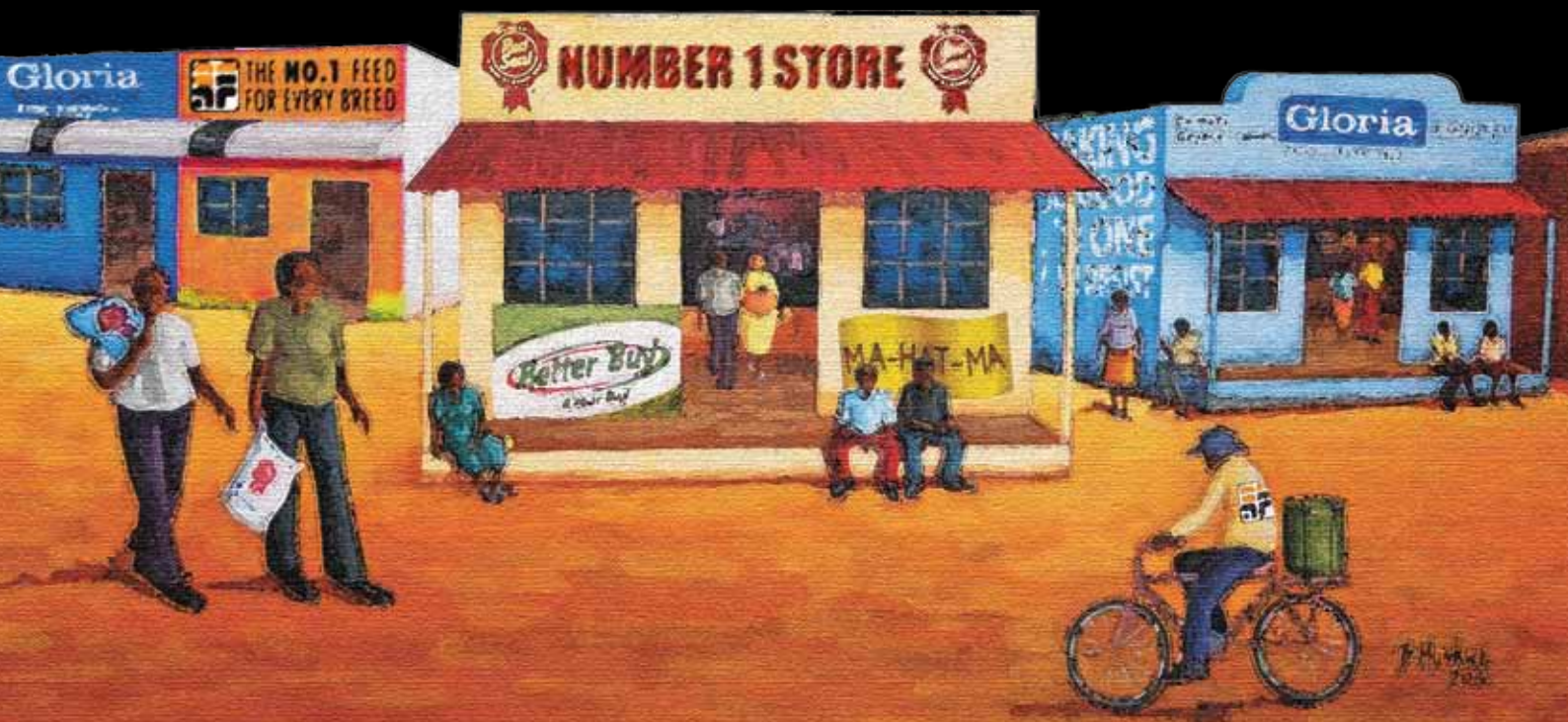




NATIONAL FOODS
HOLDINGS LIMITED

ANNUAL REPORT 2014



COMPANY VISION

“To be the preferred supplier of branded FMCG and stockfeed products in sub-Saharan Africa.”

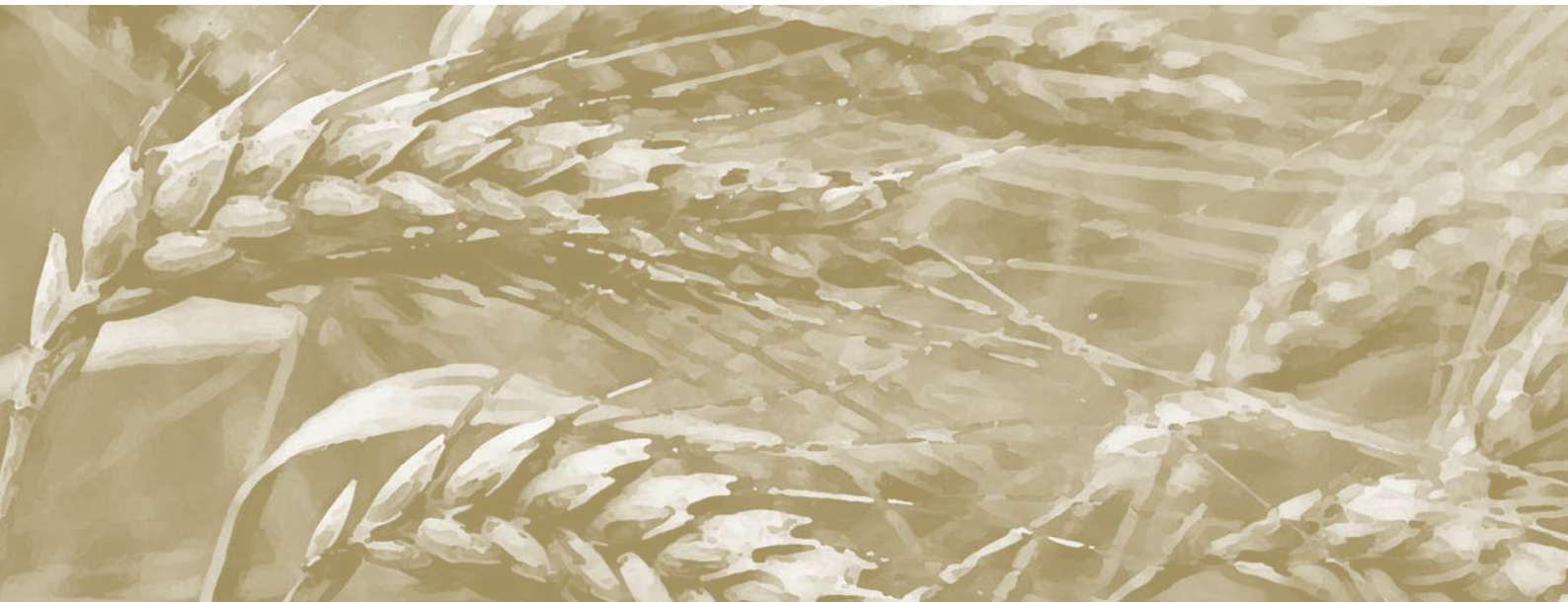


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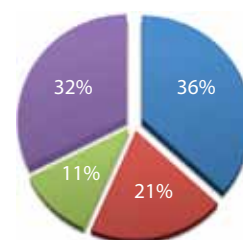
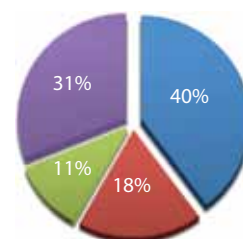
		2014	2013	2012	2011	2010
Volumes*	mt'000	538	500	414	352	300
Revenue*	US\$'000	343,518	309,320	244,063	201,170	160,818
Profit from operating activities	US\$'000	22,621	18,439	11,053	7,032	1,429
Profit after tax for the year	US\$'000	16,783	13,939	7,904	5,097	3,148
Profits attributable to equity holders of the parent	US\$'000	16,783	13,939	7,899	4,971	2,897
Basic earnings per share	USc's	24.54	20.38	11.55	7.27	4.24
Net asset value per share	USc's	107	89	73	64	57
Market value per share	USc's	215	245	112	95	90
Shares in issue at year end	000's	68,400	68,400	68,400	68,399	68,379

* Volumes and Revenue restated to include third party products. Refer to Note 4 of the consolidated financial statement.

VALUE ADDED STATEMENT
For the year ended 30 June 2014

Value added is a measure of the wealth the Group has been able to create in its operations by adding value to the cost of raw materials, products and services purchased. The statement summarises the total wealth created and shows how it was shared by employees and other parties who contributed to the Group's operations. The calculation takes into account the amount retained and reinvested in the Group for the replacement of assets and further development of operations.

	2014 US\$000	2013 US\$000
Value created:		
Revenue	343,518	309,320
Other Income	1,846	3,596
Suppliers for materials and services	(299,504)	(272,176)
Total wealth created	45,860	40,740
Distributed as follows:		
Employees	16,392	16,275
Government	9,558	7,407
Income tax	4,846	3,254
PAYE	4,596	4,097
Other taxes	116	56
Providers of capital	4,980	4,310
Dividends paid to shareholders	4,104	3,120
Interest paid on borrowings	876	1,190
Reinvested in the Group to maintain and develop operations	14,930	12,748
Depreciation	2,251	1,929
Retained income	12,679	10,819
Total wealth distributed and reinvested in the Group	45,860	40,740

FY2014

FY2013


- Employees
- Government
- Providers of capital
- Reinvested in the Group to maintain and develop operations





NO. 1 STORE



National Foods Holdings Limited

BOARD OF DIRECTORS

T. Moyo	<i>Chairman</i>
J.J. Brooke*	<i>Managing Director</i>
N.G. Brimacombe	
N.P. Doyle	
A. Fourie	
J. Koumides	
L.T. Murimwa*	<i>Finance Director</i>
J.P. Schonken	<i>Alternate Director</i>

AUDIT COMMITTEE

J. Koumides	<i>Chairman</i>
N. P. Doyle	
A. Fourie	
T. Moyo	
N. G. Brimacombe	<i>Alternate Member</i>

REMUNERATION COMMITTEE

J. Koumides	<i>Chairman</i>
N. G. Brimacombe	
N.P. Doyle	<i>Alternate Member</i>
A. Fourie	<i>Alternate Member</i>

COMPANY SECRETARY

L.C. Blakeway

TRANSFER SECRETARIES

First Transfer Secretaries
(Private) Limited
P.O. Box 11, Harare.

REGISTERED OFFICE

Gloria House
10 Stirling Road
Workington
P.O. Box 269, Harare.

PRINCIPAL BANKERS

Barclays Bank of Zimbabwe Limited
CBZ Limited

AUDITORS

Ernst & Young
Angwa City
Cnr K. Nkrumah Avenue/
J. Nyerere Way
P.O. Box 62, Harare.

PRINCIPAL LEGAL ADVISORS

Wintertons
Dube, Manikai & Hwacha

**Executive Directors*

Principal Operating Company

The principal operating company of National Foods Holdings Limited is National Foods Limited, which is incorporated in and operates throughout Zimbabwe via a system of factories, depots and agencies.

National Foods Limited

DIRECTORS (as at 30 June 2014)

J.J. Brooke*	<i>Managing Director</i>
L.T. Murimwa*	<i>Finance Director</i>
M.J.R. Lashbrook*	<i>Operations Director</i>
N. G. Brimacombe	
J. Koumides	

GROUP EXECUTIVE COMMITTEE

J.J. Brooke	<i>Managing Director</i>
L.T. Murimwa	<i>Finance Director</i>
M.J.R. Lashbrook	<i>Operations Director</i>
L.C. Blakeway	<i>Group Legal Executive</i>
J. Gapu	<i>Sales, Marketing and Distribution Executive</i>
C.C. Spong	<i>Group IT Executive</i>
R. Usayi	<i>Group Human Resources Executive</i>

MANAGING EXECUTIVES

M. Chawanda	<i>Managing Executive - Flour Milling</i>
D. Maregedze	<i>Managing Executive - FMCG</i>
L. Ngwenya	<i>Managing Executive (Acting) - Stockfeeds</i>
C. Nheta	<i>Managing Executive - Maize Milling</i>
G. Nyakwende	<i>Managing Executive - Depots</i>

From left to right:

L.T. Murimwa
Finance Director

J.J. Brooke
Managing Director

A. Fourie
Director

L.C. Blakeway
*Group Legal Counsel and
Company Secretary*

T. Moyo
Chairman

N.P. Doyle
Director

J. Koumides
Director

N. G. Brimacombe
Director



THE EXECUTIVE COMMITTEE





THE EXECUTIVE COMMITTEE



From left to right:

J. Gapu
*Sales, Marketing and
Distribution Executive*

L.C. Blakeway
*Group Legal Counsel and
Company Secretary*

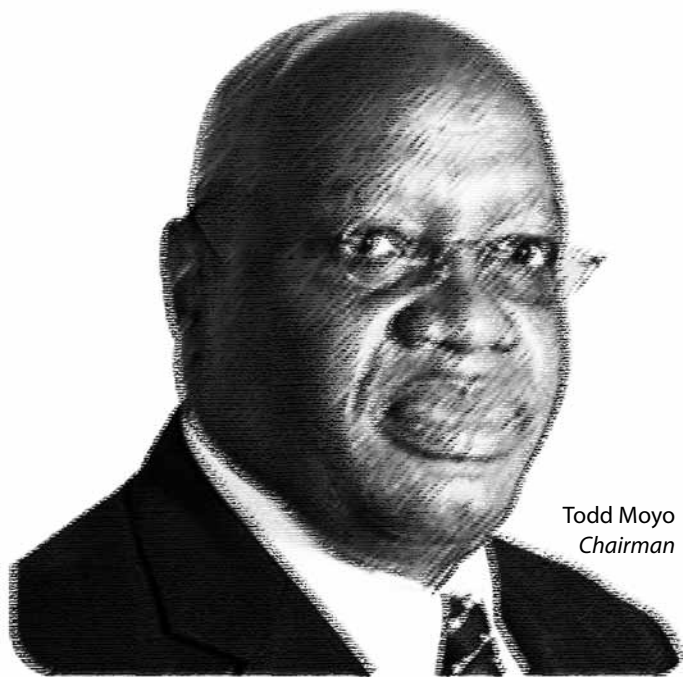
L.T. Murimwa
Finance Director

J.J. Brooke
Managing Director

M.J.R. Lashbrook
Operations Director

R. Usayi
*Group Human
Resources Executive*

C.C. Spong
Group IT Executive



Todd Moyo
Chairman

Introduction

The Group recorded both volume and revenue growth in the year under review which translated to improved profitability.

The operating environment was stable from a legislative and socio-political perspective, but trended negatively from an economic point of view. Zimbabwe's growth forecasts have been revised downwards again from original double digit forecasts at dollarisation, to the current World Bank estimate of 2% for 2014. Reducing prices of goods and services due to sluggish domestic demand and a weak Rand confirms the IMF view that inflation will be flat or even negative into 2015. Although money supply (as measured by total cash in the banks) actually increased year on year, the country's balance of payments situation remains precarious with a year to date trade deficit of \$1,7bn at June 2014, and no obvious end in sight, whilst foreign direct investors continue to choose countries other than Zimbabwe to place their capital.

The Group delivered revenue growth of 11% on an increase of volumes sold of 8% compared to the previous financial year.

Liquidity remained tight during the year and lending rates stable, albeit high. Wage increases slowed down to more appropriately mirror regional minimum wages and local industry performance.

Small scale miners and farmers appear to be the most likely growth drivers into the future. Consequently more money will reside in the rural areas and largely outside of the formal banking sector. An excellent tobacco crop generated \$671m for the country confirming the resurgence of the small scale sector.

In response to slow demand across most sectors of the economy, businesses endeavoured to change their operating models to improve viability. Of particular note are the numerous instances of both backward and forward integration whereby wholesalers introduce retail offerings; retailers now offer wholesale services; and numerous sellers of basic commodities are investing in manufacturing assets in an effort to take a greater share of the value chain.

In the categories in which we compete, our consumers generally traded down the brand triangles to maximize their spending power. National Foods continued to modify its product offering and pack sizes, using a variety of brands, to meet its shopper and consumer needs.

Government announced a welcome review of certain policies which could potentially attract investors to the country. In contrast, however, Government stipulated price controls on maize through a statutory instrument.



Overview of financial performance

The Group delivered revenue growth of 11% on an increase of volumes sold of 8% compared to the previous financial year. Total volumes sold of 538,000mt represented 48% capacity utilisation.

Despite continually reviewing pricing in order to remain competitive, the Group's margin grew slightly to 23%. Whilst the deficit in locally grown maize, wheat and soya bean remains, we are compelled to maintain long future priced pipelines of imported raw materials which can affect our margins in periods of commodity pricing volatility. In this financial year, our maize pipeline was well priced thereby supporting our margin.

A non-recurring profit of \$1,5m was realised on the disposal of some property assets. Overall profit before tax achieved of \$21,7m was therefore 26% higher than the previous year. Profit after tax increased by 20% to \$16,8m. Headline earnings of \$15,4m achieved was 17% higher than the prior year.

We utilised \$38,5m of net working capital to achieve this performance - a decrease of \$7,9m when compared to the previous year. As a result of successfully securing an appropriate mix of trade and bank funding, we ended the year with a cash surplus of \$4,2m. We are therefore not geared and have sufficient resources to fund our growth plans.

As alluded to in previous publications, we expect to continue investing to modernise our core operating platform. During the year we invested \$3,6m on completed capital projects with a further \$3,2m of approved capital expenditure projects that will roll over into the next financial year.

The Directors have elected to transfer to distributable reserves, that portion of non-distributable reserves relating to the remaining foreign currency conversion reserve amounting to \$24,7m. This foreign currency conversion reserve arose as a result of the change in functional currency from the Zimbabwe dollar to the United States dollar and has been in existence since the change-over period. This transfer has taken place through the Statement of Changes in Equity and has no effect on profitability.

Operations Review

We operated eight of eleven factories for all of the year, and opened the Mutare maize milling plant for five months. We met market demand and were able to achieve logistical efficiencies through our ability to manufacture product at different geographic locations in response to localised market demand.

At Stockfeeds, we completed the commissioning of a new pelleting machine and an extruder with the desired improvements in quality. We also installed moisture addition equipment to reduce moisture loss and homogenise product quality. The dog food lines were also renovated. Following extensive research it has been decided to renovate the existing flour milling sites in Harare and Bulawayo in preference to establishing Greenfield sites. Further upgrades to downpacking machines for the FMCG business were made and this has elevated manufacturing efficiency to regional benchmarks. Integrated software weighbridge management systems were installed at all sites to enhance controls of both in and outbound product.

Eight new depots were opened during the year. Twenty depots are connected on a "real-time" basis to the central processing system.

Our support services of Information Technology (IT), Human Resources, Legal, Credit Control, Risk, Treasury and Procurement are all capacitated to desired levels and all delivered tangible improvements to the Group.

In order to retain our brand leadership in the categories we operate in, we invested substantially into the Red Seal, Mahatma, Gloria and National Foods Stockfeeds brands. The Better Buy value brand was extended in response to constrained consumer spend and new offerings of cooking oil, rice and sugar beans were well received by the market.

Valuable insights gained into shopper and consumer needs enabled us to produce a more relevant offering for an increasingly discerning market, with substantial geographical consumer changes. Essentially the rural market grew and the urban market stagnated.

Our strategy to focus our capabilities on light manufacturing and distribution requires us to outsource certain functions to specialist service providers. The Group has satisfactory arrangements in place for the provision of procurement, logistical, security and transport services. In addition, technical agreements across almost all business functions have yielded continuing improvement in business processes and overall sustainability.

Flour Milling

This division experienced relatively subdued trading patterns as evidenced by its results. Volumes sold increased by 2% on prior year whilst revenue decreased by 1% due to a lower realisation per ton of wheat sold. Year on year profitability dropped by 13% as we continued to sacrifice margin in order to hold volumes against flour imports.

Bakers are still permitted to import duty free flour of any quality and origin. Spot traders of flour have the ability to import cheap product into Zimbabwe during periods of international price volatility whereas National Foods is committed to a five month pipeline of pre-priced wheat and hence must compromise margin in order to respond to short-term price movements.

The scope of work required to upgrade our mills to the desired standard has been completed and the rectification process commenced. We expect to realise considerable efficiencies in the next three years as a result of these investments. In terms of capacity and capability; we have fulfilled market demand at the required quality levels, largely assisted by on-site laboratories that enable us to quality test throughout the milling process.

We have procured sufficient wheat of the correct quality and at satisfactory prices for our choice of grist.

The flour business will focus on achieving operational efficiencies in order to sustainably compete with regional competitors into the future.

Maize Milling

This business posted exceptional results on the back of significant improvements in volumes sold. Volumes increased by 19% this year compared to the previous year which, when combined with a 13% increase in average realisation per ton, resulted in revenue growth of 33%.

Our demand planning tools enabled us to activate sufficient procurement plans and enough logistical support to timeously import our maize requirements. We were therefore able to effectively supply a market that was short of product. Furthermore, we initiated a "one price nationwide" policy that was very well received. The execution of strategies in demand planning, procurement, logistics, quality control and nationwide distribution combined to produce a strong performance by this division and a substantial contribution to Group profits.

Stockfeeds

The year under review saw increasing competition in the stockfeed business with at least three new plants being constructed. The small-scale poultry sector continued to grow quickly and we lost market share in this key market segment as we failed to adapt our offering to the rapidly evolving requirements of the market. Nevertheless we sold 6% more product when compared to the prior year's sales. This translated into revenue growth of 3% but with no improvement in profitability.

Efficiencies realised through interventions in moisture management, dust extraction, silo management and a computerised weighbridge system enabled our margins to remain on plan. All-in manufacturing cost was down 3% on the previous year and this was all passed on to our customers in order to improve their ability to compete against imported proteins. The downward trend in maize and soya prices toward the end of the reporting period allowed further price reductions.

The Group was awarded a tender to supply 14,200mt to the FAO for their beef support programme which was fulfilled on time. We successfully commenced exporting product to the beef feed-lots in Botswana. During the second half of the financial year we secured a supply of day old chicks from a local supplier which is distributed throughout our depot network to service the small scale producers. Considerable resource will be allocated to servicing this channel in the near future. The Stockfeeds business will need to collaborate with more parts of the protein value chain to mitigate the pending impact of the primary commercial producers investing in their own feed manufacturing facilities.

FMCG

Volumes sold of rice, salt, small grains, pasta and spreads were collectively 22% higher than previous year whilst baked beans' volumes were down 31%. Like for like margins achieved, excluding edible oil sales, were 24% compared to 21% in the prior period. This business unit houses the small selection of third party products, such as sugar, that we carry in the depots to service the smaller retailers. Margins generated from these goods grew by 68%.

The business contributed marginally to overall Group profits, but plays a crucial role in contributing to the Group's fixed costs, in particular the distribution footprint.

In March we resumed sales of Red Seal and Better Buy cooking oil which is produced for us under license by a local manufacturer. The brands and product have been well received and our market share was at 18% by June.

We extended our range of products and brands in the rice category with the introduction of Mahatma par-boiled and Better Buy par-boiled rices. Rice volumes grew 36% whilst margins grew to 22% driven by improved procurement and some distribution efficiencies. Our share of the salt market held steady at 45%.

This business has received considerable management input and is well poised as the vehicle for growth in both existing, and new categories. The Demand Planning System that forecasts where we need to position product geographically is likely to significantly improve distribution efficiencies going forward.

Properties

During the year under review one property was sold as we continue to dispose of non-core or ageing assets in order to apply the balance sheet value more appropriately. At 30 June 2014 the net lettable area of properties we own had reduced from June 2013 by 30% to 105,000m², of which 77% was occupied by National Foods, whilst 12% was leased to third parties and 11% was vacant. \$1.4m of property is categorised as held for resale and will be disposed of.

Support Services

The Group is appropriately capacitated in all of the support functions to de-risk the current businesses and to enable growth into new categories.

The Committees that manage Credit Control, Pensions, Risk, Procurement and Insurance all have full time Executive representation to execute these essential functions correctly. Our in-house Legal function successfully defended a number of mostly petty legal cases and did much to prevent future litigation. The IT department concluded the architecture of a centralised single IT strategy and commenced implementation thereof.

An enterprise-wide job evaluation and grading exercise along with reward and benefit realignment was completed.

Corporate Social Responsibilities

National Foods supports twenty-five nominated charities and vulnerable institutions across the country, to which we provide regular and on-going support, primarily through the provision of food. In addition we supported a further twenty-seven ad-hoc requests for assistance during the year.

We maintain and fund four permanent clinics at our factories that provide free medical services to both our full time and part time employees, as well as discreet HIV testing and free ARV treatments.

Future Prospects

The Group posted another good financial performance for the year under review, even when viewed without the non-recurring items. Compounded average growth rate at profit before tax level since dollarisation is 29%, largely driven by an increase in volumes sold which in turn improves capacity utilisation and reduces the unit cost of production. Our brands commanded a significant share of shelf in all categories.

Management will focus on opportunities to automate and mechanise processes for improved efficiency and to reduce costs across the business units. In the forthcoming year the Group has committed to capital expenditure projects to the value of \$7.2m in accordance with long term improvement plans.

The Group has investigated potential investments into a number of new categories with the objective of generating increased contribution off the existing services platform. The activation of these opportunities will be a key priority in the coming year.

The Group will continue to apply intense focus to precisely identifying consumer needs, with particular focus on the needs of the small scale sector and the rural population.

The Group will continue to invest in its people through appropriate training and exchange programmes. In addition we will recruit graduate trainees as the future backbone of our management team.

The current macro-economic indicators suggest that we will achieve little growth from our existing businesses hence our desire to invest into new and adjacent categories. We will continue to support the resuscitation of agriculture at every level.

Dividend

The Board has declared a final dividend of 5,18c per share (bringing the total dividend for the year to 8,18c per share) payable on or about 10th October 2014 to shareholders registered in the books of the Company by noon on 26th September 2014. The transfer books and register of members will be closed on 27th and 28th September 2014.

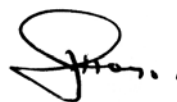
Acknowledgement and Appreciation

I wish to thank my fellow Board members for the roles they played in the sub-committees and on the Board itself. With effect from 14th April 2014, Mr Antonio Fourie replaced Mr Julian Schonken (who will remain as an alternate Board member) as one of Innscor Africa Limited's representatives on the Board. I thank Julian sincerely for the invaluable role he played in the resuscitation of National Foods since dollarisation and simultaneously welcome Antonio to the Board.

The results posted are excellent given the current trading environment and confirm the success of the strategies adopted to build a robust and sustainable organisation.

I thank the management and staff for their contribution to this good performance.

The Group has moved through various strategic phases namely "From Survival to Revival" and then "From Revival to Profitability" and will now move to focus on "Growth and Sustainability". National Foods has sufficient resources to fulfil its ambitions which I am confident will be to the satisfaction of its stakeholders.



Todd Moyo
Chairman

3 October 2014





L.C. Blakeway
 Group Legal Executive and Company Secretary

The National Foods Group of companies subscribes to the principles of discipline, independence, accountability, transparency, responsibility, integrity, fairness and social responsibility, identified as the primary characteristics of good governance in the Code of Corporate Practices and Conduct, contained within the King III Report on Corporate Governance and the Combined Code on Corporate Governance.

The primary objective of any system of corporate governance is to ensure that Directors and managers, to whom the running of large corporations has been entrusted by the Shareholders, carry out their responsibilities faithfully and effectively, placing the interests of the corporation and society ahead of their own. This process is facilitated through the establishment of appropriate reporting and control structures within the organisation. The Board believes that the Group's governance practices are strong and that in all material respects, the Group conforms to the principles embodied within the King III Report and Combined Code on Corporate Governance, as far as they are applicable, and is committed to ensuring that these principles continue to be an integral part of the way in which the Group's business is conducted.

Directorate and Executive Management

The Boards of Directors of the Holding Company and of the Principal Operating Company retain full and effective control over the Group. The Boards meet regularly, no less than four times a year to review strategy, planning, operational performance, acquisitions and disposals, stakeholder communications and other material matters relating to the performance of executive management.

The majority of Directors of the Holding Company are non-executive bringing objective judgement to bear on issues of strategy and performance. The Group Chairman is an independent non-executive Director.

Managerial levels and limits of authority have been established. However, decisions of a material nature are taken by the Board of Directors and senior management, who constitute key management and whose remuneration is disclosed in Note 20.8 of the consolidated financial statements. The Directors have access to the advice and services of the Group Legal Executive and Company Secretary who is responsible to the Board for ensuring compliance with procedures and regulations. Directors are entitled to seek independent professional advice about the affairs of the Group, at the company's expense, if they believe that course of action would be in the best interests of the Group.

Financial Statements

The Directors of the National Foods Holdings Group are responsible for preparing financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the company and the Group. The External Auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon. The Annual Financial Statements contained in this report have been prepared in accordance with International Financial Reporting Standards. They are based on appropriate accounting policies and are supported by reasonable and prudent judgements and estimates. The Directors have no reason to believe that the Group's operations will not continue as a going concern in the year ahead.

Audit Committee

The Group has an Audit Committee comprising representation by Non-Executive Directors and is chaired by a Non-Executive director. As at 30 June 2014 the committee comprised J.Koumides (Chairman), T. Moyo, N.P. Doyle, A. Fourie and N.G. Brimacombe (Alternate). The External Auditors have unrestricted access to this Committee. The Audit Committee reviews the effectiveness of internal controls in the Group with reference to the findings of both the Internal and External auditors. Other areas covered include the review of important accounting issues, including specific disclosures in the Financial Statements and a review of the major audit recommendations.

Risk Management Committee

The Directors are accountable for the process of risk management and for establishing appropriate risk and control policies which are communicated throughout the Group. Executive managers are responsible for the identification and evaluation of key risks applicable to their areas of business. The Group has established a Risk Management Committee which is responsible for overseeing and reporting on the overall group risk. This provides an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This Committee reports to the Board on all areas of risk that have been identified in the Group.

Internal Controls

The Group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets. Such controls are based on

established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties. The internal audit function operates under the direction of the Group Audit Committee, which approves the scope of the work to be performed. Significant findings are reported to both executive management and the Audit Committee. Corrective action is taken to address internal control deficiencies identified in the execution of the work. Nothing has come to the attention of the Directors that indicates any material breakdown in the functioning of the key internal controls and systems during the period under review. The Group has comprehensive risk and loss control procedures in place, which form an integral part of a sophisticated third party and self-insurance programme.

Directors' and Executive Remuneration

Remuneration committee

The Remuneration Committee has been delegated by the Board with the responsibility of determining the remuneration of the Executive Directors and other senior management members. The Chairman of the Committee is obliged to report to the Board on its deliberations. The Committee is comprised of J. Koumides (Chairman), N.G. Brimacombe, N.P. Doyle (Alternate) and A. Fourie (Alternate).

Remuneration policy

The remuneration policy is formulated to attract, retain and motivate top quality people in the best interests of Shareholders, and is based upon the following principles:

- Remuneration arrangements will be designed to support National Foods Holdings Group's business strategy, vision and to conform to best practices.
- Total rewards will be set at levels that are competitive within the context of the relevant areas of responsibility and the industry in which the Group operates.

Composition of Executive Remuneration

The remuneration packages of Executive Directors comprise an annual salary, benefits and a short term incentive scheme.

Management Reporting

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating units. Individual budgets are approved by the Principal Operating Company's Board of Directors, while the Group budget is reviewed by the Directors of the Holding Company. Monthly results and the financial status of operating units are reported against approved budgets and compared to the prior year. Profit projections and cash flow forecasts are updated half yearly, while working capital and borrowing levels are monitored on an on-going basis.

Strategic Planning Process

In line with its mission to build a world-class business, the overall strategy for National Foods Holdings is clearly focused. Annual strategic plans are compiled at both Group and business unit level, with detailed plans for action and allocated responsibilities. Progress is reviewed regularly.

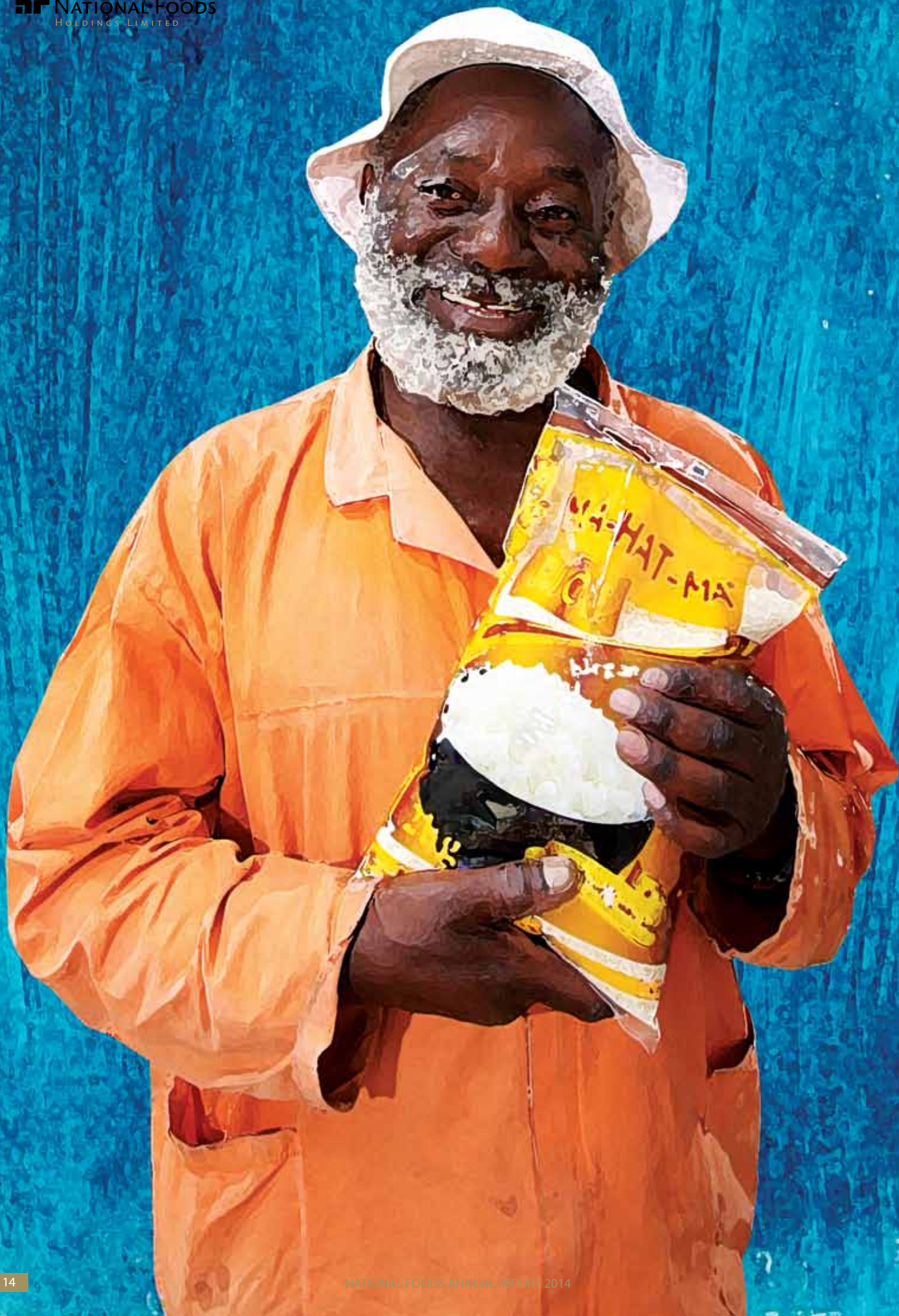
Ethics

Directors and employees are required to observe the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances is beyond reproach. In line with the Zimbabwe Stock Exchange Listing Requirements, the Group operates a closed period prior to the publication of its interim and year end financial results during which period Directors, Officers and Employees may not deal in the shares of the Holding Company. Where appropriate, this is also extended to include other sensitive periods.

Equal Opportunity

The Group is committed to providing equal opportunities for its employees regardless of race, tribe, place of origin, political opinion, colour, creed or gender.





CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2010
	US\$000	US\$000	US\$000	US\$000	US\$000
Revenue*	343,518	309,320	244,063	201,170	160,818
Profit from operating activities	22,621	18,439	11,053	7,032	1,429
Net financing costs	(876)	(1,190)	(345)	(551)	(1,198)
- finance expense	(1,505)	(1,479)	(1,158)	(1,300)	(1,497)
- finance income	629	289	813	749	299
Fair value adjustments	-	-	-	-	10
Share of associate's profit	-	-	-	823	628
Profit before tax	21,745	17,249	10,708	7,304	869
Taxation	(4,962)	(3,310)	(2,804)	(2,207)	2,279
Profit for the year	16,783	13,939	7,904	5,097	3,148
Discontinued operations	-	-	-	(73)	(251)
Profit for the year	16,783	13,939	7,904	5,024	2,897
Total comprehensive income for the year	16,783	13,937	7,900	5,022	2,897

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2014	As at 30 June 2013	As at 30 June 2012	As at 30 June 2011	As at 30 June 2010
	US\$000	US\$000	US\$000	US\$000	US\$000
Assets					
Property, plant and equipment	37,186	37,925	35,851	33,266	34,288
Investments in associate companies	-	-	-	813	628
Other non-current financial assets	122	120	277	64	-
Other current assets	68,758	71,993	41,770	41,174	36,264
Cash & cash equivalents	12,672	4,106	10,619	5,921	7,458
Assets classified as held for sale	1,351	-	-	748	-
Total assets	120,089	114,144	88,517	81,986	78,638
Equity and Liabilities					
Equity	73,507	60,828	50,011	43,601	39,032
Deferred tax	7,606	7,450	8,074	8,190	7,361
Bank overdraft	7,221	-	2,265	2,033	373
Other current liabilities	31,687	45,866	28,167	28,162	31,872
Liabilities relating to assets held for sale	68	-	-	-	-
Total equity and liabilities	120,089	114,144	88,517	81,986	78,638

CONSOLIDATED STATEMENT OF CASHFLOWS

	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2010
	US\$000	US\$000	US\$000	US\$000	US\$000
Net cash inflows/(outflows) from operating activities	25,324	(18,408)	12,911	4,109	(6,110)
Investing activities					
- purchase of property plant and equipment	(3,640)	(6,086)	(4,764)	(2,217)	(1,959)
- other investing activities	3,115	2,875	2,011	1,245	4,611
Net cash (outflows)/inflows from investing activities	(525)	(3,211)	(2,753)	(972)	2,652
Net cash inflow/(outflow) before financing activities	24,799	(21,619)	10,158	3,137	(3,458)
Financing activities	(23,454)	17,371	(5,692)	(6,333)	8,259
Net increase/(decrease) in cash and cash equivalents	1,345	(4,248)	4,466	(3,196)	4,801

* Revenue restated to include third party products. Refer to note 4.

		Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2011	Year Ended 30 June 2010
Profitability						
Operating margin	%	7%	6%	5%	3%	1%
Return on total assets	%	19%	18%	13%	9%	2%
Return on equity	%	28%	28%	18%	13%	8%
Effective tax rate	%	23%	19%	26%	30%	(262%)
Growth						
Increase in revenue	%	11%	26%	16%	25%	103%
Increase in operating profit	%	23%	67%	57%	392%	(81%)
Productivity						
Asset turnover	times	3	3	3	3	2
Solvency and liquidity						
Current ratio	times	2.09	1.66	1.72	1.56	1.36
Interest cover	times	25.83	15.50	32.03	12.76	1.19
Net debt to shareholders' funds	%	Nil	27%	Nil	3%	11%
Total liabilities to shareholders' funds	%	63%	88%	77%	88%	101%
Employee statistics						
Number of employees	ave	954	966	918	924	1,601
Revenue per employee*	US\$	360,082	320,207	265,864	217,716	100,449
Operating profit per employee	US\$	23,712	22,820	12,040	7,611	893
Share performance						
Number of shares issued	000's	68,400	68,400	68,400	68,399	68,379
Weighted average shares in issue	000's	68,400	68,400	68,399	68,399	68,379
Basic earnings per share	US cents	24.54	20.38	11.55	7.27	4.24
Diluted earnings per share	US cents	24.54	20.38	11.55	7.27	4.24
Dividend per share	US cents	8.18	6.00	2.75	0.7	-
Dividend cover	times	3.00	3.40	4.19	4.74	-
Dividend yield	%	4%	2%	2%	1%	-
Price earnings ratio	times	8.76	12.02	9.70	13.07	21.23
Net asset value per share	US cents	107.47	88.93	73.12	63.75	57.08
Market capitalisation	\$'000	147,060	167,580	76,608	64,979	61,541
Market price per share						
High	US cents	250	270	125	101	135
Low	US cents	195	140	80	81	85
Price - year end	US cents	215	245	112	95	90

The following definitions relate to terms used in this report.

Asset turnover	- Revenue divided by total assets at the end of the financial period.
Average	- Opening balance plus closing balance divided by two.
Current ratio	- Ratio of current assets to current liabilities.
Dividend cover	- Basic earnings per share divided by declared dividend per share.
Dividend yield	- Dividend per share as a percentage of market price at period end.
Interest cover	- Profit/(loss) from operations, divided by net interest payable.
Market capitalisation	- Share price at period end multiplied by number of shares in issue.
Net asset value per share	- Shareholders' funds at end of period divided by number of shares in issue at that date.
Operating margin	- Profit/(loss) from operating activities as a percentage of turnover.
Price earnings ratio	- Market price at period end divided by basic earnings per share.
Return on equity	- Profit/(loss) after tax for the year as a percentage of opening shareholders' funds.
Return on total assets	- Profit/(loss) from operating activities as a percentage of average total assets.
Shareholders' funds	- Issued capital plus distributable and non-distributable reserves.
Total liabilities	- Long term liabilities, current liabilities, bank overdrafts and acceptances.

*Revenue restated to include third party products. Refer to Note 4.

The Directors have pleasure in presenting their report, together with the audited financial statements for the year ended 30 June 2014.

GROUP FINANCIAL RESULTS

	2014 US\$	2013 US\$	2012 US\$	2011 US\$	2010 US\$
Profit before tax	21,745,380	17,249,091	10,707,499	7,304,056	869,142
Tax	(4,961,918)	(3,309,971)	(2,803,839)	(2,207,267)	2,278,801
Profit after tax	16,783,462	13,939,120	7,903,660	5,096,789	3,147,943
Total comprehensive income for the year	16,783,112	13,936,690	7,900,101	5,022,488	2,896,858

SHARE CAPITAL

During the year the authorised share capital remained at 73 000 000 ordinary shares of (US\$) 1 cent each. No new shares were issued during the year (2013:Nil) and the number of shares in issue was 68 400 108, (2013: 68,400,108).

NATIONAL FOODS WORKERS TRUST

National Foods Workers Trust (Private) Limited was established to provide a scheme for worker participation in both the equity and profits of the company. Through donations by the Company to the Trust, the Trust acquired a 10% shareholding in National Foods Holdings Limited. Dividends received through its shareholding are administered by a board of nine Trustees for the benefit of workers under grades "A", "B" and "C" of the Milling and Commercial Industries and grades 1-6 of the Textile Industry, being the National Employment Council for which the wide categories of employees fall.

BORROWING POWERS

In terms of the Articles of Association, the borrowing powers of the company and its subsidiaries (excluding inter-company borrowings) are limited in aggregate to the nominal amount of the share capital of the company plus the total free reserves of the company and its subsidiaries. The level of borrowings throughout the year was adequately covered in this respect.

RESERVES

Movements in reserves are shown in the statement of changes in equity.

DIVIDENDS

The Board has declared a final dividend of (US\$) 5.18 cents per share payable on or about 10 October 2014 to shareholders registered in the books of the company by noon 26 September 2014. The transfer books and register of members will be closed on 27th and 28th September 2014. Together with the interim dividend of (US\$) 3.0 cents per share, this final dividend brings the total dividend for the year to (US\$) 8.18 cents per share.

DIRECTORATE

N.P. Doyle and L.T. Murimwa retire by rotation in terms of the Articles of Association of the Company, and being eligible, offer themselves for re-election. At a board meeting held on 14 April 2014, Mr A. Fourie was appointed as a Director of the Company with effect from that date. In terms of the Articles of Association of the Company he is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

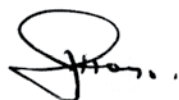
AUDITORS

Members will be asked to fix the remuneration of Ernst & Young for the past audit and to confirm their reappointment for the ensuing year.

ANNUAL GENERAL MEETING

The forty-fifth Annual General Meeting of the Company will be held at 08.45am on Tuesday 4th November 2014 at the registered office of the Company 10 Stirling Road, Workington, Harare.

BY ORDER OF THE BOARD



T. Moyo
Chairman



J.J. Brooke
Managing Director

HARARE

3 October 2014

The Directors of the company are required by the Companies Act to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, International Financial Reporting Standards have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The financial statements have been prepared under the historical cost convention, are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2 of the financial statements, and comply with International Financial Reporting Standards and the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant regulations made thereunder.

The principal accounting policies of the Group are consistent with those applied in the previous year and conform to International Financial Reporting Standards (IFRS). The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. The Group maintains internal controls and systems that are designed to safeguard its assets, prevent and detect errors and fraud and ensure the completeness and accuracy of its records. The Group's Audit Committee has met the external auditors to discuss their reports on the results of their work, which include assessments of relative strengths and weaknesses of key control areas. Whilst in a growing group of the size, complexity and diversity of National Foods it may be expected that occasional breakdowns in established control processes may occur, no breakdowns involving material loss have been reported to the Directors in respect of the period under review.

The financial statements for the year ended 30 June 2014, which appear on pages 20 to 49 have been approved by the Board of Directors and are signed on its behalf by:



T. Moyo
Chairman



J.J. Brooke
Managing Director

HARARE
3 October 2014





Ernst & Young

Chartered Accountants (Zimbabwe)
Registered Public Auditors
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Tel: +263 4 750905 - 14 or 750979 - 83
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Email: admin@zw.ey.com
www.ey.com

To The Members of National Foods Holdings Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of National Foods Holdings Limited as set out on pages 20 to 49 which comprise the consolidated statement of financial position as at 30 June, 2014, the consolidated statement of 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 information.

Directors' responsibility for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the directors, as well as evaluating the overall presentation of the consolidated financial statements.

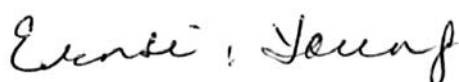
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Foods Holdings Limited as at 30 June, 2014, and of its financial performance and 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 consolidated 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).



ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
Registered Public Auditors
Harare

3 October 2014

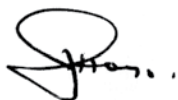
for the year ended 30 June 2014

	Notes	2014 US\$	2013 US\$
Revenue*	5	343,517,968	309,320,178
Cost of sales*		(264,414,059)	(240,735,791)
Gross profit		79,103,909	68,584,387
Other income *	6.1	1,846,161	3,596,493
Selling and distribution expenses		(15,427,029)	(11,629,102)
Employee benefits expenses	6.2	(20,987,743)	(20,371,670)
Administrative expenses	6.2	(19,663,004)	(19,812,279)
Depreciation	6.3	(2,251,180)	(1,928,962)
Profit from operating activities	6	22,621,114	18,438,867
Finance income	6.4	628,676	289,452
Finance costs	6.4	(1,504,410)	(1,479,228)
Profit before tax		21,745,380	17,249,091
Income tax expense	7.1	(4,961,918)	(3,309,971)
Profit for the year		16,783,462	13,939,120
Other comprehensive income			
- to be recycled to profit and loss at a future point in time			
Exchange differences on translation of foreign operations		(350)	(2,430)
Total comprehensive income for the year		16,783,112	13,936,690
Profit for the year attributable to equity holders of the parent		16,783,462	13,939,120
Total comprehensive income for the year attributable to equity holders of the parent		16,783,112	13,936,690
Earnings per share			
Basic	8	24.54 cents	20.38 cents
Headline	8	22.54 cents	19.27 cents

* Restated to include third party products. Refer to Note 4

as at 30 June 2014

	Notes	2014 US\$	2013 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	37,185,421	37,925,146
Other financial assets	11.1	121,912	119,845
		37,307,333	38,044,991
Current assets			
Finance lease receivables	12	-	388,133
Other financial assets	11.1	-	470,329
Inventories	13	42,381,257	46,923,613
Trade and other receivables	14	26,376,781	24,211,255
Cash & cash equivalents	19.4	12,672,119	4,106,296
		81,430,157	76,099,626
Assets classified as held for sale	10	1,351,457	-
		82,781,614	76,099,626
Total assets		120,088,947	114,144,617
EQUITY AND LIABILITIES			
Equity			
Issued share capital	15.1	684,001	684,001
Non-distributable reserves	15.2	(7,729)	24,676,429
Distributable reserves	15.3	72,830,463	35,467,199
Total equity		73,506,735	60,827,629
Non-current liabilities			
Deferred tax liability	7.4	7,606,225	7,449,678
		7,606,225	7,449,678
Current liabilities			
Trade and other payables	17	29,475,784	23,956,721
Bank overdrafts	19.4	7,221,460	-
Interest bearing borrowings	11.2	1,215,740	20,566,233
Provisions	18	758,330	726,069
Income tax payable	7.3	237,100	618,287
		38,908,414	45,867,310
Liabilities relating to assets held for sale	10	67,573	-
		38,975,987	45,867,310
Total equity and liabilities		120,088,947	114,144,617



T. Moyo
Chairman



J.J. Brooke
Managing Director

Harare
3 October 2014

for the year ended 30 June 2014

Notes	Issued	Non-Distributable	Distributable	Total
	Share	Reserves	Reserves	
	Capital	Reserves	Reserves	
	US\$	US\$	US\$	US\$
	15.1	15.2	15.3	
Balance at 30 June 2012	684,001	24,678,859	24,648,429	50,011,289
Profit for the year	-	-	13,939,120	13,939,120
Other comprehensive income	-	(2,430)	-	(2,430)
Total comprehensive income	-	(2,430)	13,939,120	13,936,690
Dividends paid	-	-	(3,120,350)	(3,120,350)
Balance at 30 June 2013	684,001	24,676,429	35,467,199	60,827,629
Profit for the year	-	-	16,783,462	16,783,462
Other comprehensive income	-	(350)	-	(350)
Total comprehensive income	-	(350)	16,783,462	16,783,112
Dividends paid	-	-	(4,104,006)	(4,104,006)
Transfer of functional currency conversion reserve - Note 15.2	-	(24,683,808)	24,683,808	-
Balance at 30 June 2014	684,001	(7,729)	72,830,463	73,506,735

for the year ended 30 June 2014

	Notes	2014 US\$	2013 US\$
OPERATING ACTIVITIES			
Cash generated from operations	19.1	25,262,193	21,369,803
Working capital changes	19.2	6,056,006	(34,301,761)
Operating cash flow		31,318,199	(12,931,958)
Interest received		628,676	289,452
Interest paid		(1,504,410)	(1,479,228)
Income tax paid	19.3	(5,118,985)	(4,286,323)
Net cash flows from operating activities		25,323,480	(18,408,057)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment to expand operations		(1,798,919)	(3,778,715)
Purchase of property, plant and equipment to maintain operations		(1,840,622)	(2,306,883)
Purchase of financial instruments and other investments		-	(478,227)
Proceeds on disposal of property, plant and equipment		2,258,529	2,893,710
Proceeds on disposal of financial instruments		856,394	459,810
Net cash flows from investing activities		(524,618)	(3,210,305)
FINANCING ACTIVITIES			
Proceeds from borrowings		11,456,985	20,491,107
Repayment of borrowings		(30,807,478)	-
Dividends paid		(4,104,006)	(3,120,350)
Net cash flows from financing activities		(23,454,499)	17,370,757
Increase/(decrease) in cash and cash equivalents		1,344,363	(4,247,605)
Cash and cash equivalents at beginning of the year		4,106,296	8,353,901
Cash and cash equivalents at the end of the year	19.4	5,450,659	4,106,296

1 CORPORATE INFORMATION

The Company and its subsidiaries are incorporated in Zimbabwe except for Botswana Milling and Produce Company (Proprietary) Limited and Red Seal Manufacturers (Proprietary) Limited which are incorporated in Botswana. Refer to Directorate and Administration Section for additional corporate information.

The Group's main activities comprise of the milling of flour and maize, manufacture of stock feeds and the packaging and sale of other general household goods.

The consolidated financial statements of National Foods Holdings Limited for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the Directors on 3 October 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in United States Dollars. All values are rounded to the nearest dollar (US\$), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2014.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations which are applicable to the Group effective as of 1 July 2013:

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint arrangements
- IFRS 12 - Disclosure of interests in other entities
- IFRS 13 - Fair value measurement
- IAS 19 - Employee benefits- amendments to IAS 19

The adoption of the standards or interpretations is described below:

IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes IAS 27(2008) Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities, and introduces a single ‘control model’ for all entities, including special purpose entities (SPEs), whereby control exists when all of the following conditions are present:

- Power over investee
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the entity’s returns from investee.

Other changes introduced by IFRS 10 include:

- The introduction of the concept of ‘de facto’ control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders .
- Potential voting rights are only considered when determining if there is control when they are substantive (holder has practical ability to exercise) and the rights are exercisable when decisions about the investees activities that affect the investors return will or can be made
- Specific guidance for the concept of ‘silos’, where groups of assets (and liabilities) within one entity are ring-fenced, and each group is considered separately for consolidation.

The adoption of IFRS 10 had no effect on the Group’s financial position or performance and all investees that were consolidated will continue to be consolidated and no new investees will require to be consolidated.

IFRS 11 Joint Arrangements

IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities Non-monetary Contributions by Venturers, and requires joint arrangements to be classified as either:

- Joint operations - where parties with joint control have rights to assets and obligations for liabilities, or
- Joint ventures - where parties with joint control have rights to the net assets of the investee.

Joint arrangements that are structured through a separate vehicle will generally be treated as joint ventures, unless the terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets.

Joint ventures are accounted for using the equity method (proportionate consolidation is not permitted by IFRS 11).

Parties to a joint operation account for their share of assets, liabilities, revenues and expenses in accordance with their contractual rights and obligations.

The adoption of IFRS 11 had no effect on the Group’s financial position or performance, as after considering the requirements of IFRS 11, the Group concluded that it has no interests in joint arrangements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the disclosure requirements relating to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity’s relationship with other entities.

As the new standard affects only disclosure, there is no effect on the Group’s financial position or performance. IFRS 12 disclosures, where applicable have been provided, in the notes to the financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 sets out the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other IFRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously located in other IFRSs have now been relocated to IFRS 13.

While there has been some rewording of the previous guidance, there are few changes to the previous fair value measurement requirements. Instead, IFRS 13 is intended to clarify the measurement objective, harmonise the disclosure requirements, and improve consistency in application of fair value measurement.

IFRS 13 did not materially affect any fair value measurements of the Group's assets or liabilities, with changes being limited to presentation and disclosure. Additional disclosures where required have been provided in the individual notes relating to the assets and liabilities whose fair values were determined. IFRS 13 is to be applied prospectively and therefore comparative disclosures have not been presented.

The IASB clarified in the Basis for Conclusions that short term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The Company has evaluated that the effect of discounting on its short term receivables and payables is not material.

IAS 19 Employee Benefits (Revised 2011)

The main changes, applicable to the Group, as a consequence of the revision of IAS 19 include:

- Amendments to the timing of recognition for liabilities for termination benefits
- Employee benefits expected to be settled (as opposed to 'due to be settled') wholly within 12 months after the end of the reporting period are short-term benefits, and are not discounted.

The Group considered the above changes when accounting for termination benefits and short term and long term employee benefits and there was no significant impact on its financial statements.

2.4 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- IFRS 9 Financial Instruments – classification and measurement
- IFRS 15- Revenue from Contracts with Customers
- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IAS 19 Employee benefits- Defined Benefit Plans: Employee Contributions
- IAS 16 and IAS 38 Clarifications of Acceptable Methods of Depreciation and Amortisation
- IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
- IAS 36- Disclosure requirements for the recoverable amount of impaired assets
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting- Amendments to IAS 39
- IFRIC 21 Levies

IFRS 9 Financial Instruments – Classification and measurement

On 24 July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9-Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The classification and measurement requirements address specific application issues arising in IFRS 9 (2009) that were raised by preparers, mainly from the financial services industry. The expected credit loss model addresses concerns expressed following the financial crisis that entities recorded losses too late under IAS 39.

IFRS 9 stipulates that financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is currently assessing the impact of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

The IASB and FASB have issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers, which replaces all existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The standard is for effective for annual periods beginning on or after 1 January 2017, but early adoption is permitted under IFRS. The Group is still assessing the impact of the standard on its contracts with customers.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014, and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IAS 16 and IAS 38 Clarifications of Acceptable Methods of Depreciation and Amortisation

The IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets prohibiting the use of revenue based depreciation methods for fixed assets and limiting the use of revenue-based amortisation methods for intangible assets. The amendments are effective prospectively. The amendment becomes effective for annual periods beginning on or after 1 January 2016 and will not have any impact on the Group as depreciation is not based on revenue methods.

IAS 19 Employee benefits- Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age. The amendment is not expected to affect the Group as it does not have defined benefit plans and is effective 1 July 2014.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IAS 36 Disclosure requirements for the recoverable amount of impaired assets

The IASB has issued amendments to IAS 36 - Impairment of Assets, to clarify the disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

The amendments clarify the IASB's original intention: that the scope of these disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. These amendments are effective for year ends beginning on or after 1 January 2014 and the Group will consider the impact, if any, of the amendments when they become effective.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting- Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has no novated derivatives and does not apply hedge accounting; hence the amendment will not have an impact on the Group's financial statements.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements as no such levies are charged.

Annual Improvements

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to definitions relating to vesting conditions)

Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in

the same group. The amendment is not expected to have a material impact on the Group financial statements as there are no share based payments.

IFRS 3 Business Combinations - Scope for joint ventures

The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures, and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment will not affect the Group as it is currently not party to any joint arrangements.

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment will not affect the Group as it does not have any contingent considerations.

IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segment assets to the entity's total assets

Operating segments may be combined/ aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment will not have a material impact on the Group financial statements.

Reconciliation of the total of the reportable segment assets to the entity's total assets

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment will not have a material impact on the Group financial statements as no reconciliation is provided to the Chief Decision maker and no reconciliation is currently being disclosed.

IFRS 13 Fair value measurement - Portfolio exception

The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group does not have financial assets, financial liabilities and other contracts that meet this criteria.

IAS 16 Property, plant and equipment and IAS 38 Impairment - Revaluation method-proportionate restatement of accumulated depreciation

The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment also clarified that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount – accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The amendment will not affect the Group as it does not revalue its Property, plant and equipment.

IAS 24 Related party disclosures - Key management personnel

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group.

IAS 40 Investment property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property - Amendment to IAS 40

The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination. The amendment is not expected to affect the Group as it currently does not have investment property where this clarification may need to be applied.

2.5 Summary of significant accounting policies

2.5.1 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5.2 Investments in associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit of an associate is shown on the face of the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

2.5.3 Foreign currency translation

The Group's financial statements are presented in United States Dollars (US\$) (see note 2.1), which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at

the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Upon disinvestment of a foreign entity, translation differences related to that entity are recycled into profit or loss.

2.5.4 Taxes

2.5.4.1 Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period in countries where the Group operates and generates taxable income.

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

2.5.4.2 Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax base of assets or liabilities and their carrying amounts in the statement of financial position for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

Deferred taxation is recognised in profit or loss except to the extent that it relates to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside of profit or loss.

Deferred taxation relating to tax losses carried forward is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

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

2.5.4.3 Value Added Tax (VAT)

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

- Where the VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.5.5 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period and the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.5.6 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials:

- Purchase cost on a first in, first out basis

Finished goods and work in progress:

- Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.5.7 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveying the right to use the asset. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.7.1 The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.5.7.2 The Group as lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the commencement of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A capitalised leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.5.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable

that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.5.9 Retirement benefits

Retirement benefits are provided for eligible Group employees through various independently administered defined contribution schemes, including the National Social Security Authority.

Contributions to these funds are recognised as an expense in the period to which employees' services relate.

2.5.10 Property, plant and equipment

All items of property, plant and equipment are shown at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land is carried at cost whereas buildings are carried at cost less accumulated depreciation and accumulated impairment losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

No depreciation is provided on land or capital work-in-progress. Depreciation commences when the asset is available for use. Other fixed assets are depreciated on a straight line basis, at such rates as are considered appropriate to reduce their book values to residual values over their estimated useful lives, as follows:

- Buildings 40 years
- Productive plant and machinery 8 - 20 years
- Ancillary machinery, equipment and furniture 3 - 10 years
- Motor vehicles 5 - 10 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in full.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2.5.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of discounts, rebates, VAT and other sales taxes or duty. Intra-group revenue, which arises in the normal course of business is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

2.5.11.1 Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

2.5.11.2 Rental income

Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease terms.

2.5.11.3 Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

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

2.5.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its

intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

2.5.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After the reversal depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

2.5.14 Financial assets

The Group's financial assets include trade and other accounts receivable, cash and cash equivalents and other financial instruments.

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss and loans and receivables as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.5.14.1 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit and loss.

2.5.14.2 Financial assets at fair value through profit or loss [FVTPL]

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid price at the close of business on the last day of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions (reference to the current market value of another instrument, which is substantially the same) discounted cash flow analysis and option pricing

models.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

2.5.14.3 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are measured at fair value on initial recognition, and are subsequently carried at amortised cost using the effective interest rate method, less any impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.5.14.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short term deposits with an original maturity of three months or less and are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks, net of bank overdrafts and short term borrowings.

2.5.14.5 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include;

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered 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.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.5.14.6 Derecognition of financial assets

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

2.5.15 Financial liabilities

2.5.15.1 Classification of financial liabilities

The Group's financial liabilities include trade and other accounts payable, bank overdraft and interest bearing loans, and these are initially measured at fair value including transaction costs and subsequently amortised cost. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

2.5.15.2 Derecognition of financial liabilities

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

2.5.15.3 Offsetting of financial instruments

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

3 KEY ESTIMATES, UNCERTAINTIES AND JUDGEMENTS

The following are the critical judgments that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out in note 2.5.10 and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value. The carrying amount of the Group's property, plant and equipment is US\$37,185,421 (June 2013; US\$37,925,146)

3.2 Provision for impairment of receivables

Provision for impairment of receivables is a specific provision made for trade receivables which is reviewed on a monthly basis. In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period as well as the value of security held over that receivable. The carrying amount of the Group's provision as at 30 June 2014 was US\$2,274,494 (June 2013; US\$1,932,694).



4 Reclassification of Commissions

In the current year, the Group changed the disclosure of income earned from third party products. Previously the income was disclosed as other income on a net basis but is now being disclosed gross, with proceeds from sale recognised as revenue and purchase costs as cost of sales. The Group now considers the purchase and sale of third party products as part of the ordinary activities of the Group unlike prior years when this was only considered complementary to its main activities.

	2014 US\$	2013 US\$
Revenue excluding third party products	321,322,179	295,925,743
Revenue earned on third party products	22,195,789	13,394,435
Revenue including third party products	343,517,968	309,320,178
Cost of sales excluding third party products	(243,339,518)	(228,009,907)
Cost of sales earned on third party products	(21,074,541)	(12,725,884)
Cost of sales including third party products	(264,414,059)	(240,735,791)
Gross profit excluding third party products	77,982,661	67,915,836
Gross profit earned on third party products	1,121,248	668,551
Gross profit including third party products	79,103,909	68,584,387
Other income excluding third party products	2,967,409	4,265,044
Other income earned on third party products	(1,121,248)	(668,551)
Other income including third party products	1,846,161	3,596,493

5 REVENUE

The following is an analysis of the Group's revenue for the year

Revenue from the sale of goods	343,117,420	308,836,248
Revenue from rental income	400,548	483,930
	343,517,968	309,320,178

6 PROFIT BEFORE TAX

Profit before tax is arrived at after taking into account the following:

6.1 Other income

Profit on disposal of property, plant and equipment	1,482,249	813,455
Lease of assets, toll, handling and other services rendered	41,409	-
Sale of scrap	169,014	155,390
Insurance and bad debt recoveries	153,489	2,627,648
	1,846,161	3,596,493

6.2 After charging the following

Employee benefits expenses		
- Salaries and wages	10,234,514	9,122,649
- Post employment benefits: Defined contribution plans	886,386	851,349
- Retrenchment gratuities	155,654	147,456
Administrative expenses		
- Audit fees and expenses	337,866	227,797
- Foreign exchange gains	(88,683)	(420,562)
- Provision for impairment on receivables	1,236,938	(294,021)

6.3 Depreciation

- Buildings	598,046	502,198
- Plant, machinery and equipment	1,492,682	1,230,592
- Motor vehicles	160,452	196,172
	2,251,180	1,928,962

6.4 Net finance costs

Finance income	628,676	289,452
Interest income from short term investments	425,593	289,452
Interest income from trade and other receivables	203,083	-
Interest expense on bank overdrafts and other short term borrowings	(1,504,410)	(1,479,228)
	(875,734)	(1,189,776)

7	TAXATION	2014	2013
7.1	Income tax recognised in profit or loss	US\$	US\$
	Income tax		
	- On current profits at normal rates	5,222,867	3,877,411
	- Capital gains tax	115,850	56,462
	- Adjustment of prior period over provision	(600,919)	-
	Deferred tax relating to current temporary differences	224,120	(623,902)
		4,961,918	3,309,971
7.2	Reconciliation of income tax charge:		
	Profit before tax	21,745,380	17,249,091
	Income tax computed at 25.75%	5,599,435	4,441,641
	Non-deductible expenses for tax purposes	(311,339)	(181,852)
	Effects of different tax rates of subsidiaries	(1,864)	(136)
	Effect of income taxed at different tax rates	(57,994)	-
	Effect of change in classification of assets and other	(266,320)	(949,682)
		4,961,918	3,309,971
7.3	Current tax liabilities		
	Income tax payable	237,100	618,287
7.4	Deferred tax liability		
	At beginning of the year	7,449,678	8,073,580
	Deferred tax relating to current temporary differences	224,120	(623,902)
	Deferred tax relating to assets held for sale	(67,573)	-
	At end of the year	7,606,225	7,449,678
	Analysis of deferred tax liability		
	Property, plant and equipment	7,630,995	7,642,098
	Prepayments	562,948	210,457
	Unrealised exchange losses	(2,036)	(1,068)
	Allowance for credit losses	(585,682)	(401,809)
		7,606,225	7,449,678

8 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Headline earnings per share amounts are calculated by dividing the headline profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the earnings per share computations

	2014 US\$	2013 US\$
8.1 Weighted average number of shares in issue		
Weighted average shares in issue for basic and headline earnings per share	68,400,108	68,400,108
8.2 Profit for the year		
Net profit attributable to equity holders of the parent	16,783,462	13,939,120
There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.		
8.3 Headline earnings		
Reconciliation between profit for the year and headline earnings		
Net profit attributable to ordinary equity holders of the parent	16,783,462	13,939,120
Adjusted for capital items (gross of tax):		
Profit on disposal of property, plant and equipment	(1,482,249)	(813,455)
Tax effect of adjustment	115,850	56,462
Headline earnings	15,417,063	13,182,127
Basic Earnings Per Share (cents)	24.54	20.38
Headline Earnings Per Share (cents)	22.54	19.27

9 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings US\$	Plant, machinery & equipment US\$	Motor vehicles US\$	Capital Work in progress US\$	Total US\$
At 30 June 2014					
Cost					
At the beginning of the year	26,839,822	16,484,196	1,925,641	568,926	45,818,585
Additions	695,253	2,342,350	102,900	499,038	3,639,541
Disposals	(777,786)	(101,023)	(220,909)	-	(1,099,718)
Exchange differences	(350)	-	-	-	(350)
Re-classified Assets-Held for sale	(1,554,667)	-	-	-	(1,554,667)
Transfers	568,926	-	-	(568,926)	-
At end of the year	25,771,198	18,725,523	1,807,632	499,038	46,803,391
Depreciation					
At beginning of year	2,733,569	3,675,868	1,484,002	-	7,893,439
Charge for the year	598,046	1,492,682	160,452	-	2,251,180
Disposals	(101,469)	(3,140)	(218,830)	-	(323,439)
Re-classified Assets-Held for sale	(203,210)	-	-	-	(203,210)
At end of the year	3,026,936	5,165,410	1,425,624	-	9,617,970
Carrying amount	22,744,262	13,560,113	382,008	499,038	37,185,421
At 30 June 2013					
Cost					
At the beginning of the year	26,246,032	12,759,779	2,167,186	1,710,475	42,883,472
Additions	1,133,833	4,279,470	105,799	566,496	6,085,598
Disposals	(2,134,119)	(666,592)	(347,344)	-	(3,148,055)
Exchange differences	(2,430)	-	-	-	(2,430)
Transfers	1,596,506	111,539	-	(1,708,045)	-
At end of the year	26,839,822	16,484,196	1,925,641	568,926	45,818,585
Depreciation					
At beginning of year	2,380,083	3,079,783	1,572,411	-	7,032,277
Charge for the year	502,198	1,230,592	196,172	-	1,928,962
Disposal	(148,712)	(634,507)	(284,581)	-	(1,067,800)
At end of the year	2,733,569	3,675,868	1,484,002	-	7,893,439
Carrying amount	24,106,253	12,808,328	441,639	568,926	37,925,146

9.1 No land and buildings have been pledged to secure borrowings of the Group in the current year (2013: Nil).

10 ASSETS HELD FOR SALE

The Group continues to dispose of non-core or ageing assets in order to apply the value of the statement of financial position more appropriately. As such, the property (noted below) has been categorised as held for sale and is due to be disposed of in the next twelve months.

	2014 US\$	2013 US\$
Land & Buildings	1,351,457	-
Deferred Tax	(67,573)	-

			2014 US\$	2013 US\$
11 OTHER FINANCIAL ASSETS AND LIABILITIES				
11.1 Other financial assets				
	Rate of interest	Year Repayable		
Other non - current financial assets	5%	2018	121,912	119,845
Loans receivable - current portion			-	470,329
Total other financial assets			121,912	590,174
Other non-current financial assets comprise of an investment in a debenture. It is classified as held to maturity.				
11.2 Other financial liabilities				
11.2.1 Short term financing				
Secured				
Bank loans			-	9,127,708
Unsecured				
Banks			-	10,946,197
Other financial institutions	10.00%	On demand	1,215,740	492,328
Total interest bearing borrowings			1,215,740	20,566,233
Bank overdrafts	8.15%	On demand	7,221,460	-
Total other financial liabilities			8,437,200	20,566,233
11.2.2 Banking facilities				
Total facilities available to the Group			27,000,000	62,000,000
Facilities utilised at year end			(8,437,200)	(20,566,233)
Unutilised borrowing capacity			18,562,800	41,433,767

Short term borrowings form part of the borrowings of the Group and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The facilities expire at different dates during the year and will be reviewed and renewed when they mature. Secured facilities are secured by a cession of movable assets, receivables and inventory worth \$10,500,000. The facilities can only be used for working capital purposes.

11.2.3 Borrowing powers

In terms of the Articles of Association, the borrowing powers of the company and its subsidiaries (excluding inter-company borrowings) are limited in aggregate to the nominal amount of the share capital of the company plus the total free reserves of the company and its subsidiaries. The level of borrowings throughout the year was adequately covered in this respect.

12 FINANCE LEASE RECEIVABLES

	2014	2013
	US\$	US\$
Current finance lease receivable	-	388,133

12.1 Leasing arrangements

In the prior year the Group leased out various commercial vehicles under a finance lease to a transportation partner of the Group. The lease had no terms of renewal and at the end of the lease period all ownership to the assets were transferred to the lessee. The lease was denominated in US\$ and the term of the finance lease entered into was 2.5 years.

12.2 Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	US\$	US\$	US\$	US\$
Not later than one year	-	388,133	-	388,133
Later than one year and not later than five years	-	-	-	-
	-	388,133	-	388,133
Less unearned finance income	-	-	-	n/a
Present value of minimum lease payments receivable	-	388,133	-	388,133
Allowance for uncollectable lease payments	-	-	-	-
	-	388,133	-	388,133

There were no unguaranteed residual values of assets leased under finance leases at the end of the reporting period
 (2013 estimate: US\$ 29,710).

The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The average effective interest rate contracted was approximately 12% per annum.

13 INVENTORIES

 Raw materials
 Finished goods
 Consumable stores

2014 US\$	2013 US\$
24,767,247	31,684,428
15,169,343	13,067,609
2,444,667	2,171,576
42,381,257	46,923,613

The amount of inventory recognised as an expense is US\$263,942,409 (2013: US\$239,374,536)*
 The amount of inventory write down recognised as an expense is US\$471,650 (2013: US\$1,361,255)

Inventory has been pledged to secure borrowings of the Group. Refer to note 11.2.2

14 TRADE AND OTHER RECEIVABLES

 Trade receivables
 Allowance for credit losses
 Net trade receivables
 Prepayments
 Other receivables

20,912,291	18,265,734
(2,274,494)	(1,932,694)
18,637,797	16,333,040
2,083,755	2,638,867
5,655,229	5,239,348
26,376,781	24,211,255

Trade receivables have been pledged to secure borrowings of the Group. Refer to note 11.2.2

14.1 Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average credit period on sales of goods is 30 days. The Group has recognised an allowance for credit losses on specific debtors where indications are that these will not be recoverable. No general provision is recognised.

Before accepting a new customer the Group uses a credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring are revised on an on going basis. Of the trade receivables balance at the end of the year US\$ 12,574,034 (2013: US\$ 11,291,608) is due from the Group's top ten customers, representing 60% of the total balance of trade receivables.

14.2 Past due but not impaired

Trade receivables disclosed above include amounts that were past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change of the credit quality and the amounts are still considered recoverable.

Ageing of past due but not impaired

 31 - 60 days
 61 - 90 days
 Over 90 days
 Total

2014 US\$	2013 US\$
3,035,892	849,558
478,370	793,639
1,123,307	37,140
4,637,569	1,680,337

Average age (days)

74 61

14.3 Movement in the provision for impairment of receivables

 Balance at the beginning of the year
 Current year provisions
 Utilised during the year
 Balance at year end

(1,932,694)	(2,597,465)
(1,236,938)	(320,974)
895,138	985,745
(2,274,494)	(1,932,694)

In determining the recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period as well as the value of security held over the receivable. The risk of concentration of credit is limited as the Group constantly monitors the credit quality of top customers and maintains adequate security to cover the exposure.

*Restated to include third party products.
 Refer to Note 4.

14.4 Ageing of impaired trade receivables

31 - 60 days
 61 - 90 days
 Over 90 days
 Total
 Average age (days)

2014 US\$	2013 US\$
-	-
404,334	-
1,870,160	1,932,694
2,274,494	1,932,694
137	182

15 ISSUED SHARE CAPITAL AND RESERVES
15.1 Issued share capital
Authorised

73 000 000 shares of US 0.01 cents each

730,000	730,000
---------	---------

Issued and fully paid

68 400 108 shares (2013: 68 400 108) of US0.01 cents each

684,001	684,001
---------	---------

Unissued shares

4 599 892 (2013: 4 599 892) shares of US0.01 cents each

45,999	45,999
--------	--------

The unissued shares are under the control of the Directors for an indefinite period and are subject to the limitations of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange regulations.

Directors' shareholdings

At 30 June 2014, the Directors held directly or indirectly the following shares in the Company:

J.J. Brooke
 L.T. Murimwa

Number of shares	Number of shares
258,307	287,997
173,320	156,250

There have not been any changes in the Directors' shareholdings in the Company between year end and the date of this report.

15.2 Non-distributable reserves

Opening balance
 Exchange differences on translation of foreign operations
 Transfer of functional currency conversion reserve to distributable reserves
 Closing balance

2014 US\$	2013 US\$
24,676,429	24,678,859
(350)	(2,430)
(24,683,808)	-
(7,729)	24,676,429

Arising on conversion of Zimbabwe dollar balances
 Exchange differences on translation of foreign operations
 Closing balance

-	24,683,808
(7,729)	(7,379)
(7,729)	24,676,429

Non-distributable reserves arose as a result of the change in functional currency from Zimbabwe dollar to United States dollar and also includes exchange differences on the translation of the financial results of subsidiaries with a different functional currency. The directors have elected to transfer to distributable reserves that portion of non-distributable reserves relating to the conversion of Zimbabwe dollar balances.

15.3 Distributable reserves

Opening balance
 Retained for the year
 Transfer of functional currency conversion reserve
 Dividend paid (Note:16)
 Closing balance

35,467,199	24,648,429
16,783,462	13,939,120
24,683,808	-
(4,104,006)	(3,120,350)
72,830,463	35,467,199

Retained in:
 Holding company
 Subsidiary companies

24,683,808	-
48,146,655	35,467,199
72,830,463	35,467,199

16 DIVIDEND

Declared and paid during the year:

Final dividend for 2013: US 3.0 cents per share (2012: US 1.55 cents per share)

Interim dividend for 2014: US 3.0 cents per share (2013: US 3.0 cents per share)

Transfer fee

Total dividends declared and paid

Proposed and approved (not recognised as a liability at 30 June 2014):

Final dividend for 2014: US 5.18 cents per share (2013: US 3.0 cents per share)

17 TRADE AND OTHER PAYABLES

Trade payables

Other payables

Terms and conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled within a 30 - 60 day term.

Other payables are non-interest bearing and terms range between 30 and 90 days.

18 PROVISIONS

Leave pay provision

At beginning of the year

Created during the year

Utilised during the year

At end of the year

Leave pay for employees is calculated on the basis of

leave days accumulated at an expected rate of payment.

19 CASH FLOW INFORMATION
19.1 Cash generated from operations

Profit before tax

Finance income

Finance costs

Depreciation

Inventory write-down

Provision for bad debts expense

Unrealised foreign exchange losses

Provision for leave pay

Profit on disposal of property, plant and equipment

19.2 Working capital changes

Decrease / (Increase) in inventories

(Increase) in accounts receivable

Increase / (Decrease) in accounts payable

19.3 Income tax paid

Charge to profit or loss

Movement in tax liability

Movement in deferred tax liability

19.4 Cash and cash equivalents at end of year

Cash & cash equivalents

Bank overdrafts

Cash and cash equivalents consist of cash on hand and balances with banks,

and investments in the money market instruments. Cash at bank accrues

interest at floating rates based on daily bank deposit rates.

2014 US\$	2013 US\$
2,052,003	1,060,182
2,052,003	2,052,003
-	8,165
4,104,006	3,120,350
3,543,126	2,052,003
23,284,037	17,608,362
6,191,747	6,348,359
29,475,784	23,956,721

2014 US\$	2013 US\$
726,069	713,201
155,655	132,132
(123,394)	(119,264)
758,330	726,069
21,745,380	17,249,091
(628,676)	(289,452)
1,504,410	1,479,228
2,251,180	1,928,962
471,650	1,361,255
1,236,938	320,974
7,905	1,068
155,655	132,132
(1,482,249)	(813,455)
25,262,193	21,369,803
4,070,706	(25,215,100)
(3,402,464)	(6,515,049)
5,387,764	(2,571,612)
6,056,006	(34,301,761)
(4,961,918)	(3,309,971)
(381,187)	(352,450)
224,120	(623,902)
(5,118,985)	(4,286,323)
12,672,119	4,106,296
(7,221,460)	-
5,450,659	4,106,296

20 RELATED PARTY TRANSACTIONS
20.1 The ultimate parent

The Group's ultimate parent is Innscor Africa Limited (37.82%).

20.2 The financial statements include the financial statements of National Foods Holdings Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	2014 Equity interest	2013 Equity interest
Subsidiaries			
National Foods Limited (Formerly National Foods Operations Limited)	Zimbabwe	100%	100%
National Foods Properties Limited (Formerly National Foods Limited)	Zimbabwe	100%	100%
Bakery Products (Private) Limited	Zimbabwe	100%	100%
Harris Maize Milling and Produce Company (Private) Limited	Zimbabwe	100%	100%
Rice Mills (Private) Limited	Zimbabwe	100%	100%
NF Transport Bulawayo (Private) Limited	Zimbabwe	100%	100%
Palte-Harris (Private) Limited	Zimbabwe	100%	100%
Speciality Animal Feed Company Limited	Zimbabwe	100%	100%
Botswana Milling and Produce Company (Proprietary) Limited	Botswana	100%	100%
Red Seal Manufacturers (Proprietary) Limited	Botswana	100%	100%
ZUR Properties (Private) Limited	Zimbabwe	0%	100%
Kestrib Investments (Private) Limited	Zimbabwe	0%	100%
		2014 US\$	2013 US\$

20.3 Transactions entered into with related parties
Parent and its subsidiaries
Purchase of trading stocks and raw materials

Innscor Africa Limited Group companies

8,309,511 5,227,514

Sale of goods and Services

Innscor Africa Limited Group companies

57,040,898 45,040,067

Interest and Management Fees

Innscor Africa Limited Group companies

- Management fees

180,000 280,000

- Net interest received on call accounts

- 66

Entities with Significant Influence
Purchase of trading stocks and raw materials

Tiger Brands Limited

958,414 1,821,013

Interest and Management Fees

Tiger Brands Limited

- Technical fees

276,000 213,320

20.4 Balances due to or (due from) related parties

Innscor Africa Limited Group companies

1,939,780 2,767,314

Tiger Brands Limited

(136,358) (142,963)

20.5 Loans to related parties

Innscor Africa Limited

- Call account balances

- 1,070

20.6 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms length transactions. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2014 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: US\$ nil). This assessment is undertaken each financial year through examining the financial position of each related party and the market in which the related party operates.

20.7 Directors emoluments

Aggregate amounts paid by the Company and its subsidiaries to directors of the Company

- for services as directors
- otherwise in connection with management

2014 US\$	2013 US\$
53,120	20,544
1,236,666	1,141,813
1,289,786	1,162,357

20.8 Other key management remuneration

Aggregate short term employee benefits paid by the Company and its subsidiaries to key management of the Company

Pension Contributions

3,905,512	3,881,674
246,885	287,310

Key management include executive directors and divisional management.
This includes those individuals set out on page 5 of this annual report.

21 COMMITMENTS AND CONTINGENCIES
21.1 Operating lease commitments - Group as lessee

The Group has entered into commercial leases on certain motor vehicles. The leases have a life of 5 years. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2014 are as follows:

Within one year

After one year but no more than 5 years

More than five years

2014 US\$	2013 US\$
879,652	879,652
967,080	1,846,732
-	-
1,846,732	2,726,384

21.2 Capital expenditure commitments

Authorised and contracted for

Authorised but not contracted for

2014 US\$	2013 US\$
3,197,005	1,101,000
7,174,000	6,582,000
10,371,005	7,683,000

The Capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

21.3 Legal claim contingency

As at the end of June 2014 there were a number of pending cases against National Foods Limited, with claims of varying amounts, which were at various stages in the courts.

The Group has been advised by its legal counsel that very few of these cases have any possibility of succeeding. It is not clear whether there will be a liability arising out of these cases, neither is it possible to reliably estimate the amount of any potential liability. No provision for any liability has been made in these financial statements for these cases.

21.4 Guarantees

No guarantees have been provided in the current year (2013: Nil).

22 PENSION SCHEMES

All eligible employees are members of the following Group schemes which are independently administered:

22.1 Defined contribution plan

In 1999 the rules of all Group schemes were amended, such that all retirement benefits for future services rendered will be provided for by contributions made to a defined contribution plan.

22.2 National Social Security Authority Scheme

This is a defined contribution scheme established under the National Social Security Authority Act (1989). Contributions by employees are 3.5% formally per month of pensionable monthly emoluments, up to a maximum of \$700 per month.

22.3 Pension costs recognised as an expense

	2014 US\$	2013 US\$
Defined contribution fund	703,120	773,472
National Social Security Authority Scheme	183,266	77,877
	886,386	851,349

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
23.1 Capital Management

The objective of the group is to ensure that the Group's companies maintain healthy capital ratios in order to support the business and maximise shareholder value. The group is not subject to any externally imposed capital requirements. The Group manages its capital structure and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 30 June 2014 and 30 June 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by equity. The target ratio is a debt equity ratio that is no higher than 30%

	2014 US\$	2013 US\$
Interest bearing borrowings	1,215,740	20,566,233
less cash and cash equivalents	(5,450,659)	(4,106,296)
Net debt	(4,234,919)	16,459,937
Total Equity	73,506,735	60,827,629
Gearing ratio	Nil	27%

23.2 Financial risk management
23.2.1 Treasury risk

A treasury management policy is in place to maximise returns on available surplus funds which is controlled by management.

23.2.2 Credit risk

Financial assets of the Group which are subject to credit risk consist mainly of cash resources and trade and other receivables.

Cash resources are placed with various approved financial institutions subject to approved limits. All these institutions are of a high standing. The Group's maximum exposure to credit risk on cash resources as at 30 June 2014 and 2013 is the carrying amount as illustrated in note 19.

Accounts receivable are disclosed net of allowances for credit losses. The management of credit risk of trade debtors is performed at an operational level through credit evaluations and security (bank guarantees and title deeds) obtained where necessary. The Group's maximum exposure to credit risk on trade and other receivables as at 30 June 2014 and 2013 is the carrying amount as illustrated in note 14.

23.2.3 Interest risk

Group policy is to adopt a non-speculative approach to manage interest rate risk whilst maximising profit. Approved short term investments and funding instruments are at variable interest rates and mature within one year.

Given the above policy, interest fluctuations have no direct impact on equity. The following table demonstrates the profit before tax sensitivity to a reasonably possible change in interest rates on bank borrowings.

	2014 US\$	2013 US\$
Effect on profit before tax		
Increase of 3%	(253,116)	(616,987)
Decrease of 3%	253,116	616,987

23.2.4 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 11.2.2 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group'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 Group can be required to pay.

	Less than 3 months US\$	3-12 Months US\$	1 - 5 years US\$	Total US\$
Year ended 30 June 2014				
Interest bearing borrowings	1,230,937	-	-	1,230,937
Trade and other payables	29,379,690	96,094	-	29,475,784
Bank overdrafts	7,295,063	-	-	7,295,063
	37,905,690	96,094	-	38,001,784
	Less than 3 months US\$	3-12 Months US\$	1 - 5 years US\$	Total US\$
Year ended 30 June 2013				
Interest bearing borrowings	529,252	21,084,910	-	21,614,162
Trade and other payables	23,956,721	-	-	23,956,721
	24,485,973	21,084,910	-	45,570,883

23.2.5 Foreign currency risk

Foreign currency risk is managed at an operational level by the relevant head of department and monitored by Group Treasury. Exposure to losses on foreign currency denominated creditors is managed through prompt payment of outstanding balances and forward contracts when available.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period is as follows:

	2014 US\$	2013 US\$
Assets		
South African Rand	214,340	46,644
GBP	206,900	-
Euro	47,715	-
Botswana Pula	616	7
Liabilities		
South African Rand	266,696	419,027
Botswana Pula	56,101	217,597
Euro	51,095	-

The Group is mainly exposed to the South African Rand. The following table details the Group's sensitivity to a 10% strengthening in the US\$ against the relevant currencies. The sensitivity analysis includes any outstanding foreign currency denominated monetary items and adjusts their translation at period end for a 10% strengthening of the US\$. A positive number below indicates an increase in profit and equity where the US\$ strengthens against the relevant currency. For a 10% weakening of the US\$ against the relevant currencies there would be a comparable impact on the profit and equity in the opposite direction. The Group's exposure to foreign currency changes for all other currencies is not material.

	Profit or (Loss) 2014 US\$	Profit or (Loss) 2013 US\$
South African Rand	10,964	57,238
Botswana Pula	(307)	21,759
GBP	18,193	-
Euro	(4,484)	-

The sensitivity is mainly attributable to receivables, payables and cash balances denominated in these currencies.

24 SEGMENTAL ANALYSIS
24.1 Operating segment information

For management purposes the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Milling; Manufacturing and Distribution

This segment is involved in the milling of flour and maize, manufacture of stockfeeds and sale of other general household goods. It also involves the distribution and warehousing of these goods.

Properties

This segment includes all properties owned by the Group. Properties are leased out to business units in the Milling, Manufacturing and Distribution segment as well as to third parties.

Profit before tax is used to measure segment performance.

Segment revenues and results
Period ended 30 June 2014

	Milling, Manufacturing & Distribution US\$	Properties US\$	Intersegment adjustments US\$	Group US\$
Segment revenue				
External customers	343,117,420	400,548	-	343,517,968
Inter-segment	-	1,929,586	(1,929,586)	-
Total revenue	343,117,420	2,330,134	(1,929,586)	343,517,968
Operating profit	21,099,905	1,521,209	-	22,621,114
Net interest expense	(1,006,804)	131,070	-	(875,734)
Profit before tax (from continuing operations)	20,093,101	1,652,279	-	21,745,380
Segment assets	82,344,615	40,551,934	(2,807,602)	120,088,947
Segment liabilities	(43,726,384)	(5,663,430)	2,807,602	(46,582,212)
Net segment assets	38,618,231	34,888,504	-	73,506,735
Depreciation charge for the year	1,693,168	558,012	-	2,251,180
Capital expenditure	2,939,257	700,284	-	3,639,541
Number of employees	954	-	-	954
Period ended 30 June 2013				
Segment revenue*				
External customers	308,836,248	483,930	-	309,320,178
Inter-segment	-	1,770,901	(1,770,901)	-
Total revenue	308,836,248	2,254,831	(1,770,901)	309,320,178
Operating profit	18,776,040	(337,173)	-	18,438,867
Net interest expense	(1,276,738)	86,962	-	(1,189,776)
Profit before tax (from continuing operations)	17,499,302	(250,211)	-	17,249,091
Segment assets	76,908,776	38,630,902	(1,395,061)	114,144,617
Segment liabilities	(48,880,072)	(5,831,977)	1,395,061	(53,316,988)
Net segment assets	28,028,704	32,798,925	-	60,827,629
Depreciation charge for the year	1,427,432	501,530	-	1,928,962
Capital expenditure	4,808,017	1,277,581	-	6,085,598
Number of employees	966	-	-	966

24.2 Geographical Information

The Group's trading operations are entirely housed in Zimbabwe. The Botswana Milling and Produce Company has no trading activities and holds non current assets worth US\$17,531 (2013:US\$17,881). As such no geographical information has been presented.

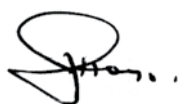
25 EVENTS AFTER THE REPORTING DATE

No material events have occurred after the reporting date that have had a material effect on the Group's assets, liabilities net income or cash flows reported in these financial statements.

* Revenue restated to include third party products. Refer to Note 4.

At 30 June 2014

	Notes	2014 US\$	2013 US\$
ASSETS			
Non-current assets			
Investments	A	25,367,809	25,367,809
Total assets		25,367,809	25,367,809
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	684,001	684,001
Distributable Reserves	B	24,683,808	-
Non-distributable reserve	C	-	24,683,808
Total Equity		25,367,809	25,367,809
NOTES TO THE COMPANY FINANCIAL STATEMENTS			
A. INVESTMENTS			
Subsidiaries equity at US\$ converted value		25,367,809	25,367,809
B. DISTRIBUTABLE RESERVE			
Arising on conversion of Zimbabwe dollar balances		-	-
Transfer from non-distributable reserves		24,683,808	-
Closing balance		24,683,808	-
C. NON-DISTRIBUTABLE RESERVE			
Arising on conversion of Zimbabwe dollar balances		25,367,596	25,367,596
Transferred to share capital		(683,788)	(683,788)
Transfer to distributable reserves		(24,683,808)	-
Closing balance		-	24,683,808



 T. Moyo
 Chairman



 J.J. Brooke
 Managing Director

HARARE
1st October 2014

At 30 June 2014
Shareholding

1	-	1000
1001	-	10000
10001	-	50000
50001	and	over

Shareholders

Banks and nominees
Deceased estates
External companies
Insurance companies/societies
Pension funds
Resident individuals
Non-residents
Investment and trust companies
Other corporate holdings

shareholders	%	Issued shares	%
517	58.3	185,864	0.3
273	30.7	814,466	1.2
61	6.9	1,308,000	1.9
36	4.1	66,091,778	96.6
887	100	68,400,108	100
60	6.76	762,043	1.11
7	0.79	8,492	0.01
3	0.34	25,623,601	37.46
12	1.35	457,354	0.67
44	4.96	2,813,655	4.11
536	60.44	1,422,041	2.76
78	8.79	3,417,005	5.00
146	16.46	33,894,174	49.55
1	0.11	1,743	0.00
887	100	68,400,108	100

At 30 June 2013
Shareholding

1	-	1000
1001	-	10000
10001	-	50000
50001	and	over

Shareholders

Banks and nominees
Deceased estates
External companies
Insurance companies/societies
Pension funds
Resident individuals
Non-residents
Investment and trust companies
Other corporate holdings

shareholders	%	Issued shares	%
524	57.9	188,473	0.3
284	31.4	852,308	1.2
59	6.5	1,289,193	1.9
38	4.2	66,070,134	96.6
905	100	68,400,108	100
54	5.97	718,069	1.05
7	0.77	8,577	0.01
2	0.22	25,620,062	37.46
12	1.33	380,020	0.56
57	6.30	2,861,484	4.18
553	61.1	1,507,692	2.20
80	8.84	2,588,972	3.79
137	15.14	34,707,368	50.74
3	0.33	7,864	0.01
905	100	68,400,108	100

Major shareholders

The top ten shareholders of the Company
at 30 June 2014

	2014		2013	
	No. of shares	%	No. of shares	%
Innsco Africa Limited	25,870,271	37.82	25,870,271	37.82
Tiger Brands Limited	25,618,474	37.45	25,618,474	37.45
National Foods Workers' Trust (Private) Limited	6,734,978	9.85	6,734,978	9.85
Stanbic Nominees (Private) Limited	2,604,530	3.82	2,465,860	3.62
National Social Security Authority	936,836	1.38	936,836	1.38
Standard Chartered Nominees (Private) Limited	707,133	1.03	-	-
NRZ Contributory Pension Fund	367,633	0.53	367,633	0.53
First Mutual Life	334,481	0.49	249,287	0.36
Local Authorities Pension Fund	305,823	0.45	305,823	0.45
Gezmark Investments (Private) Limited	299,948	0.44	299,948	0.44

NOTICE IS HEREBY GIVEN that the forty- fifth Annual General Meeting of National Foods Holdings Limited is to be held at the registered office, Gloria House, 10 Stirling Road, Heavy Industrial Sites, Harare on 04 November 2014 at 08.45am, to conduct the following business:

ORDINARY BUSINESS

1. To receive, approve and adopt the Financial Statements and Reports of the Directors and Auditors for the financial year ended 30 June 2014.
2. To elect the following Directors, N.P. Doyle and L.T. Murimwa who retire by rotation in terms of the Articles of Association of the Company, and being eligible, offer themselves for re-election.
3. To approve the appointment of Mr A. Fourie who was appointed as a Director of the Company with effect from 14th April 2014, and who in terms of the Articles of Association of the Company is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.
4. To approve the Directors' fees for the financial year ended 30 June 2014.
5. To re-appoint Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to approve their remuneration for the past audit.

SPECIAL BUSINESS

6. **Share Buy Back**

To consider, and if deemed appropriate, to pass with or without amendment, the following ordinary resolution:- That the Company be authorised in advance, in terms of section 79 of the Companies Act [Chapter 24:03] and the Zimbabwe Stock Exchange Listing Requirements, to purchase its own shares, upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, but subject to the following:-

- i) This Authority shall expire on the date of the Company's next Annual General Meeting; and
- ii) Acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten per cent) of the Company's issued ordinary share capital as at the date of this resolution; and
- iii) The maximum and minimum prices respectively, at which such ordinary shares may be acquired will be 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; and
- iv) 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 per cent) of the number of ordinary shares in issue prior to the acquisition.

Note:-

In terms of this resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies Act and the regulations of the Zimbabwe Stock Exchange, for treasury purposes. The Directors will only exercise the authority if they believe that to do so would be in the best interests of Shareholders generally. In exercising this authority the Directors will duly take into account following such repurchase, the ability of the Company to be able to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company the adequacy of ordinary capital and reserves as well as working capital.

7. **Loans to Directors**

To resolve the following ordinary resolution, with or without amendments "That the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

ANY OTHER BUSINESS

8. **To transact any other business competent to be dealt with at an Annual General Meeting.**

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

BY ORDER OF THE BOARD

L.C. Blakeway
Group Company Secretary
Gloria House
10 Stirling Road
Heavy Industrial Sites
P.O. Box 269
Harare

3 October 2014

Forty-Fifth Annual General Meeting	4 November 2014
Financial Year End	30 June 2015
Reports	
Half Year - 6 months to December 2014	March 2015
Year End - 12 months to June 2015	September 2015
Final Dividend Declared	September 2015
Payment of Final Dividend	October 2015
Forty-Sixth Annual General Meeting	November 2015





AGM – 4 November 2014

I/We _____

of _____

being the registered owner(s) of _____ ordinary shares in the above named Company hereby appoint

_____ of _____

or failing him/her _____

of _____

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 4 November 2014, at 08.45 hours, and at any adjournment thereof.

SIGNED this _____ day of _____ 2014

Signature of Member _____

NOTE: -

1. A member of the Company is entitled to appoint one or more proxies to act in the alternative to attend and vote and speak instead of him. A proxy need not be a member of the Company.
2. Instruments of proxy must be deposited at the registered office of the Company not less than forty eight hours before the time appointed for holding the meeting.

CHANGE OF ADDRESS

The attention of Shareholders is drawn to the necessity of keeping the transfer secretaries advised of any change in name and/or address.

Shareholder's name in full
(Block Letters)

New address
(Block Letters)

Shareholder's signature _____

COMPANY SECRETARY

Gloria House
10 Stirling Road
Southerton
PO Box 269, Harare

COMPANY SECRETARY

Gloria House
10 Stirling Road
Southerton
PO Box 269, Harare

