial Instruments (continued)

3.13.5 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.

3.13.6 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.

3.13.7 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.

3.13.8 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.

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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

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. Assumptions applied in the model are set out in Note 14.5.

Allowance for Credit Losses

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 13.



	Audited June 2016 USD	Audited June 2015 USD
5. REVENUE		
Brown spirits	16 944 618	21 077 987
Ciders	6 432 629	6 006 008
White spirits	3 833 942	5 357 224
Still wines	1 972 103	1 996 356
Liqueur	1 216 348	1 495 352
Spirit coolers	1 302 801	1 233 546
Fortified wines	317 004	213 305
Sparkling wines	272 655	391 933
Sparkling juice	208 688	194 374
Excise duties, discounts and royalties	(10 459 904)	(12 901 099)
	<u>22 040 884</u>	<u>25 064 987</u>
6. OPERATING INCOME		
Operating income for the year is stated after:		
6.1		
Loss/(Profit) on disposal of property, plant and equipment.	103 878	(122 666)
Profit on disposal of investment in shares	-	(91 800)
Impairment recognised on receivables	167 972	431 647
6.2 Depreciation:		
Plant and machinery	544 054	427 985
Motor vehicles	246 681	162 189
Office equipment	92 952	89 748
Buildings	8 525	-
	<u>892 212</u>	<u>679 922</u>
6.3 Auditors' Remuneration:		
Current year audit fees and expenses	68 000	68 000
6.4 Staff Costs:		
Staff costs	4 407 054	4 077 912
Retirement benefit costs	445 661	470 839
Total	<u>4 852 715</u>	<u>4 548 751</u>
Compensation of directors and key management:		
For services as directors	88 386	92 867
For management services	1 274 026	1 033 637
7. REORGANISATION COSTS		
The Company has embarked on a retrenchment exercise in order to align costs with the level of business operations.		
Reorganisation costs	905 470	-
8. TAXATION EXPENSE		
8.1 Income Tax:		
Current taxation	561 281	612 361
Capital gains tax	250	19 690
Deferred taxation expense for the year (Note 15)	113 781	281 953
	<u>675 312</u>	<u>914 004</u>
8.2 Reconciliation of Rate of Income Taxation:		
Standard Rate	25.75%	25.75%
Adjusted for:		
Effect of expenses not deductible for tax	8.90%	-
Other	2.98%	(3.05%)
Effective rate	<u>37.63%</u>	<u>22.70%</u>

	Audited June 2016 USD	Audited June 2015 USD
9. EARNINGS PER ORDINARY SHARE		
9.1 Attributable Earnings Basis:		
9.1.1 Attributable Earnings:		
Profit attributable to shareholders (USD)	1 119 282	3 112 501
9.1.2 Per Share:		
Earnings per ordinary share (Cents)	0.97	2.75
9.1.3 Basis:		
Calculations are based on the earnings attributable to ordinary shareholders and the weighted average ordinary share capital in issue for the year.		
Weighted Average number of shares in issue (millions)	115	113
9.2 Headline Earnings Basis:		
9.2.1 Headline Earnings:		
Profit attributable to shareholders (USD)	1 119 282	3 112 501
Loss/(Profit) on disposal of property, plant and equipment and investments	103 880	(214 466)
	<u>1 223 162</u>	<u>2 898 035</u>
9.2.2 Per Share:		
Earnings per ordinary share (Cents)	1.06	2.56
9.2.3 Basis:		
Calculations are based on attributable earnings per share adjusted for items of a capital nature (Note 9.2.1) and the average ordinary share capital in issue for the period. (Note 9.1.3)		
9.3 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 9.3.1) and the total of weighted average number of shares used for Earnings Per Share (EPS) (Note 9.1.3) and weighted potential number of ordinary shares.		
9.3.1 Diluted Earnings		
Profit attributable to shareholders	1 119 282	3 112 501
9.3.2 Weighted Average Number of Shares (millions)	115	114
9.3.3 Per Share		
Diluted earnings per share (Cents)	0.97	2.72

10. PROPERTY PLANT AND EQUIPMENT	Audited June 2016 USD	Audited June 2015 USD
Land and Improvements		
Cost	488 475	588 475
Accumulated depreciation	-	-
	<u>488 475</u>	<u>588 475</u>
Buildings		
Cost	3 034 937	2 978 945
Accumulated depreciation	(575 276)	(566 750)
	<u>2 459 661</u>	<u>2 412 195</u>
Plant and Machinery		
Cost	8 796 077	8 534 987
Accumulated depreciation	(3 016 094)	(2 488 981)
	<u>5 779 983</u>	<u>6 046 006</u>
Motor Vehicles		
Cost	2 485 991	2 481 892
Accumulated depreciation	(1 525 034)	(1 562 370)
	<u>960 957</u>	<u>919 522</u>
Office Equipment		
Cost	783 768	725 410
Accumulated depreciation	(379 863)	(286 912)
	<u>403 905</u>	<u>438 498</u>
Total Property, Plant and Equipment	<u>10 092 981</u>	<u>10 404 696</u>
Movement in Net Book Value for the Year		
At the beginning of the year	10 404 696	5 735 381
Additions	723 997	5 484 425
Disposals	(143 500)	(135 188)
Depreciation	(892 212)	(679 922)
At End of the Year	<u>10 092 981</u>	<u>10 404 696</u>

	Audited June 2016 USD	Audited June 2015 USD
11. LONG TERM LOANS		
Loans to staff	212 472	256 296
Loans to Directors	267 231	310 678
	<u>479 703</u>	<u>566 974</u>
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		
12. INVENTORIES		
Finished products	2 383 153	2 187 479
Maturing spirits and wines	227 517	248 751
Raw materials	2 524 969	3 498 754
	<u>5 135 639</u>	<u>5 934 984</u>
Allowance for obsolete inventory	(34 796)	-
	<u>5 100 843</u>	<u>5 934 984</u>
13. TRADE AND OTHER RECEIVABLES		
Trade receivables	3 440 937	4 631 151
Allowance for doubtful receivables	(415 213)	(418 475)
	<u>3 025 724</u>	<u>4 212 676</u>
Other receivables	518 671	613 834
	<u>3 544 395</u>	<u>4 826 510</u>

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 55 days (2015: 59 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 \$1 616 648 (2015: \$1 781 878) 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 ten (10) (2015: 15) secured debtors owing \$473 290 (2015: \$405 392) with security valued at \$538 500 (2015: \$568 500).

Ageing of past due but not impaired trade receivables

21 – 90 days	1 492 107	1 695 614
91 – 120 days	16 077	31 350
120 + days	108 464	54 914
	<u>1 616 648</u>	<u>1 781 878</u>

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.

Ageing of impaired trade receivables

21 – 90 days	-	-
91 – 120 days	-	-
120 + days	415 213	418 475
	<u>415 213</u>	<u>418 475</u>

	Audited June 2016 USD	Audited June 2015 USD
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	418 475	413 381
Impairment recognised on receivables	167 972	431 647
Bad debts recovered	(83 099)	(23 096)
Bad debts written off	(88 134)	(403 457)
Balance at the end of the year	415 214	418 475

14. SHARE CAPITAL

14.1 Authorised Share Capital

Authorised share capital comprises of 150 000 000 (2015: 150 000 000) ordinary shares.

14.2 Issued and Fully Paid Share Capital

	2016 Number of Shares	2015 Number of Shares
At the beginning of the year	115 045 024	111 355 024
Issued during the year	261 000	3 690 000
At the end of the year	115 306 024	115 045 024
	USD	USD
Ordinary shares at nominal value of \$0.01	1 125 951	1 113 550
Exercise of share options	2 610	36 900
Share buy back (refer to notice to shareholders)	-	(24 499)
	1 128 561	1 125 951

14.3 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 34 693 976 ordinary shares (2015: 34 954 976 ordinary shares).

14.4 Directors' Interests:

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

	DIRECT		Total 2016	2015
	Beneficial	Non-beneficial		
A Chitapi	-	117	117	117
C Gombera	-	242	242	242
P Gowero	-	117	117	-
C Z Guyo	155 000	117	155 117	785 117
M J Hollingworth	730 000	-	730 000	730 000
S W Kloppe	-	117	117	117
R H M Maunsell	315 205	117	315 322	315 322
J S Mutizwa	-	-	-	5 439
M Ndachena	-	117	117	103 361
M Valela	-	117	117	3 120 135
S V Rushwaya	2 498	117	2 615	2 615
G J Schooling	-	117	117	117
	1 202 703	1 295	1 203 998	5 062 582

The holding, directly and indirectly, of the Directors in the issued share capital is 1.04% (2015 – 4.40%).

14. SHARE CAPITAL (Continued)**14.5 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 USD 2016	Number Of Options 2015
13 February 2013	0.14	-	261 000
5 November 2014	0.33	1 000 000	1 000 000
2 February 2016	0.5658	1 000 000	-
		2 000 000	1 261 000
Movement in Share Options during the year		2016	2015
Number outstanding at beginning of the year		1 261 000	3 951 000
New options granted during the year		1 000 000	1 000 000
Exercised during the year		(261 000)	(3 690 000)
Outstanding at year end		2 000 000	1 261 000
Breakdown as follows:			
Directors		1 170 734	846 367
Other key management personnel		351 066	175 533
Other management		478 200	239 100
		2 000 000	1 261 000

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.

The Company recognised total share option expenses of \$160 742 (2015: \$94 253) in respect of share options.

Unallocated share options at year end were 1 000 000 (2015 – 2 000 000).

In terms of the Company share option scheme, options were granted on 2 February 2016. The estimated fair value of the options granted on the date was \$447 055.

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

Assumption

	5 November 2014
Grant date share price – USD	0.33
Exercise price	0.33
Expected volatility	153%
Dividend yield	0.29%
Risk free interest rate	5%
	2 February 2016
Grant date share price – USD	0.5658
Exercise price	0.5658
Expected volatility	136%
Dividend yield	0.36%
Risk free interest rate	5%

	Audited June 2016 USD	Audited June 2015 USD
15. DEFERRED TAXATION		
Arising from the following:		
Property, plant and equipment	1 454 427	1 135 557
Other assets and provisions	(318 255)	(113 166)
	<u>1 136 172</u>	<u>1 022 391</u>
Deferred tax movement for the current year		
At the beginning of the year	1 022 391	740 438
Arising on current year temporary differences	113 781	281 953
	<u>1 136 172</u>	<u>1 022 391</u>
16. OVERDRAFTS		
Floating interest rates	-	773 959

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 7.75% p.a. (2015: 10% p.a.)

17. BANK BORROWINGS

The bankers acceptances at year end were structured as follows:

Bank	Interest Rate p.a.		
Barclays Bank	7.75%	-	1 100 000

18. TRADE AND OTHER PAYABLES

Trade payables	1 674 018	1 372 992
Accruals	2 043 588	2 733 617
Provision for reorganisation costs	905 470	-
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.	<u>4 623 076</u>	<u>4 106 609</u>

19. CASH FLOW INFORMATION

19.1 Operating Income before Finance Costs and Taxation:

Operating income	2 625 307	3 840 953
Realised exchange gain	84 056	238 985
Reorganisation costs	(905 470)	-
	<u>1 803 893</u>	<u>4 079 938</u>

19.2 Non-Cash Items

Depreciation (Notes 6.2 & 10)	892 212	679 922
Loss/(Profit) on disposal of property, plant and equipment (Note 6.1)	103 878	(122 666)
Profit on disposal of investments	-	(91 800)
Unrealised exchange (loss)/gain	(17 415)	12 714
Share option expense	160 742	94 253
	<u>1 139 417</u>	<u>572 423</u>

19.3 Changes in Working Capital:

Decrease in inventories	834 141	470 761
Decrease/(Increase) in trade and other receivables	1 282 115	(469 203)
Increase/(Decrease) in trade and other payables	516 467	(1 469 562)
	<u>2 632 723</u>	<u>(1 468 004)</u>

19. Cash Flow Information (Continued)

	Audited June 2016 USD	Audited June 2015 USD
19.4 Income Tax Paid		
Liability at the beginning of the year	267 324	120 793
Current tax (note 8.1)	561 531	632 051
Liability at the end of the year	(291 251)	(267 324)
	537 604	485 520
19.5 Property, Plant and Equipment:		
Acquisition of property, plant and equipment		
Expand operations	(223 384)	(2 722 990)
Replacements	(500 613)	(650 894)
Proceeds on disposal of property, plant and equipment	39 622	257 854
	(684 375)	(3 116 030)
19.6 Increase/(Decrease) in Shareholder funding		
Proceeds of shares issued:		
Share options exercised	36 540	461 700
Share buy back	-	(1 001 261)
Share buy back expenses	-	(16 419)
Rights issue expenses	-	(5 500)
	36 540	(561 480)
20. DIVIDENDS	US Cents	US Cents
Interim dividend declared	0.15	0.21
Final – Proposed	0.30	0.36
	0.45	0.57

21. RELATED PARTY TRANSACTIONS

Distell Ltd (SA) and Delta Corporation Ltd each have an effective shareholding of 29.21%(2015: 29.69%) and 37.50% (2015: 32.20%) respectively 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:

Purchase of raw materials	916 500	1 900 756
Purchase of finished products for resale	2 306 552	2 860 827
Purchase of property, plant and equipment and spares	14 450	935 104
Royalties on finished goods produced and sold under license	588 027	658 000
	3 825 529	6 354 687

Delta Corporation Ltd

Purchase of raw materials	430 348	404 220
Management fees	-	159 600
Technical fees	24 104	-
	454 452	563 820

Year-end Balances Payable/ (Receivable)

Delta Corporation Ltd –raw materials	-	146 942
Delta Corporation Ltd – technical fees	-	-
Distell Ltd (SA) – raw materials and finished products	525 021	8 007
Distell Ltd (SA) – property, plant and equipment	10 002	142 378
Distell Ltd (SA) – royalties	166 605	112 819
	701 628	410 146

21.1 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	1 159 533	908 769
Post employment benefits	114 493	124 868
	1 274 026	1 033 637

21.2 Directors' Emoluments

	Audited June 2016 USD	Audited June 2015 USD
Fees as directors	88 386	92 867
Managerial services	936 770	600 682
	<u>1 025 156</u>	<u>693 549</u>
21.3 Loans to Key Management		
Refer to note 11 for terms of the loans	<u>281 600</u>	<u>342 968</u>

22. 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.

23. PENSION FUNDS

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

African Distillers Pension Fund – defined contribution	445 661	428 477
National Social Security Authority Scheme	48 970	42 362
	<u>494 631</u>	<u>470 839</u>

23.1 African Distillers Pension Fund

As at 30 June 2016, 194 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.

23.2 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% (2015: 3.5%) of pensionable emoluments up to a maximum of USD700 (2015: USD700) per month for each employee.

24. FINANCIAL RISK MANAGEMENT

24.1 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 2016				
Fixed interest rate instruments	-	-	-	-
30 June 2015				
Fixed interest rate instruments	7.75	-	1 100 000	1 100 000

The company has no facilities at year end because of large cash holding of \$2.5 million. This was done to avoid unnecessary arrangement fees on unutilised facilities.

	2016 USD	2015 USD
BANK FACILITIES		
Unsecured bank loan facilities		
Amount used	-	1 873 959
Amount not used	-	2 626 041
Total facilities	-	4 500 000

24.2 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 9, 13, 16, 17, 24.1.

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 2016 would decrease/ increase by nil (2015: \$18 819).

24.3 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. Apart from OK Zimbabwe, the company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to OK Zimbabwe did not exceed 17% of gross monetary assets at the reporting date.

24.4 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 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	2016 USD	2015 USD
Payables	ZAR	643 479	182 006
	EUR	-	13 848
	Total	<u>643 479</u>	<u>195 854</u>

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 \$58 564 (2015: \$24 669) increase in profit before tax where the USD strengthens 10% against the relevant currency and vice versa.

24.4.1 Forward Exchange Contracts

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

Outstanding contracts	Foreign Currency ZAR	Notional Value USD	Fair value Assets USD
2016			
At fair value			
Less than 3 months	-	-	-
Net asset			<u>-</u>
2015			
At fair value			
Less than 3 month	1 722 065	138 869	4 792
Net asset			<u>4 792</u>

24.5 Fair Values of Financial Instruments

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

24.6 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.

25. GOING CONCERN

The Directors have assessed the ability of the company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

BOARD OF DIRECTORS



P. Gowero



S. W. Klopper



R. H. M. Maunsell



S. V. Rushwaya



G. J. Schooling



M. M. Valela



M J Hollingworth



C. Z. Gombera



M. Ndachena



C. Z. Guyo



A. Chitapi



L. Mutamuko

NON-EXECUTIVE DIRECTORS

P Gowero B.Sc. Econ (Hons), MBL

Appointed as director in August 2015 and as Chairman in November 2015.

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)

Joined the Company in February 2003.
Appointed as director in June 2003.
Managing Director – effective January 2011.
Retired as Managing Director – effective 30 June 2013

EXECUTIVE DIRECTORS

C Z Gombera B.A. (Hons) Business Studies, MBA

Managing Director – Effective 1 July 2013.
Joined the Company in October 2012.
Appointed as director in November 2012.

M Ndachena B.Acc. (Hons), CA (Z), MBA

Finance Director.
Joined the Company in January 2013.
Appointed as 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 B.Acc.(Hons), 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.



Size of Shareholding	2016 Shareholders		Shares Held	
	Number	%	Number	%
1 - 5 000	552	73.90	539,450	0.47
5 001 - 10 000	58	7.76	415,577	0.36
10 001 - 25 000	59	7.90	980,497	0.85
25 001 - 50 000	29	3.88	1,055,360	0.92
50 001 - 100 000	16	2.14	1,100,494	0.95
100 001 - 200 000	12	1.61	1,623,263	1.41
200 001 - 500 000	5	0.67	1,961,082	1.70
Above 500 000	16	2.14	107,630,301	93.34
Total	747	100	115 045 024	100.00

Classification Breakdown

Residents

Companies	135	18.07	82,675,760	71.70
Insurance Companies	4	0.54	12,084,228	10.48
Pension Funds	25	3.35	7,590,475	6.58
Individuals	473	63.32	2,436,649	3.57
Nominees	27	3.61	84,946	0.07
Investments and Trusts	35	4.69	1,386,703	1.20
Other Organisations	12	1.61	44,605	0.04
Total	711	95	106,303,366	92

Non-Resident

Companies	16	2.14	8,895,971	7.72
Individuals	20	2.68	106,687	0.09
	36	5	9,002,658	8
Total	747	100	115,306,024	100

Ten Largest Shareholders

Afdis Holdings (Pvt) Ltd	68,852,216	59.71
Old Mutual Assurance Company	12,070,103	10.47
Delta Corporation Limited	9,557,473	8.29
Stanbic Nominees (Pvt) Ltd NNR	8,259,422	7.16
Mining Industry Pension Fund	5,416,867	4.70
African Distillers Limited	2,449,919	2.12
Local Authorities Pension Fund	1,500,000	1.30
ZWM Nominees (Pvt) Ltd	970,000	0.84
Distell International Limited	526,599	0.46
Maunsell Robert	315,205	0.27
	109,917,804	95.33
Other Organisations	5,388,220	4.67
Total	115,306,024	100

Size of Shareholding	2015 Shareholders		Shares Held	
	Number	%	Number	%
1 - 5 000	566	72.56	573,529	0.50
5 001 - 10 000	62	7.95	462,284	0.40
10 001 - 25 000	61	7.82	1,009,427	0.88
25 001 - 50 000	34	4.36	1,198,549	1.04
50 001 - 100 000	18	2.31	1,286,017	1.12
100 001 - 200 000	13	1.67	1,753,732	1.52
200 001 - 500 000	6	0.77	1,884,793	1.64
Above 500 000	20	2.56	106,876,693	92.9
Total	780	100	115 045 024	100.00

Classification Breakdown

Residents

Companies	145	18.59	87,356,581	75.93
Insurance Companies	6	0.77	12,203,503	10.61
Pension Funds	27	3.46	8,140,642	7.08
Individuals	491	62.95	4,112,332	3.57
Nominees	30	3.85	85,605	0.07
Investments and Trusts	35	4.49	427,549	0.37
Other Organisations	15	1.92	317,910	0.28
Total	749	96	112,644,122	98

Non-Resident

Companies	7	0.90	1,615,178	1.40
Individuals	24	3.08	785,724	0.68
	31	4	2,400,902	2
Total	780	100	115,045,024	100

Ten Largest Shareholders

Afdis Holdings (Pvt) Ltd	68,308,851	59.38
Old Mutual Assurance Company	12,223,877	10.98
Stanbic Nominees (Pvt) Ltd NNR	8,723,229	7.58
Mining Industry Pension Fund	5,416,867	4.71
Amavail Investments (Pvt) Ltd	3,120,018	2.71
Delta Corporation Limited	2,882,908	2.51
African Distillers Limited	2,449,919	2.13
Local Authorities Pension Fund	1,500,000	1.30
Danchen Investments	1,474,507	1.28
Columbus Guyo	785,000	0.68
	106,731,402	92.77
Other Organisations	8,313,622	7.23
Total	115,045,024	100

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 Chartered Accountants
(Zimbabwe)
West block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare

P O Box 267
Harare

Telephone: +263 0 8677 000 261

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

Main 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

SHAREHOLDERS' CALENDAR

30 June 2016
Financial year end

18 August 2016
Final approval of audited results for the year ended
30 June 2016

02 November 2016
Sixty Sixth Annual General Meeting

09 February 2017
Interim Announcement on unaudited results for six
months ending 31 December 2016.

24 March 2017
Interim Dividend Payable

30 June 2017
Financial Year End

*17 August 2017
Final approval of audited results for the year ending
30 June 2017

*22 September 2017
Final dividend payable

*01 November 2017
Sixty Seventh Annual General Meeting

* Anticipated dates



Notice is hereby given that the sixty sixth Annual General Meeting of the Company will be held in the boardroom at the Head Office, St. Marnock's, Lomagundi Road, Stapleford, Harare, Zimbabwe at 11am on Wednesday 02 November 2016, for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year ended 30 June 2016 with the Reports of the Directors and Auditors.
2. In terms of Article 99 of the Company's Articles of Association, Messrs R H M Maunsell, S W Klopper and M Valela, retire from the Board by rotation but, being eligible, offer themselves for re-election.

Messrs C Z Guyo and A Chitapi resigned from the board.
3. To confirm the fees of Directors for the year ended 30 June 2016 of USD88 386, and approve the recommendations of the Remuneration Committee for the fees for the year ending 30 June 2017.
4. To appoint Auditors for the current year and approve their remuneration for the past year ended 30 June 2016 of USD68 000.

SPECIAL BUSINESS

1. SHARE BUY BACK

Shareholders will be asked to consider and if deemed fit, to resolve with or without amendments, THAT the Company authorises in advance, in terms of section 79 of the Companies Act (Chapter 24:03), the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine and such authority hereby specifies that:

- a. The authority shall expire on the date of the Company's next Annual General Meeting;
- b. acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.
- c. the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will be not more than 10% (ten percent) above and 10% (ten percent) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange, as determined over the 5(five) business days immediately preceding the date of purchase of such ordinary shares by the Company.
- d. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition.

After considering the effect of the maximum repurchase of the shares, the Directors are confident that:

- a. The Company will be able to pay its debts for a period of 12 months after the date of the notice of the Annual General Meeting.
- b. The assets of the Company will be in excess of its liabilities.
- c. The share capital and reserves of the Company are adequate for a period of 12 months after the date of the notice of the Annual General Meeting.
- d. The Company will have adequate working capital for a period of 12 months after the date of the notice of the Annual General Meeting.

It will be recorded that, in terms of Companies Act and the regulations of the Zimbabwe Stock Exchange, it is the intention of the Directors of the Company to utilise this authority at a future date provided the cash resources of the Company are in excess of its requirements and the transaction is considered to be in the best interests of shareholders generally. In considering cash resource availability, the Directors will take account of, inter alia, the long term cash need of the Company, and will ensure the Company will remain solvent after the re-purchase.

By Order of the Board



L MUTAMUKO
Company Secretary

St. Marnock's
Stapleford
Harare

26 September 2016











