



AFRICAN DISTILLERS LIMITED

Audited Financial Information

FOR THE YEAR ENDED 31 MARCH 2024

Financial Highlights

	2024 US\$	2023 US\$
Revenue – millions	51.8	41.0
Operating income – millions	6.6	5.4
EBIT	10.4	4.3
Earnings per share – cents	6.4	1.3
Government taxes remitted - millions	16.9	13.5
Dividend per share (cents)		
Interim	0.30	0.25
Final	0.60	0.50
Total	0.90	0.75

Chairman’s Statement

Overview

The operating environment posed significant challenges characterised by the rapid depreciation of ZW\$ currency, high inflation and inconsistent power supply. Furthermore, the period saw continued increase in illicit products alongside a rise in irregular imports from neighbouring countries, which are usually not compliant to regulations. These developments increased competition that disadvantaged local industries. The introduction of sugar tax on beverages and 5% surtax on VAT non-compliant customers in the fourth quarter resulted in some disruptions as businesses were adapting. Despite these hurdles, an increase in transactions conducted in US\$ offered businesses a vital lifeline by providing more access to foreign currency needed to sustain operations. Businesses further benefited from increased activities in mining and construction.

Change in Functional Currency

In line with IFRS® Accounting Standards requirements, the company changed its functional currency to US\$, effective 01 October 2023 hence all the financial records are now maintained in US\$. Revenue and costs contribution in US\$ increased to above 80% over the period under review. In other words, an entity translates all items into the new functional currency using the exchange rate at the date of the change, being 1 October 2023. The resulting translated amounts for non-monetary items are treated as their historical cost. Comparatives are not restated for a change in functional currency.

Change in Presentation Currency

A change in presentation currency required current and prior year comparatives to be restated. The Company changed its presentation currency to US\$, previously this was reported in ZW\$, a currency under hyperinflation after restatement of its historical financial statements in accordance with IAS® Standards 29, “Financial Reporting in Hyperinflationary statements in Economies.”

For the period up to 30 September 2023, the entity had a hyperinflationary functional currency (ZW\$), as noted above, the change in functional currency to US\$ only took place from 01 October 2023. Thus, for this period, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures: all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

The financial statements for the half year to 30 September 2023 were inflation-adjusted and translated to US\$ using the September 2023 closing rate of USD1:ZW\$5500. The prior year comparative inflation-adjusted numbers were translated to US\$ at the 31 March 2023 closing rate of USD1:ZW\$1000 and 31 March 2022 at the closing rate of US\$1:ZW\$200. The restatement and translation effect of the above has been recognised in other comprehensive income.

Caution on Financial Reporting Conversion

The business reporting framework has undergone transformation by changing its functional and presentation currency to US\$ from ZW\$ as explained above. It is important to highlight that the financial balances may exhibit notable disparities when viewed from a market perspective due to the disparities in exchange rates and the levels of hyper-inflation experienced during the period. While the conversion process is mathematically accurate, users of these financial statements are advised to exercise caution when analysing these balances, particularly those that were determined using the conversion of inflation adjusted numbers into US\$. Acknowledging these challenges management is of the view that the Statement of Financial Position as at 31 March 2024 provides the best possible estimation of the business’ financial position.

Volume Performance

The Company recorded a marginal growth of 1% over last year as consumer demand was weighed down by influx of cheaper imports and illicit products on the market. Ready to Drink (“RTD”) segment grew by 5% benefiting from improved product availability on ciders and consumer activations. The Spirit category decreased by 2% due to increased competition from cheap and illicit spirits. Wine performance remained at par with prior year.

Financial Performance

Revenue increased by 26% to US\$51.8 million whilst operating income increased by 23% to US\$6.6 million. Volume growth of 1% partly contributed to this revenue growth. The differences in approaches used in deriving US\$ numbers highlighted above together with the distortions in exchange rates and inflation indices makes comparison to prior year difficult.

Directorate

The Board of Directors welcomes Messrs Clement Muzondo and Danny Roberto Alexandre who were appointed to the Board on 01 December 2023. Mr Ryan Pieters resigned as a director of the company, following his reassignment within Heineken Beverages. The Board is grateful to Ryan for his contribution over the years.

Future Prospects

The economy is projected to continue growing anchoring on infrastructural development, tourism, mining activities and increased diaspora remittances. This growth will however be slowed down by the El-Nino induced drought being experienced in the country and the continued fall of global metal prices. The Company is hopeful that the newly introduced currency, Zimbabwe Gold (“ZiG”) will help restore stability in exchange rates and tame inflation.

Management will continue to put in place measures to exploit the available opportunities to defend market share and sustain profitability growth. Focus will be on product innovation, production efficiencies and cost containment measures.

Dividend

The board has declared a final dividend of US\$0.0060 per share, amounting to US\$1 067 646. An interim dividend of US\$0.0030 per share was paid in December 2023 bringing the total dividend to US\$0.0090 per share.


M M Valela
Chairman

DIVIDEND DECLARATION

Notice is hereby given that the Board of Directors declared a final dividend, number 97, of US\$0.0060 per share payable in respect of all the qualifying ordinary shares of the Company. This dividend is in respect of the year ended 31 March 2024.

DIVIDEND DECLARATION (continued)

	FINAL DIVIDEND
Dividend Number	97
Announcement Date	14 May 2024
Record Date	31 May 2024
Last Date to Trade	28 May 2024
Ex-Dividend Date	29 May 2024
Payment Date	28 June 2024
Dividend Amount	US\$1 067 646
Dividend per Share	US\$0.0060

By order of the Board


L Mutamuko

Company Secretary

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

		March 2024 US\$	March 2023 Restated* US\$
	Notes		
Revenue	3	51 794 630	41 005 939
Cost of sales		(32 548 063)	(26 051 300)
Gross profit		19 246 567	14 954 639
Other operating income		140 771	166 347
Distribution costs		(1 785 536)	(1 304 486)
Administrative expenses		(1 369 011)	(1 031 658)
Other operating expenses		(9 608 701)	(7 385 948)
Operating income		6 624 090	5 398 894
Interest income		5 508	3 195
Interest expense		(673 915)	(609 091)
Net foreign exchange adjustment		1 161 782	(573 961)
Net monetary adjustment		2 641 211	(531 300)
Profit before taxation	4	9 758 676	3 687 737
Taxation	6	(2 129 173)	(2 136 268)
Profit for the year		7 629 503	1 551 469
Other comprehensive income			
Effects of conversion to presentation currency		(4 078 490)	(5 203 160)
Total comprehensive income/(loss)		3 551 013	(3 651 691)
Earnings per share (Cents):			
Basic		6.42	1.32
Headline		6.43	1.31
Diluted		6.30	1.26

* Note 1.2

Condensed Statement of Financial Position

As at 31 March 2024

		March 2024 US\$	March 2023 Restated* US\$	1 April 2022 Restated* US\$
	Notes			
ASSETS				
Non-current assets				
Property, plant and equipment	8	3 736 581	3 351 931	4 018 435
Long term loans receivable		151 821	61 367	114 345
		3 888 402	3 413 298	4 132 780
Current assets				
Inventories	9	11 178 333	11 162 674	8 216 905
Trade and other receivables	10	7 336 828	5 912 444	6 540 315
Cash and cash equivalents		863 322	1 866 658	1 161 790
Current tax asset	13	439 825	—	—
		19 818 308	18 941 776	15 919 010
Total assets		23 706 710	22 355 074	20 051 790
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		124 972	222 865	366 235
Share premium		549 592	973 879	1 592 920
Share option reserve		201 119	312 488	477 705
Accumulated profit		10 804 184	7 703 820	10 853 465
Total capital and reserves		11 679 867	9 213 052	13 290 325
Non-current liabilities				
Deferred taxation		960 149	664 262	1 165 585
Current liabilities				
Trade and other payables	11	4 674 457	7 521 719	4 568 640
Current tax liability		879 619	1 211 059	406 280
Short-term borrowings	12	5 512 618	3 744 982	620 960
		11 066 694	12 477 760	5 595 880
Total liabilities		12 026 843	13 142 022	6 761 465
Total equity and liabilities		23 706 710	22 355 074	20 051 790
Ordinary shares in issue (Actual) (millions)		124	122	121
Ordinary shares in issue (Weighted average) (millions)		119	118	116
Current ratio (: 1)		2	2	3
Shareholders' equity per share (US\$ Cents)		9	8	11
Middle market price (US\$ Cents)		20	30	23
Middle market price (ZW\$ Cents)		477 830	29 859	23 110

* Note 1.2

DIRECTORATE: M M Valela (Chairman), *S Muchenje (Managing Director), D R Alexandre, S W Kloppe, A. Makamure, R H M Maunsell, C Muzondo, *M L Ndachena, N Samuriwo, R Pieters - *Executive Directors



AFRICAN DISTILLERS LIMITED

Audited Financial Information

FOR THE YEAR ENDED 31 MARCH 2024

Condensed Statement of Cash Flows

For the year ended 31 March 2024

		March 2024	March 2023
	Notes	US\$	Restated* US\$
Cash flows from operating activities			
Cash generated from trading after non-cash items	7	6 100 243	5 556 699
Changes in working capital		(4 287 305)	(2 970 515)
Cash generated from operations		1 812 938	2 586 184
Interest received		5 508	3 195
Interest paid		(673 915)	(609 091)
Income tax paid		(1 781 796)	(786 027)
Net cash flows (utilised in)/generated from operating activities		(637 265)	1 194 261
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1 775 684)	(1 220 549)
Proceeds on disposal of property, plant and equipment		—	18 425
Increase in long-term loans receivable		(235 625)	(222 148)
Proceeds from repayment of long-term loans receivable		118 214	141 702
Net cash flows utilised in investing activities		(1 893 095)	(1 282 570)
Cash flows from financing activities			
Proceeds from exercise of share options		—	4 598
Dividend paid to owners of the Company		(949 265)	(483 401)
Proceeds from short-term borrowings		7 426 586	7 391 040
Repayment of short term borrowings		(6 561 588)	(4 762 826)
Net cash flows (utilised in)/generated from financing activities		(84 267)	2 149 411
Net movement in cash and cash equivalents			
Net foreign exchange difference		(2 614 627)	2 061 102
Inflation effect on cash and cash equivalents		(116 439)	391 989
Effects of conversion to presentation currency		(170 812)	(2 585 495)
Cash and cash equivalents at beginning of the period		30 952	(290 034)
Cash and cash equivalents at end of the period		(2 552 534)	318 392
Comprising:-			
Bank balances and cash		863 322	1 866 658
Bank overdraft	12	(3 415 856)	(1 548 266)
		(2 552 534)	318 392

* Note 1.2

Condensed Statement of Changes in Shareholders' Equity

For the year ended 31 March 2024

		March 2024	March 2023*
	Notes	US\$	Restated US\$
Shareholders' equity at beginning of the year			
		9 213 052	13 290 325
Changes in issued share capital			
Share options exercised		3	11
Other comprehensive income		(97 896)	(143 381)
Changes in share premium			
Share options exercised		3 508	4 587
Other comprehensive income		(427 795)	(623 628)
Changes in share option reserve			
Share based payment		63 222	53 221
Other comprehensive income		(137 267)	(187 021)
Transfer from share option reserve due to exercise of share options		(37 324)	(31 417)
Changes in distributable reserves			
Transfer from share option reserve due to exercise of share options		33 813	31 417
Profit for the year		7 629 503	1 551 469
Other comprehensive income		(3 415 532)	(4 249 130)
Dividend paid		(1 147 420)	(483 401)
Shareholders' equity at end of the year		11 679 867	9 213 052

* Note 1.2

Notes to the Condensed Financial Results

For the year ended 31 March 2024

1 Basis of preparation

The condensed financial statements of African Distillers Limited have been prepared in accordance with IFRS® Accounting Standards and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

1.1 Currency of reporting

The financial statements are presented in the United States Dollars (“US\$”) currency which is also the functional currency of the Company.

1.2 Change of functional currency and presentation currency

The Company changed its functional currency from Zimbabwe Dollars (“ZWL”) to United States Dollars (“US\$”) with effect from 1 October 2023.

The Company considered the current operating environment and the requirements of the IFRS Accounting Standards and concluded that it is necessary to present the 2024 financial statements in US\$. In assessing functional currency, the following factors were considered as required by IAS Standards 21, “The Effects of Changes in Foreign Exchange Rates”:

- (i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled);
- (ii) the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- (iii) the currency which influences labour, material and other costs of providing goods and services;
- (iv) the currency in which funds from financing activities are generated; and
- (v) the currency in which receipts from operating activities are usually retained.

The Company concluded that based on the above factors, there was a change in the Company's functional currency from ZW\$ to US\$ with effect from 1 October 2023. The change in functional currency was applied prospectively.

The Company also changed its presentation currency for 2024 financial statements and the change in presentation currency was applied retrospectively in accordance with the requirements of IAS Standards 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Notes to the Condensed Financial Results

For the year ended 31 March 2024

1.2 Change of functional currency and presentation currency (continued)

Change in functional currency

In line with IFRS® Accounting Standards requirements, the company changed its functional currency to US\$, effective 01 October 2023 hence all financial records are now maintained in US\$. In other words, an entity translates all items into the new functional currency using the exchange rate at the date of the change, being 1 October 2023. The resulting translated amounts for non-monetary items are treated as their historical cost. Comparatives are not restated for a change in functional currency.

Change in presentation currency

A change in presentation currency required current and prior year comparatives to be restated. The Company changed its presentation currency to US\$, previously this was reported in ZW\$, a currency under hyperinflation after restatement of its historical financial statements in accordance with IAS® Standards 29, “Financial Reporting in Hyperinflationary statements in Economies.”

For the period up to 30 September 2023, the entity had a hyperinflationary functional currency (ZW\$), as noted above, the change in functional currency to US\$ only took place from 01 October 2023. Thus, for this period, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

- (a) all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that
- (b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

The financial statements for the half year to 30 September 2023 were inflation-adjusted and translated to US\$ using the September 2023 closing rate of USD1:ZW\$5500. The prior year comparative inflation-adjusted numbers were translated to US\$ at the 31 March 2023 closing rate of USD1:ZW\$1000 and 31 March 2022 at the closing rate of US\$1:ZW\$200. The restatement and translation effect of the above has been recognised in other comprehensive income.

1.3 Accounting policies

Accounting policies and critical judgements are consistent with those applied in prior year except the change in presentation currency explained per 1.2 above. The condensed financial results should be read in conjunction with the latest annual report of the Company.

2 Share buy back

The Company is holding 3 434 842 (2023: 3 434 842) of its own shares as treasury stock and no additional shares were acquired during the year.

	March 2024	March 2023
	US\$	Restated US\$
3 Revenue		
Spirits	30 248 428	23 033 480
Read-to-drink (RTDs)	19 740 710	16 246 155
Wines	3 480 499	3 090 458
Discounts	(1 675 007)	(1 364 154)
	51 794 630	41 005 939
4 Profit before tax		
This is stated after charging/(crediting) the following items of significance:		
Depreciation	370 245	310 326
Impairment recognised on trade and other receivables	59 846	30 825
Royalties	1 255 274	935 045
Staff costs	6 590 481	5 335 054
Retirement benefit costs	505 317	277 273
Compensation of directors and key management:		
for services as directors	90 953	63 601
for management services	1 031 761	824 963
	1 122 714	888 564
Other operating income:		
Sale of pallets and layer boards	151 168	151 433
(Loss)/profit on disposal of property, plant and equipment	(10 397)	14 914

5 Related party transactions

Delta Corporation Limited (“Delta”) and Heineken Beverages (“Heineken”)/Distell Ltd each have an effective shareholding of 50.67% (2023: 51.14%) and 27.98% (2023: 28.35%) respectively in the Company. Effective 26 April 2023, Heineken acquired the Company's major shareholder and partner, Distell Ltd. This resulted in dissolution of Distell Ltd and the formation of Heineken Beverages, a company created by merger of Heineken South African unit, Distell and Namibia Breweries. Consequently, Distell Ltd's shareholding in the Company was transferred to Heineken Beverages effective 26 April 2023.

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

	March 2024	March 2023
	US\$	Restated US\$
Heineken Beverages (“Heineken”)/Distell Ltd		
Purchase of raw materials	1 189 333	1 563 528
Purchase of finished products for sale	3 272 346	1 895 867
Purchase of property, plant and equipment and spares	37 797	29 561
Royalties on finished goods produced and sold under license	1 143 029	831 107
	5 642 505	4 320 063
Delta Corporation Limited		
Purchase of raw materials	59 930	60 281
Information Technology costs	79 180	49 649
	139 110	109 930
6 Taxation		
Current income tax expense	1 542 513	2 181 265
Deferred taxation - arising on current period temporary differences	558 982	(44 997)
- arising on change in current tax rate	27 678	—
	2 129 173	2 136 268



AFRICAN DISTILLERS LIMITED

Audited Financial Information

FOR THE YEAR ENDED 31 MARCH 2024

Notes to the Condensed Financial Results

For the year ended 31 March 2024

	March 2024 US\$	March 2023 Restated US\$
7 Cash generated from trading		
Profit before taxation	9 758 676	3 687 737
Depreciation	370 245	310 326
(Profit)/loss on disposal of property, plant and equipment	10 397	(14 914)
Share option expense	63 222	53 221
Interest income	(5 508)	(3 195)
Interest expense	673 915	609 091
Foreign exchange adjustment	(2 129 493)	383 133
Monetary adjustment	(2 641 211)	531 300
	6 100 243	5 556 699
8 Property, plant and equipment		
Movement in the property, plant and equipment balance for the year:		
Balance at the beginning of the year	3 351 931	4 018 435
Capital expenditure	1 775 684	1 220 549
Depreciation	(370 245)	(310 326)
Disposals	(10 397)	(3 511)
Effects of conversion to presentation currency	(1 010 392)	(1 573 216)
Balance at the end of the year	3 736 581	3 351 931
9 Inventories		
Finished products	3 708 918	3 609 265
Maturing spirits and wines	294 135	273 141
Raw materials	7 175 280	7 284 254
Allowance for obsolete Inventory	—	(3 986)
Inventories at end of the year	11 178 333	11 162 674
Allowance for obsolete inventories is insignificant in current year.		
10 Trade and other receivables		
Trade receivables	3 605 320	2 223 368
Prepayments - relating to inventory purchases#	3 759 008	3 701 125
Other receivables*	32 346	25 850
Allowance for credit losses	(59 846)	(37 899)
	7 336 828	5 912 444
* Other receivables includes sundry debtors and staff welfare loans. # Included in prepayments are balances with related parties as follows: Heineken Beverages ("Heineken")/Distell Ltd	87 468	155 990
11 Trade and other payables		
Trade payables - local	1 309 658	489 736
Trade payables - foreign	1 042 173	4 309 865
Accruals and other payables^	2 322 626	2 722 118
	4 674 457	7 521 719
^ Accruals and other payables includes leave pay provision, long service awards, accruals for statutory payments and other sundry creditors. Included in trade payables are balances with related parties as follows; Heineken Beverages ("Heineken")/Distell Ltd Delta Corporation Limited	573 792 170 926	3 098 850 —
The average credit period on local purchases is 30 days (2023: 7 days) while the average credit period for foreign purchases is 90 days (2023: 90 days).		
12 Short-term borrowings		
Short-term borrowings comprise of;		
Short term loans	2 096 762	2 196 716
Bank Overdraft	3 415 856	1 548 266
	5 512 618	3 744 982

Short term loans include US\$600 000 (2023: US\$600 000) unsecured loan at 8.5% (2023: 8.5%) interest from Delta with a six-month tenure and bank loans at 12-month tenure at 10% (2023: 10%) interest.

The company also has the following facilities with the banks: US\$3 million (2023: US\$1 million) overdraft at 10% (2023: 10%) interest and ZW\$20 billion (2023: ZW\$1.4 billion) overdraft at 75% (2023: 100%) interest.

13 Uncertain tax treatment
The Zimbabwe market has experienced significant currency and legislative changes since 2018. These changes have created some uncertainties in the treatment of transactions for tax purposes due to the absence of clear guidelines and transitional measures. There are further complications arising from the wording of the legislation in relation to the currency of settlement of certain taxes which give rise to interpretations that may differ with those of the tax authorities, thereby creating uncertainties in tax positions. The Zimbabwe Revenue Authority (ZIMRA) has made additional Income Tax assessments, penalties and interest amounting to US\$1 841 221, (for periods 2019 to 2022), against the Company for amounts that were settled in Zimbabwe Dollars, but that ZIMRA deem should have been paid in foreign currency (US\$ in particular). No credit has been given by ZIMRA to the equivalent amounts already paid in legal tender of Zimbabwe. These assessments are being objected to and challenged through the courts. The principal amount settled in Zimbabwe Dollars, which excludes penalties and interest, is equivalent to US\$1 316 754 based on the exchange rates prevailing on the date of payment. Should the Company's appeal not be successful it would be refunded the Zimbabwe dollar payments made towards the settlement of these taxes. Due to the effects of inflation, these amounts would be equivalent to US\$22 926 based on the exchange rate prevailing on the 31st of March 2024, a situation which may result in unjust enrichment. The resultant value loss to the Company would amount to US\$1 293 828 before penalties and interest.

The Company continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as tax prepayments (Current tax asset) in anticipation of a successful Court process because the Company considers that its settlements were made in line with the legal requirements and anticipates a favourable determination on these tax matters based on its interpretation of the law at the time of settlement. To date, the Company has paid US\$439 825 under the "pay now, argue later" principle.

14 Contingent liabilities
With regards to Note 13 above, no provision for any interest and penalty liability, arising from the claims by ZIMRA against the Company, has been made in these financial statements. The Company has been advised by its legal advisers that it is possible, but not probable, that an outflow of resources embodying economic benefits will be required to settle the interest and penalty. The total interest and penalty amounts to US\$ 588 247.

15 Capital commitments
The Company has no firm capital commitments.

Notes to the Condensed Financial Results

For the year ended 31 March 2024

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

It is anticipated that the economy will grow positively in the ensuing year and with the promised growth in GDP level, this will also trigger Company growth. Accessibility of foreign currency is key to smooth running of the business, and the extension of the multi currency use to 2030 will bolster that growth.

17 Events after the reporting period

Introduction of the new currency, Zimbabwe Gold "ZiG"
On the 5th of April 2024, the Central Bank introduced a new currency, Zimbabwe Gold "ZiG" which replaces the Zimbabwe Dollar "ZW\$" currency effectively on the 5th of April 2024. The new currency which shall circulate with other foreign currencies has no effect on the current financial statements.

18 Audit Opinion
The condensed financial results should be read in conjunction with the complete set of financial statements for the year ended 31 March 2024 which have been audited by the Company's external auditors, Ernst & Young Chartered Accountants (Zimbabwe). The auditors have issued an adverse audit opinion with respect to non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates", including historical errors not adjusted in terms of international Accounting Standards 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the application of the International Accounting Standards 29; "Financial Reporting in Hyper inflationary Economies" .

The auditor's report is available for inspection at the registered office of the Company. The engagement partner responsible for this audit is Mr Fungai Kuipa (PAAB Practising Certificate Number 335).

