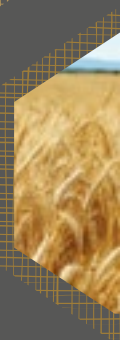




NATIONAL FOODS
HOLDINGS LIMITED

ANNUAL REPORT

2015



VISION

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



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FINANCIAL HIGHLIGHTS

		2015	2014	2013	2012	2011
Volumes	mt'000	494	538	500	414	352
Revenue	US\$'000	314,407	343,518	309,320	244,063	201,170
Profit from operating activities	US\$'000	17,608	22,621	18,439	11,053	7,032
Profit after tax for the year	US\$'000	12,736	16,783	13,939	7,904	5,097
Profits attributable to equity holders of the parent	US\$'000	12,736	16,783	13,939	7,899	4,971
Basic earnings per share	USc's	18.62	24.54	20.38	11.55	7.27
Net asset value per share	USc's	118	107	89	73	64
Market value per share	USc's	300	215	245	112	95
Shares in issue at year end	000's	68,400	68,400	68,400	68,400	68,399

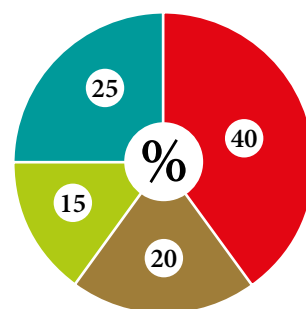
VALUE ADDED STATEMENT

For the year ended 30 June 2015

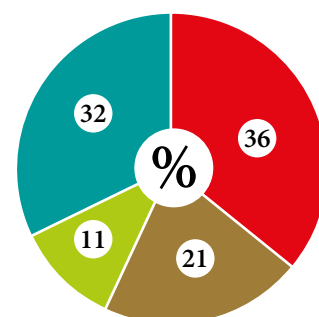
Value added is a measure of the wealth the Group has been able to create in its operations by adding value to the cost of raw materials, products and services purchased. The statement summarises the total wealth created and shows how it was shared by employees and other parties who contributed to the 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.

	2015 US\$000	2014 US\$000
Value created:		
Revenue	314,407	343,518
Other Income	1,371	1,846
Suppliers for materials and services	(276,741)	(299,504)
Total wealth created	39,037	45,860
Distributed as follows:		
Employees	15,735	16,392
Government	7,656	9,558
Income tax	4,418	4,846
PAYE	3,139	4,596
Other taxes	99	116
Providers of capital	6,024	4,980
Dividends paid to shareholders	5,670	4,104
Net Interest paid on borrowings	354	876
Reinvested in the Group to maintain and develop operations	9,622	14,930
Depreciation	2,556	2,251
Retained income	7,066	12,679
Total wealth distributed and reinvested in the Group	39,037	45,860

FY2015



FY2014



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

GROUP STRUCTURE



100%
National Foods Limited
 (formerly National Foods Operations Limited and Meadow Milling Company)
 Flour and maize milling. Prepacking and sale of dry groceries. Manufacturing of stockfeeds, vitamin and mineral premixes for stockfeed applications and edible oils.
Principal operating company

100%
National Foods Properties Limited
 (formerly National Foods Limited)
Property owning company

100%
Botswana Milling and Produce Company (Proprietary) Limited
Investment company

100%
Speciality Animal Feed Company Limited
Dormant

100%
Red Seal Manufacturers (Proprietary) Limited
Property owning company

100%
Bakery Products (Private) Limited
Dormant

100%
NF Transport Bulawayo (Private) Limited
Dormant

100%
Harris Maize Milling and Produce Company (Private) Limited
Dormant

100%
Rice Mills (Private) Limited
Dormant

100%
Natpak Zimbabwe (Private) Limited
Dormant

100%
Palte-Harris (Private) Limited
Dormant



DIRECTORATE AND ADMINISTRATION

We are the result of our hard work. Our passion for what we do makes us pioneers in our sector.

National Foods Holdings Limited

BOARD OF DIRECTORS

T. Moyo	Chairman
M.Lashbrook*	Managing Director
N. Brimacombe	
N. Doyle	
A. Fourie	
L. Murimwa*	Finance Director
J. Schonken	

COMPANY SECRETARY

L. Howes

AUDIT COMMITTEE

J. Schonken	Chairman
N. Doyle	
T. Moyo	
N. Brimacombe	Alternate Member
A. Fourie	Alternate Member

REMUNERATION COMMITTEE

A. Fourie	Chairman
N. Brimacombe	
N. Doyle	Alternate Member

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.

*Executive Directors

LEGAL

Wintertons
Dube, Manikai & Hwacha

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 2015)

M. Lashbrook *	Managing Director
L. Murimwa*	Finance Director
J. Schonken	
N. Brimacombe	

GROUP EXECUTIVE COMMITTEE

M. Lashbrook	Managing Director
L. Murimwa	Finance Director
J. Gapu	Sales and Distribution Executive
W. Chimweta	Group Marketing Executive
L. Howes	Group Legal Executive
R. Mann	Group Operations Executive
C. Spong	Group IT Executive
R. Usayi	Group Human Resources Executive

MANAGING EXECUTIVES

M. Chawanda	Managing Executive - Flour Milling
L. Ngwenya	Managing Executive - Stockfeeds
C. Nheta	Managing Executive - Maize Milling
G. Nyakwende	Managing Executive - Depots
C. Spong	Managing Executive - MCG



TODD MOYO (CHAIRMAN)

Introduction

The Group recorded a disappointing performance for the financial year under review, posting profit before tax of \$17.3 million which was 20.7% below the prior year. The results were heavily influenced by the poor performance of the Maize division, where volumes declined 39.3% against the previous financial year as a result of a significantly improved 2013-14 local maize harvest. Excluding the Maize division, revenue for the year grew 5.4%, being driven in the main by a strong performance from the Flour division.

During the year, consumer disposable income declined further in the face of reducing formal employment. In addition, deflationary pressures continued, with the consumer price index recording food and non-alcoholic beverage prices deflating at 3.3% for the year to June 2015. This, together with a devaluing Rand and the entry of several new players further heightened competitive pressure.



Overview of Financial Performance

Overall volumes declined 8.1% during the period, with gross margin flat against the prior year. Total operating costs declined by 6.7% versus last year as the various efficiency improvement and cost containment measures began to bear fruit. A strategic decision was taken to substantially increase marketing investment to support our brands with the objective of further entrenching the category leading position that most of our brands hold.

The Group generated \$6 million of free cash during the period. Capital expenditure for the year amounted to \$5.7 million as efforts to progressively upgrade the Group's operations continued.

The bulk of this expenditure was applied to the Harare and Bulawayo flour mills, where \$2.6 million was invested. The disposal of non-core properties and assets continued during the year and is now largely complete. At year end the group showed a net-cash surplus of \$5.3 million leaving it well-resourced to fund its growth ambitions.

Flour Milling

This division delivered an excellent performance, with volumes increasing 11.2% compared to the previous financial year. Volume growth was driven by the bakers' flour channel, while in the prepack flour segment Gloria and Red Seal continued to perform strongly on shelf. Towards year end Snow White Cake Flour was introduced as a premium self-raising flour variant and was well received by the consumer. This year marked the first year of an intensive three-year program to refurbish both the Harare

and Bulawayo flour mills to international standards. The program is on track and progressing well, with capital expenditure of \$4.7 million planned for the coming financial year. Operating performance of the flour mills continues to improve significantly on the back of this investment.

Maize Milling

The Maize division had a very disappointing year on the back of reduced volumes following the good harvest which resulted in increased household retentions of raw maize. Whilst volumes achieved were disappointing they were largely in line with similar size harvests in previous years.

The current maize harvest has been poor and significant volumes of raw maize will need to be imported. Our management team continues to work closely with the authorities and our major suppliers to ensure adequate raw material supply over the coming year.

Stockfeeds

The Stockfeeds division had a subdued year with volumes declining 5.5% compared to the previous financial year; this was driven by a disappointing performance in the small scale poultry category and the fact that a number of NGO-based livestock support programs were discontinued following a good 2013-14 season.

From an industry perspective livestock producers across all sectors have faced constrained viability on the back of muted consumer demand, cheap protein imports and high grain prices. Despite these challenges, growth in the small scale poultry sector maintained its impressive momentum, with efforts to better serve this vibrant market sector being further intensified.

MCG

This division continues to make an increasingly important contribution to the Group, with volumes increasing 12.8% compared to the previous financial year.

Volume growth was largely driven by the oil and pasta categories, with important contribution from Red Seal oil and the introduction of Better Buy pasta. Many of the categories within this business have high growth potential and we continue to work closely with our customers and consumers in developing exciting and innovative propositions by category.



The product portfolio in this division has been re-focused in order to drive growth in the high potential categories, among them increased levels of consumption of rice and pasta.

Contract Farming

The Group continues to support local farming, with 4,400 hectares of maize and soya beans having been cropped during the recently ended summer season and a further 4,200 hectares of wheat sown in the current winter wheat season.

Corporate Social Responsibility (CSR)

The Group continued with its CSR programs during the year. These are aimed at assisting vulnerable groups, disadvantaged communities as well as assisting various livestock and wildlife initiatives around the country.

Future Prospects

With the on-going investments in the Flour division the manufacturing facilities are now largely operating to expectation. In light of the subdued trading environment it is imperative that we continue to optimize the cost base of the business and this will be a key priority in the year ahead. Our overarching objective remains to create businesses that can compete with the best in the region. To this end, a further \$7.4 million of capital expenditure will be invested in the existing businesses in the year ahead.

The Board has approved two new projects during the year, both of which will be implemented provided the necessary regulatory approvals are received. One of these investments represents an opportunity to value-add existing products while the second is a new category entry.

Both investments are aligned to the company's long term strategy and offer opportunities to better leverage our existing service platform. The active pursuit of further growth opportunities remains a key theme in the year ahead.

Dividend

The Board has declared a final dividend of 4,65c per share (bringing the total dividend for the year to 7,76c per share) payable on or about 10th November 2015 to shareholders registered in the books of the Company at noon on 9th October 2015. The transfer

books and register of members will be closed from noon on 9th October 2015 up to and including 11th October 2015.

Acknowledgment and Appreciation

I would like to thank management and staff sincerely for their commitment during what has been a challenging year for the Group.

Finally, I wish to thank my fellow board members for their on-going support and counsel.

Todd Moyo
Chairman





CORPORATE GOVERNANCE

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.



executive Director. Managerial levels of authority have been established for capital expenditure projects and the acquisition and disposal of assets. 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 18.7. The directors have access to the advice and services of the 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 interest of the Group.

Directorate and Executive Management

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 2015 the committee comprised J.Schonken (Chairman), T. Moyo, N. Doyle, N. Brimacombe (Alternate) and A. Fourie (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 and to ensure that these 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 key areas of risk that have been identified in the Group.

Internal Control

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 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 A. Fourie (Chairman), N. Brimacombe and N.P. Doyle (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 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 the 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.



REVIEW OF FINANCIALS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June 2015 US\$000	Year ended 30 June 2014 US\$000	Year ended 30 June 2013 US\$000	Year ended 30 June 2012 US\$000	Year ended 30 June 2011 US\$000
Revenue	314,407	343,518	309,320	244,063	201,170
Profit from before interest and tax	17,608	22,621	18,439	11,053	7,032
Net financing costs	(355)	(876)	(1,190)	(345)	(551)
- finance expense	(1,154)	(1,505)	(1,479)	(1,158)	(1,300)
- finance income	799	629	289	813	749
Share of associate's profit	-	-	-	-	823
Profit before tax	17,253	21,745	17,249	10,708	7,304
Taxation	(4,517)	(4,962)	(3,310)	(2,804)	(2,207)
Profit for the year	12,736	16,783	13,939	7,904	5,097
Discontinued Operations	-	-	-	-	(73)
Profit for the year	12,736	16,783	13,939	7,904	5,024
Total comprehensive income for the year	12,734	16,783	13,937	7,900	5,022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2015 US\$000	As at 30 June 2014 US\$000	As at 30 June 2013 US\$000	As at 30 June 2012 US\$000	As at 30 June 2011 US\$000
Assets					
Property, plant and equipment	40,267	37,186	37,925	35,851	33,266
Investments in associate companies	-	-	-	-	813
Other non-current financial assets	120	122	120	277	64
Other current assets	74,402	68,758	71,993	41,770	41,174
Cash and short term deposits	8,746	12,672	4,106	10,619	5,921
Assets classified as held for sale	157	1,351	-	-	748
Total Assets	123,692	120,089	114,144	88,517	81,986
Equity and Liabilities					
Equity	80,571	73,507	60,828	50,011	43,601
Deferred tax	7,448	7,606	7,450	8,074	8,190
Bank overdrafts	1,482	7,221	-	2,265	2,033
Other current liabilities	34,183	31,687	45,866	28,167	28,162
Liabilities relating to assests held for sale	8	68	-	-	-
Total equity and Liabilities	123,692	120,089	114,144	88,517	81,986

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June 2015 US\$000	Year ended 30 June 2014 US\$000	Year ended 30 June 2013 US\$000	Year ended 30 June 2012 US\$000	Year ended 30 June 2011 US\$000
Net cash inflows/(outflows) from operating activities	10,552	25,323	(18,408)	12,911	4,109
Investing activities					
- purchase of property, plant and equipment	(5,688)	(3,640)	(6,086)	(4,764)	(2,217)
- other investing activities	1,893	3,115	2,875	2,011	1,245
Net cash outflows from investing activities	(3,795)	(525)	(3,211)	(2,753)	(972)
Net cash inflows/(outflows) before financing activities	6,757	24,798	(21,619)	10,158	3,137
Financing activities					
	(4,944)	(23,454)	17,371	(5,692)	(6,333)
Increase/(decrease) in cash and cash equivalents	1,813	1,344	(4,248)	4,466	(3,196)



		Year ended 30 June 2015 US\$000	Year ended 30 June 2014 US\$000	Year ended 30 June 2013 US\$000	Year ended 30 June 2012 US\$000	Year ended 30 June 2011 US\$000
Profitability						
Operating margin	%	6%	7%	6%	5%	3%
Return on total assets	%	14%	19%	18%	13%	9%
Return on equity	%	17%	28%	28%	18%	13%
Effective tax rate	%	26%	23%	19%	26%	30%
Growth						
(Decrease)/increase in revenue	%	(8%)	11%	26%	16%	25%
(Decrease)/increase in operating profit	%	(22%)	23%	67%	57%	392%
Productivity						
Asset turnover	times	2.54	2.86	3.34	2.85	3.00
Solvency and liquidity						
Current ratio	times	2.33	2.09	1.66	1.72	1.56
Ineterst cover	times	49.74	25.83	15.50	32.03	12.76
Net debt to shareholders' funds	%	Nil	Nil	27%	Nil	3%
Total liabilities to shareholders' funds	%	54%	63%	88%	77%	88%
Employee statistics						
Number of employees	ave	996	954	966	918	924
Revenue per employee	US\$	315,610	360,082	320,027	265,864	217,716
Operating profit per employee	US\$	17,679	23,712	22,820	12,040	7,611
Share performance						
Number of shares issued	000's	68,400	68,400	68,400	68,400	68,399
Weighted average shares in issue	000's	68,400	68,400	68,400	68,399	68,399
Basic earnings per share	US cents	18.62	24.54	20.38	11.55	7.27
Diluted earnings per share	US cents	18.62	24.54	20.38	11.55	7.27
Dividend per share	US cents	7.76	8.18	6.00	2.75	0.7
Dividend cover	times	2.40	3.00	3.40	4.19	4.74
Dividend yield	%	3%	4%	2%	2%	1%
Price earnings ratio	times	16.11	8.76	12.02	9.70	13.07
Net asset value per share	US cents	117.79	107.47	88.93	73.12	63.75
Market capitalisation	\$'000	205,200	147,060	167,580	76,608	64,979
Market price per share						
High	US cents	340	250	270	125	101
Low	US cents	195	195	140	80	81
Price - year end	US cents	300	215	245	112	95

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 before interest and tax, divided by interest expense.
Market capitalisation	Market 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) before interest and tax as a percentage of turnover.
Price earnings ratio	Market price at period end divided by 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 before interest and tax, 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.

The Directors have pleasure in presenting their report, together with the audited consolidated financial statements for the year ended 30 June 2015

GROUP FINANCIAL RESULTS

	2015 US\$	2014 US\$	2013 US\$	2012 US\$	2011 US\$
Profit before tax	17,253,842	21,745,380	17,249,091	10,707,499	7,304,056
Tax	(4,517,481)	(4,961,918)	(3,309,971)	(2,803,839)	(2,207,267)
Profit after tax	12,736,361	16,783,462	13,939,120	7,903,660	5,096,789
Total comprehensive income for the year	12,734,495	16,783,112	13,936,690	7,900,101	5,022,488

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 (2014:Nil) and the number of shares in issue was 68 400 108 (2014:68 400 108).

October up to and including the 11th October 2015. Together with the interim dividend of (US) 3.11 cents per share, this final dividend brings the total dividend for the year to (US) 7.76 cents per share.

Directorate

Messr J.Brooke resigned as Managing Director of the Company effective 31 October 2014. The Board thanks him for his hard work and dedication throughout the years and wish him every success in his future endeavours.

Messrs T.Moyo and N.Brimacombe 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 4 November 2014, Mr J. Schonken and Mr M. Lashbrook were appointed as Directors of the Company with effect from 1 January 2015. In terms of the Articles of Association of the Company they are required to retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

Auditors

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

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 9.85% shareholding in National Foods Holdings Limited. Dividends received through its shareholding are administered by a board of Trustees for the benefit of workers under grades "A", "B" and "C" of the Paterson Job grading system.

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

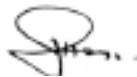
Movements in reserves are shown in the statement of changes in equity.

Dividends

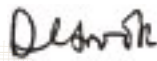
The Board has declared a final dividend of (US) 4.65 cents per share payable on or about 10 November 2015 to shareholders registered in the books of the company by noon 9 October 2015. The transfer books and register of members will be closed on 9th

Annual General Meeting

The forty-sixth Annual General Meeting of the Company will be held at 08.30am on Wednesday 18th November 2015 at the registered office of the Company 10 Stirling Road, Workington, Harare.



T.Moyo
Chairman
14 October 2015



M.Lashbrook
Managing Director

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.

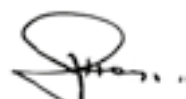
The financial statements have been prepared under the historical cost convention, are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2 of the financial statements, and comply with International Financial Reporting 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

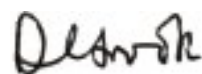
ensure the completeness and accuracy of the its records. The Group's Audit Committee has met the external auditors to discuss their reports on the results of their work, which include assessments of relative strengths and weaknesses of key control areas. Whilst in a growing group of the size, complexity 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 2015, which appear on pages 23 to 54 have been approved by the Board of Directors and are signed on its behalf by:



T. Moyo
Chairman

Harare
14 October 2015



M. Lashbrook
Managing Director



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
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INDEPENDENT AUDITOR'S REPORT 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 23 to 54, which comprise the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated 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 representation 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 for 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.

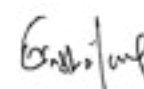
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2015, 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).



ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

Harare
16 October 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 US\$	2014 US\$
Revenue	4	314,406,934	343,517,968
Cost of sales		(243,563,395)	(264,414,059)
Gross profit		70,843,539	79,103,909
Other income	5.1	1,370,523	1,846,161
Selling and distribution expenses		(15,057,279)	(15,427,029)
Employee benefits expenses		(18,872,438)	(20,987,743)
Administrative expenses		(18,120,301)	(19,663,004)
Depreciation	5.3	(2,556,218)	(2,251,180)
Profit before interest and tax		17,607,826	22,621,114
Finance income	5.4	798,642	628,676
Finance costs	5.4	(1,152,626)	(1,504,410)
Profit before tax	5	17,253,842	21,745,380
Income tax expense	6.1	(4,517,481)	(4,961,918)
Profit for the year		12,736,361	16,783,462
Other comprehensive income			
- to be recycled to profit and loss at a future point in time			
Exchange differences on translation of foreign operations		(1,866)	(350)
Total comprehensive income for the year		12,734,495	16,783,112
Profit for the year attributable to equity holders of the parent		12,736,361	16,783,462
Total comprehensive income for the year attributable to equity holders of the parent		12,734,495	16,783,112
Earnings per share			
Basic and diluted	7	18.62 cents	24.54 cents
Headline	7	17.82 cents	22.54 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 US\$	2014 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	8	40,266,147	37,185,421
Other financial assets	10.1	119,845	121,912
		40,385,992	37,307,333
Current assets			
Other financial assets	10.1	2,304	-
Inventories	11	45,077,388	42,381,257
Trade and other receivables	12	29,322,434	26,376,781
Cash & cash equivalents	17.4	8,746,079	12,672,119
		83,148,205	81,430,157
Assets classified as held for sale	9	157,431	1,351,457
		83,305,636	82,781,614
Total assets		123,691,628	120,088,947
EQUITY AND LIABILITIES			
Equity			
Issued share capital	13.1	684,001	684,001
Non-distributable reserves	13.2	(9,595)	(7,729)
Distributable reserves	13.3	79,896,455	72,830,463
Total equity		80,570,861	73,506,735
Non-current liabilities			
Deferred tax liability	6.4	7,447,903	7,606,225
		7,447,903	7,606,225
Current liabilities			
Trade and other payables	15	30,761,603	29,475,784
Bank overdrafts	10.2	1,482,470	7,221,460
Borrowings	10.2	1,942,358	1,215,740
Provisions	16	1,279,298	758,330
Income tax payable	6.3	199,263	237,100
		35,664,992	38,908,414
Liabilities relating to assets held for sale	9	7,872	67,573
		35,672,864	38,975,987
Total equity and liabilities		123,691,628	120,088,947

T. Moyo
Chairman

Harare
14 October 2015

M. Lashbrook
Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued Share Capital US\$	Non- Distributable Reserves US\$	Distributable Reserves US\$	Total US\$
Notes	13.1	13.2	13.3	
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 - Note 14	-	-	(4,104,006)	(4,104,006)
Transfer of functional currency conversion reserve - Note 13.2	-	(24,683,808)	24,683,808	-
Balance at 30 June 2014	684,001	(7,729)	72,830,463	73,506,735
Profit for the year	-	-	12,736,361	12,736,361
Other comprehensive income	-	(1,866)	-	(1,866)
Total comprehensive income	-	(1,866)	12,736,361	12,734,495
Dividends paid - Note 14	-	-	(5,670,369)	(5,670,369)
Balance at 30 June 2015	684,001	(9,595)	79,896,455	80,570,861



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 US\$	2014 US\$
OPERATING ACTIVITIES			
Cash generated from operations	17.1	21,717,288	25,262,193
Working capital changes	17.2	(6,037,487)	6,056,006
Operating cash flow		15,679,801	31,318,199
Interest received		798,642	628,676
Interest paid		(1,152,626)	(1,504,410)
Income tax paid	17.3	(4,773,341)	(5,118,985)
Net cash flows from operating activities		10,552,476	25,323,480
INVESTING ACTIVITIES			
Purchase of property, plant and equipment to expand operations		(4,573,931)	(1,798,919)
Purchase of property, plant and equipment to maintain operations		(1,114,556)	(1,840,622)
Purchase of financial instruments and other investments		(6,230)	-
Proceeds on disposal of property, plant and equipment		105,990	2,258,529
Proceeds on disposal of assets held for sale		1,786,959	-
Proceeds on disposal of financial instruments		5,993	856,394
Net cash flows from investing activities		(3,795,775)	(524,618)
FINANCING ACTIVITIES			
Proceeds from borrowings		8,726,618	11,456,985
Repayment of borrowings		(8,000,000)	(30,807,478)
Dividends paid		(5,670,369)	(4,104,006)
Net cash flows from financing activities		(4,943,751)	(23,454,499)
Increase in cash and cash equivalents		1,812,950	1,344,363
Cash and cash equivalents at beginning of the year		5,450,659	4,106,296
Cash and cash equivalents at the end of the year	17.4	7,263,609	5,450,659

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 stockfeeds 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 2015 were authorised for issue in accordance with a resolution of the Directors on 14 October 2015.

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 2015.

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. Of the new pronouncements and amendments to the standards that became effective for the Group with effect from 1 July 2014 the Group was impacted by an amendment to IFRS 8 which requires disclosure of the judgements made by management in applying the aggregation criteria in IFRS 8.12 as disclosed in note 22. Management has in the current year separately disclosed the down packing segment which was previously part of the milling and manufacturing segment. Comparatives have been adjusted accordingly.

The remaining pronouncements and amendments which became effective on 1 July 2014 did not have a material effect on the Group's 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

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 has issued the joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers, which replaces all existing IFRS 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 effective for annual periods beginning on or after 1 January 2018, but early adoption is permitted under IFRS. The Group is still assessing the impact of the standard on its contracts with customers.

IAS 1 Disclosure Initiative – Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

The standard is effective for annual periods beginning on or after 1 January 2016, but early

adoption is permitted under IFRS.

These amendments are intended to assist entities in applying judgement when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement. Although these amendments clarify existing requirements of IAS 1, the clarifications may facilitate enhanced disclosure effectiveness.

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 27 Equity Method in Separate Financial Statements – Amendments to IAS 27

The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either, at cost, in accordance with IFRS 9 (or IAS 39) or using the equity method. The entity must apply the same accounting for each category of investment.

A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

Annual Improvements

In the 2012-2014 annual improvements cycle, the IASB issued five amendments to four standards. The changes are effective 1 January 2016. Below is a summary of the amendments that are applicable to the group.

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not

be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendment does not have an impact on the Group's Financials statements as there has been no change in disposal methods.

IFRS 7 Financial Instruments - Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendment.

IFRS 7 Financial Instruments - Applicability of the offsetting disclosures to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendment must be applied retrospectively.

IAS 19 Employee Benefits - Discount rate: regional market issue

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendment must be applied prospectively.

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report

The amendment clarifies that the required interim disclosures must be either in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g. in the management commentary or risk report).

The other information within the interim financial report must be available to users on the same

terms as the interim financial statements and at the same time. The amendment must be applied retrospectively.

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 Foreign currency translation

The Group's financial statements are presented in United States Dollars (US\$), 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 arising from translation or settlement of monetary items 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.

2.5.3 Taxes

2.5.3.1 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.

2.5.3.2 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.

2.5.3.3 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.

2.5.4 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 profit or loss and other 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 profit or loss and other comprehensive income.

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

2.5.5 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.

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.

2.5.6 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date based on whether the fulfilment 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.

2.5.6.1 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.

2.5.6.2 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.

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.

2.5.7 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.

2.5.8 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.

2.5.9 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.

2.5.10 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 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:

2.5.10.1 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.

2.5.10.2 Rental income

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

2.5.10.3 Dividend and interest income

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 income 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 income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.11 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 the Group incurs in connection with the borrowing of funds.

2.5.12 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 of disposal 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 of disposal, 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.

2.5.13 Financial assets

The Group's financial assets include trade and other accounts receivables, cash and cash equivalent and other financial instruments.

Financial assets in the scope of IAS 39 are classified as either loans and receivables or financial assets held to maturity. 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.

2.5.13.1 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.

2.5.13.2 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 if any. 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.

2.5.13.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on 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, deposits in banks, bank overdrafts, and short term highly liquid investments readily convertible to cash.

2.5.13.4 Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, 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.

2.5.13.5 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.

2.5.14 Financial liabilities

2.5.14.1 Classification of financial liabilities

The Group's financial liabilities include trade and other accounts payables, bank overdrafts and interest bearing loans (which are all classified as loans and borrowings). 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.

2.5.14.2 Derecognition of financial liabilities

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

2.5.14.3 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 estimates 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 2.5.9 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\$40,266,147 (June 2014: US\$37,185,421).

3.2 Provision for impairment of receivables

Provision for impairment of receivables is a specific provision made for trade and other 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 2015 was US\$2,286,624 (June 2014: US\$ 2,274,494).



	2015 US\$	2014 US\$
4. REVENUE		
The following is an analysis of the Group's revenue for the year		
Revenue from the sale of goods	314,157,976	343,117,420
Revenue from rental income	248,958	400,548
	314,406,934	343,517,968
5. PROFIT BEFORE TAX		
Profit before tax is arrived at after taking into account the following:		
5.1 Other income		
Profit on disposal of property, plant and equipment	56,313	1,482,249
Profit on disposal of assets held for sale	592,933	-
Lease of assets, toll fees, handling and other services rendered	276,236	41,409
Sale of scrap	148,532	169,014
Insurance and bad debt recoveries	296,509	153,489
	1,370,523	1,846,161
5.2 After charging the following		
Employee benefits expenses		
- Salaries and wages	10,040,381	10,234,514
- Post employment benefits: Defined contribution plan	1,042,619	886,386
- Retrenchment gratuities	62,611	155,654
Administrative expenses		
- Repairs and maintenance	3,458,690	4,253,461
- Electricity and water	2,860,203	3,064,025
- Technical fees	1,181,484	807,896
- Provision for onerous contracts	640,000	-
- Provision for credit losses - receivables	399,183	1,236,938
- Audit fees and expenses	203,277	337,866
- Foreign exchange gains	(38,191)	(88,683)
5.3 Depreciation		
- Buildings	650,755	598,046
- Plant, machinery and equipment	1,753,526	1,492,682
- Motor vehicles	151,937	160,452
	2,556,218	2,251,180
5.4 Net finance costs		
Finance income	798,642	628,676
Interest income from short term investments	442,453	425,593
Interest income from trade and other receivables	356,189	203,083
Interest expense on bank overdrafts and other short term borrowings	(1,152,626)	(1,504,410)
	(353,984)	(875,734)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
6. TAXATION		
6.1 Income tax recognised in profit or loss		
Income tax		
- On current profits at normal rates	4,637,004	5,222,867
- Capital gains tax	98,500	115,850
- Prior period over provision	-	(600,919)
Deferred tax relating to current temporary differences	(158,322)	224,120
Deferred tax relating to disposed assets held for sale	(59,701)	-
	4,517,481	4,961,918
6.2 Reconciliation of income tax charge:		
Profit before tax	17,253,842	21,745,380
Income tax computed at 25.75%	4,442,864	5,599,435
Non-deductible expenses for tax purposes	102,236	(311,339)
Effects of different tax rates of subsidiaries	(5,575)	(1,864)
Effect of income taxed at different tax rates	38,799	(57,994)
Effects of changes in classification of assets and other	(60,843)	(266,320)
	4,517,481	4,961,918
6.3 Current tax liabilities		
Opening balance	237,100	618,287
Charge to profit or loss	4,735,504	4,737,798
Paid	(4,773,341)	(5,118,985)
Closing balance	199,263	273,100
6.4 Deferred tax liability		
At beginning of the year	7,606,225	7,449,678
Deferred tax relating to current temporary differences	(158,322)	224,120
Reclassification of deferred tax relating to assets held for sale	-	(67,573)
At end of the year	7,447,903	7,606,225
Analysis of deferred tax liability		
Property, plant and equipment	8,140,365	7,630,995
Prepayments	199,313	562,948
Unrealised exchange gains/(losses)	2,912	(2,036)
Allowance for credit losses	(508,672)	(585,682)
Onerous contracts, provisions and other	(386,015)	-
	7,447,903	7,606,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. 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:

	2015	2014
7.1 Weighted average number of shares in issue		
Weighted average shares in issue for basic, diluted and headline earnings per share	68,400,108	68,400,108
	US\$	US\$
7.2 Profit for the year		
Net profit attributable to equity holders of the parent	12,736,361	16,783,462
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.		
7.3 Headline earnings		
Reconciliation between profit for the year and headline earnings:		
Net profit attributable to ordinary equity holders of the parent	12,736,361	16,783,462
Adjusted for capital items (gross of tax):		
Profit on disposal of property, plant and equipment	(56,313)	(1,482,249)
Profit on disposal of assets held for sale	(592,933)	-
Tax effect of adjustment	98,500	115,850
Headline earnings	12,185,615	15,417,063
Basic and diluted earnings per share (cents)	18.62	24.54
Headline earnings per share (cents)	17.82	22.54



NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT	Land & buildings US\$	Plant, machinery & equipment US\$	Motor vehicles US\$	Capital work in progress US\$	Total US\$
At 30 June 2015 Cost					
At the beginning of the year	25,771,198	18,725,523	1,807,632	499,038	46,803,391
Additions	784,140	2,874,888	291,570	1,737,889	5,688,487
Disposals	(45,000)	-	(113,075)	-	(158,075)
Exchange differences	(1,866)	-	-	-	(1,866)
Transfers	-	12,959	(12,959)	-	-
At end of the year	26,508,472	21,613,370	1,973,168	2,236,927	52,331,937
Depreciation					
At beginning of year	(3,026,936)	(5,165,410)	(1,425,624)	-	(9,617,970)
Charge for the year	(650,755)	(1,753,526)	(151,937)	-	(2,556,218)
Disposals	3,371	-	105,027	-	108,398
At end of the year	(3,674,320)	(6,918,936)	(1,472,534)	-	(12,065,790)
Carrying amount	22,834,152	14,694,434	500,634	2,236,927	40,266,147
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)
Re-classified to assets-held for sale	(1,554,667)	-	-	-	(1,554,667)
Exchange differences	(350)	-	-	-	(350)
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 to 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

8.1 No land and buildings have been pledged to secure borrowings of the Group in the current year (2014: Nil).

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

			2015 US\$	2014 US\$
9. 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 properties (noted below) have been categorised as held for sale and are due to be disposed of in the next twelve months.				
Land & Buildings			157,431	1,351,457
Deferred tax relating to assets held for sale			(7,872)	(67,573)
	Rate of interest	Year Repayable	2015 US\$	2014 US\$
10. OTHER FINANCIAL ASSETS AND LIABILITIES				
10.1 Other financial assets				
Other non - current financial assets	5%	2018	119,845	121,912
Other financial assets - current portion			2,304	-
Total other financial assets			122,149	121,912
Other non-current financial assets comprise of an investment in a debenture.				
10.2 Other financial liabilities				
10.2.1 Short term financing				
Workers Trust - Unsecured borrowings	10.00%	On demand	1,942,358	1,215,740
Total borrowings			1,942,358	1,215,740
Bank overdrafts	8.50%	On demand	1,482,470	7,221,460
Total other financial liabilities			3,424,828	8,437,200
10.2.2 Banking facilities				
Total facilities available to the Group			33,942,358	27,000,000
Facilities utilised at year end			(3,424,828)	(8,437,200)
Unutilised borrowing capacity			30,517,530	18,562,800
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 \$13,500,000. The facilities can only be used for working capital purposes.				
10.2.3 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.				

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
11. INVENTORIES		
Raw materials	28,604,595	24,767,247
Finished goods	13,519,758	15,169,343
Consumable stores	2,953,035	2,444,667
	45,077,388	42,381,257
The amount of inventory recognised as an expense is US\$243,000,565 (2014:US\$ 263,942,409). The amount of inventory write down recognised as an expense is US\$562,830 (2014: US\$471,650).		
12. TRADE AND OTHER RECEIVABLES		
Trade receivables	22,781,641	20,912,291
Allowance for credit losses	(2,122,622)	(2,274,494)
Net trade receivables	20,659,019	18,637,797
Prepayments	2,101,244	2,083,755
Other receivables	6,726,173	5,655,229
Allowance for credit losses	(164,002)	-
Total	29,322,434	26,376,781
Trade and other receivables have been pledged to secure borrowings of the Group. Refer to note 10.2.2		
12.1 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\$ 13,051,138 (2014: US\$ 12,574,034) is due from the Group's top ten customers, representing 57% (2014: 60%) of the total balance of trade receivables.		
12.2 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 credit losses 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	4,179,493	3,035,892
61 - 90 days	1,128,866	478,370
Over 90 days	3,400,929	1,123,307
Total	8,709,288	4,637,569
Average age (days)	78	74

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
12.3 Movement in the provision for credit losses		
Balance at the beginning of the year	(2,274,494)	(1,932,694)
Current year provisions	(399,183)	(1,236,938)
Utilised during the year	387,053	895,138
Balance at year end	(2,286,624)	(2,274,494)
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.		
12.4 Ageing of impaired trade and other receivables		
0-30 days	44,994	-
31 - 60 days	10,882	-
61 - 90 days	14,300	404,334
Over 90 days	2,216,448	1,870,160
Total	2,286,624	2,274,494
Average age (days)	247	137
13. ISSUED CAPITAL AND RESERVES		
13.1 Issued capital		
Authorised		
73 000 000 shares of US 0.01 cents each	730,000	730,000
Issued and fully paid		
68 400 108 shares (2014: 68 400 108) of US0.01 cents each	684,001	684,001
Unissued shares		
4 599 892 (2014: 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, the Directors held directly or indirectly the following shares in the Company:	Number of shares	Number of shares
J. Brooke	-	258,307
M. Lashbrook	101,995	-
L. Murimwa	140,320	173,320
J. Brooke disposed of his 258,307 shares during the year, upon his resignation as the Managing Director. M. Lashbrook was appointed as a director upon his appointment as Managing Director.		

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
13.2 Non-distributable reserves		
Movement		
Opening balance	(7,729)	24,676,429
Exchange differences on translation of foreign operations	(1,866)	(350)
Transfer of foreign currency reserve to distributable reserve	-	(24,683,808)
Closing balance	(9,595)	(7,729)
Analysis		
Exchange differences on translation of foreign operations	(9,595)	(7,729)
Closing balance	(9,595)	(7,729)
Non-distributable reserves are as a result exchange differences on the translation of the financial results of subsidiaries with a different functional currency. In the prior year the opening balance was mainly attributable to the change in functional currency from the Zimbabwean dollar to the United States dollar. The directors elected to transfer to distributable reserves that portion of non-distributable reserves relating to the conversion of Zimbabwe dollar balances in 2014.		
13.3 Distributable reserves		
Movement		
Opening balance	72,830,463	35,467,199
Profit for the year	12,736,361	16,783,462
Transfer of foreign currency reserve	-	24,683,808
Dividend paid (Note 14)	(5,670,369)	(4,104,006)
Closing balance	79,896,455	72,830,463
Retained in:		
Holding company	24,683,808	24,683,808
Subsidiary companies	55,212,647	48,146,655
	79,896,455	72,830,463
14. DIVIDEND		
Declared and paid during the year:		
Final dividend for 2014: US 5.18cents per share (2013: US 3.0 cents per share)	3,543,126	2,052,003
Interim dividend for 2015: US 3.11 cents per share (2014: US 3.0 cents per share)	2,127,243	2,052,003
Total dividends declared and paid	5,670,369	4,104,006
Proposed and approved post year end (not recognised as a liability at 30 June 2015)		
Final dividend for 2015: US 4.65 cents per share (2014: US 5.18 cents per share)	3,180,605	3,543,126
15. TRADE AND OTHER PAYABLES		
Trade payables	26,581,157	23,284,037
Other payables	4,180,446	6,191,747
	30,761,603	29,475,784
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.		

	Leave Pay US\$	Onerous Contract US\$	Total US\$
16. PROVISIONS			
At 30 June 2015			
At beginning of the year	758,330	-	758,330
Created during the year	99,191	640,000	739,191
Utilised during the year	(218,223)	-	(218,223)
At end of the year	639,298	640,000	1,279,298
At 30 June 2014			
At beginning of the year	726,069	-	726,069
Created during the year	155,655	-	155,655
Utilised during the year	(123,394)	-	(123,394)
At end of the year	758,330	-	758,330
Leave pay This is calculated on the basis of leave days accumulated at an expected daily rate of pay.			
Onerous Contracts The Group entered into some contracts to safeguard its maize pipeline at strategic silos within the region. Management has assessed that the unavoidable costs of meeting the obligation under the contracts exceeds the expected economic benefits and as a result has recorded a provision for the difference.			
	2015	2014	
	US\$000	US\$000	
17. CASH FLOW INFORMATION			
17.1 Cash generated from operations			
Profit before tax	17,253,842	21,745,380	
Finance income	(798,642)	(628,676)	
Finance costs	1,152,626	1,504,410	
Depreciation (Note 8)	2,556,218	2,251,180	
Inventory write-down	562,830	471,650	
Provision for credit losses	399,183	1,236,938	
Provision for onerous contracts & other provisions	1,152,594	-	
Unrealised foreign exchange (gains)/losses	(11,308)	7,905	
Provision for leave pay	99,191	155,655	
Profit on disposal of property, plant and equipment	(56,313)	(1,482,249)	
Profit on disposal of assets held for sale	(592,933)	-	
	21,717,288	25,262,193	
17.2 Working capital changes			
(Increase)/decrease in inventories	(3,258,961)	4,070,706	
Increase in accounts receivable	(3,333,528)	(3,402,464)	
Increase in accounts payable and provisions	555,002	5,387,764	
	(6,037,487)	6,056,006	

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
17.3 Income tax paid		
Charge to profit or loss	(4,517,481)	(4,961,918)
Movement in tax liability	(37,837)	(381,187)
Movement in deferred tax liability	(218,023)	224,120
	(4,773,341)	(5,118,985)
17.4 Cash and cash equivalents at end of year		
Cash & cash equivalents	8,746,079	12,672,119
Bank overdrafts	(1,482,470)	(7,221,460)
	7,263,609	5,450,659
Cash and cash equivalents consist of cash on hand, balances with banks and short term highly liquid investments. Cash at bank accrues interest at floating rates based on daily bank deposit rates.		

18. RELATED PARTY TRANSACTIONS

18.1 The ultimate parent

The Group's ultimate holding company is Innscor Africa Limited with a 37.82% controlling interest in the Group.

18.2 The financial results include the financial statements of National Foods Holdings Limited and the subsidiaries listed in the following table.

	Country of incorporation	2015 Equity Interest	2014 Equity Interest
Name			
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%
Natpak Zimbabwe (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%

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

	2015 US\$	2014 US\$
18.3 Transactions entered into with related parties		
Parent and its subsidiaries		
Purchase of trading stocks and raw materials		
- Innscor Africa Limited Group companies	7,726,945	8,309,511
Sale of goods and services		
- Innscor Africa Limited Group companies	49,910,925	57,040,898
Interest and Management Fees		
- Innscor Africa Limited Group companies		
- Management fees	180,000	180,000
- Net interest received on call accounts	60,523	-
- Net interest received from IAL Group companies	55,200	-
Entities with significant influence		
Purchase of trading stocks and raw materials		
- Tiger Brands Limited	857,078	958,414
Interest and Management Fees		
- Tiger Brands Limited		
- Technical fees	276,000	276,000
18.4 Balances (due to) or due from related parties		
- Innscor Africa Limited Group companies	5,610,909	1,939,780
- Tiger Brands Limited	(91,482)	(136,358)
18.5 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 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 2015 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: 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.		
18.6 Directors emoluments		
Aggregate amounts paid by the Company and its subsidiaries to directors of the Company		
- for services as directors	58,440	53,120
- otherwise in connection with management	477,817	1,236,666
	536,257	1,289,786
18.7 Other key management remuneration		
Aggregate short term employee benefits paid by the Company and its subsidiaries to key management of the Company	2,151,303	3,905,512
Pension Contributions	216,503	246,885
Key management includes executive directors and divisional management. This includes those individuals set on page 7 of this annual report.		

19. COMMITMENTS AND CONTINGENCIES

19.1 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 2015 are as follows:

	2015 US\$	2014 US\$
Within one year	702,276	879,652
After one year but no more than 5 years	264,804	967,080
More than five years	-	-
	967,080	1,846,732

19.2 Capital expenditure commitments

Authorised and contracted for	2,982,000	3,197,005
Authorised but not contracted for	4,429,000	7,174,000
	7,411,000	10,371,005

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

19.3 Legal claim contingency

As at the end of June 2015 there were a number of pending cases against National Foods Limited, with claims of varying amounts, which were at various stages in the labour courts.

Due to the sensitivities related to these cases - no further disclosure can be made with regards to their financial effects.

19.4 Guarantees

No guarantees have been provided in the current year (2014: Nil).

20. PENSION SCHEMES

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

20.1 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.

20.2 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% per month of pensionable monthly emoluments, up to a maximum of \$700 per month.

20.3 Pension costs recognised as an expense

Defined contribution fund	795,020	703,120
National Social Security Authority Scheme	247,599	183,266
	1,042,619	886,386

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 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 2015 and 30 June 2014.

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%.

	2015 US\$	2014 US\$
Interest bearing borrowings	1,942,358	1,215,740
Less cash and cash equivalents	(7,263,609)	(5,450,659)
Net surplus	(5,321,251)	(4,234,919)
Total equity	80,570,861	73,506,735
Gearing ratio	Nil	Nil

21.2 Financial risk management

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

21.2.2 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 2015 and 2014 is the carrying amount as illustrated in note 17.4.

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 collateral secured where necessary. The Group's maximum exposure to credit risk on trade and other receivables as at 30 June 2015 and 2014 is the carrying amount as illustrated in note 12.

21.2.3 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.

	2015 US\$	2014 US\$
Effect on profit before tax		
Increase of 3%	(102,745)	(253,116)
Decrease of 3%	102,745	253,116

21.2.4 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 10.2.2 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.

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

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	Less than 3 months US\$	3-12 Months US\$	1 - 5 years US\$	Total US\$
Year ended 30 June 2015				
Interest bearing borrowings	1,966,637	-	-	1,966,637
Trade and other payables	30,761,603	-	-	30,761,603
Bank overdrafts	1,498,221	-	-	1,498,221
	34,226,461	-	-	34,226,461
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

21.2.5 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:

	2015 US\$	2014 US\$
Assets		
South African Rand	61,904	214,340
GBP	-	206,900
Euro	-	47,715
Botswana Pula	6,120	616
Liabilities		
South African Rand	122,990	266,696
Botswana Pula	128,529	56,101
Euro	26,195	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) 2015 US\$	Profit or (Loss) 2014 US\$
South African Rand	(11,062)	10,964
Botswana Pula	(12,241)	(307)
GBP	-	18,193
Euro	(2,619)	(4,484)

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

22 SEGMENTAL ANALYSIS

22.1 Operating segment information

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

Milling, Manufacturing and Distribution

This segment comprises of the flour, maize and stock feeds operating segments. Management has applied the following judgements in aggregating these operating segments:

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS (CONTINUED)

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- The operating segments exhibit similar long term average gross margins
- The products constitute fast moving consumer goods (FMCG)
- They are involved in the conversion of one form of raw material to a saleable packaged state
- They involve the warehousing of products and distribution to the wholesale and retail market

Down packing

This segment includes the down packing and sale of FMCG products. It also involves the warehousing of these goods and their distribution to the wholesale and retail market.

Properties

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

Profit before tax is used to measure segment performance.

Segment revenues and results

	Milling & Manufacturing US\$	Down Packing US\$	Properties US\$	Intersegment adjustments US\$	Group US\$
Period ended 30 June 2015					
Segment revenue:					
External customers	282,636,635	31,521,339	248,960	-	314,406,934
Inter-segment	-	-	1,926,760	(1,926,760)	-
Total revenue	282,636,635	31,521,339	2,175,720	(1,926,760)	314,406,934
Operating profit	15,165,594	1,270,113	1,172,119	-	17,607,826
Net interest expense	(448,267)	(429,627)	523,910	-	(353,984)
Profit before tax	14,717,327	840,486	1,696,029	-	17,253,842
Segment assets	71,811,871	16,320,889	41,868,908	(6,310,040)	123,691,628
Segment liabilities	(32,013,811)	(11,817,444)	(5,599,552)	6,310,040	(43,120,767)
Net segment assets	39,798,060	4,503,445	36,269,356	-	80,570,861
Depreciation charge for the year	1,869,671	137,804	548,743	-	2,556,218
Capital expenditure	5,119,543	17,979	550,965	-	5,688,487
Number of employees	942	54	-	-	996
Period ended 30 June 2014					
Segment revenue:					
External customers	286,110,419	57,007,001	400,548	-	343,517,968
Inter-segment	-	-	1,929,586	(1,929,586)	-
Total revenue	286,110,419	57,007,001	2,330,134	(1,929,586)	343,517,968
Operating profit	20,427,586	672,319	1,521,209	-	22,621,114
Net interest expense	(620,461)	(386,343)	131,070	-	(875,734)
Profit before tax	19,807,125	285,976	1,652,279	-	21,745,380
Segment assets	70,948,128	12,844,672	40,551,934	(4,255,787)	120,088,947
Segment liabilities	(36,870,320)	(8,304,249)	(5,663,430)	4,255,787	(46,582,212)
Net segment assets	34,077,808	4,540,423	34,888,504	-	73,506,735
Depreciation charge for the year	1,585,649	107,519	558,012	-	2,251,180
Capital expenditure	2,729,545	209,712	700,284	-	3,639,541
Number of employees	899	55	-	-	954

22.2 GEORGRAPHICAL 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\$ 15,665 (2014:US17,531). As such no further geographical information has been presented.

23 EVENTS AFTER THE REPORTING DATE

As part of the Company’s growth initiatives, the Group entered into an agreement to acquire 100% of the share capital of Breathaway Food Caterers (Private) Limited , a snacks and biscuits manufacturing company, on 1 July 2015 for a cash consideration of \$2,175,000. The transaction is subject to any necessary regulatory approval.

As required by IFRS 3 disclosures regarding the fair value of the assets and liabilities acquired and goodwill, if any, could not be disclosed as the initial accounting for the business combination was incomplete at the time the financial statements were authorised for issue.



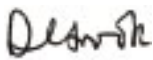
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 US\$	2014 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	13	684,001	684,001
Distributable reserves	B	24,683,808	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 RESERVES			
Transferred from non-distributable reserves		24,683,808	24,683,808
Closing balance		24,683,808	24,683,808
C. NON-DISTRIBUTABLE RESERVES			
Arising on conversion of Zimbabwe dollar balances		25,367,596	25,367,596
Transferred to share capital		(683,788)	(683,788)
Transferred to distributable reserves		(24,683,808)	(24,683,808)
Closing balance		-	-



T. Moyo
Chairman



M. Lashbrook
Managing Director

Harare
14 October 2015

AT 30 JUNE 2015

Shareholding	No. of shareholders	%	Issued shares	%
1 - 1000	503	57.7	179,863	0.3
1001 - 10000	273	31.3	803,658	1.1
10001 - 50000	57	6.5	1,265,542	1.9
50001 and over	36	4.5	66,151,045	96.7
	869	100	68,400,108	100
Shareholders				
Banks and nominees	66	7.57	1,405,176	2.05
Deceased estates	7	0.80	8,492	0.01
External companies	2	0.23	25,622,013	37.46
Insurance companies/societies	7	0.80	73,643	0.11
Pension funds	60	6.88	3,003,768	4.39
Resident individuals	503	57.68	948,079	1.39
Non-residents	84	9.63	3,390,756	4.96
Investment and trust companies	140	16.06	33,940,957	49.62
Other corporate holdings	3	0.35	7,224	0.01
Total	872	100.00	68,400,108	100

AT 30 JUNE 2014

Shareholding	No. of shareholders	%	Issued shares	%
1 - 1000	517	58.3	185,864	0.3
1001 - 10000	273	30.7	814,466	1.2
10001 - 50000	61	6.9	1,308,000	1.9
50001 and over	36	4.1	66,091,778	96.6
	887	100	68,400,108	100
Shareholders				
Banks and nominees	60	6.76	762,043	1.11
Deceased estates	7	0.79	8,492	0.01
External companies	3	0.34	25,623,601	37.46
Insurance companies/societies	12	1.35	457,354	0.67
Pension funds	44	4.96	2,813,655	4.11
Resident individuals	536	60.44	1,422,041	2.09
Non-residents	78	8.79	3,417,005	5.00
Investment and trust companies	146	16.46	33,894,174	49.55
Other corporate holdings	1	0.11	1,743	0.00
	887	100	68,400,108	100

MAJOR SHAREHOLDERS

The top ten shareholders of the Company at 30 June 2015

Shareholding	2015 No. of shares	%	2014 No. of share	%
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	3,283,834	4.80	2,604,530	3.82
National Social Security Authority	1,106,292	1.62	936,836	1.38
Standard Chartered Nominees (Private) Limited	852,600	1.25	707,133	1.03
Communications And Allied Industries Pension Fund	503,194	0.74	503,194	0.74
First Mutual Life	334,481	0.49	334,481	0.49
Local Authorities Pension Fund	300,000	0.44	305,823	0.45
Tonly Investments (Private) Limited	262,000	0.38	262,000	0.38



NOTICE IS HEREBY GIVEN that the forty- sixth Annual General Meeting of National Foods Holdings Limited is to be held at the registered office, Gloria House, 10 Stirling Road, Workington, Harare on 18th November 2015 at 08.30 am, 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 2015.
2. To elect the following Directors, Messrs Todd Moyo and Neil Brimacombe 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 Julian Schonken and Mr Michael Lashbrook who were appointed as Directors of the Company with effect from 1 January 2015, and who in terms of the Articles of Association of the Company are required to retire from the Board at the Annual General Meeting and being eligible, offers themselves for re-election.
4. To approve Directors' fees for the financial year ended 30 June 2015.
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 (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 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 proceeding 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, (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 any 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. HOWES
Group Company Secretary
Gloria House
10 Stirling Road
Workington
P.O Box 269
Harare

14 October 2015



PROXY FORM

PROXY FORM - AGM Wednesday 18th NOVEMBER 2015

I / We _____ of _____

Being the registered owner (s) of
ordinary shares in the above names 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 Wednesday 18th November 2015, at
08.30 hours, and any adjournment thereof.

SIGNED this _____ day of _____ 2015

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

CHANGE OF NAME / AND OR ADDRESS

The attention of shareholders is drawn to the necessity of keeping the transfer secretaries advised of any
changes in name and / or address

Shareholder's name in full
(Block capitals please)

New Address
(Block capitals please)

Shareholder's signature _____

COMPANY SECRETARY

GLORIA HOUSE
10 STIRLING ROAD
WORKINGTON
P.O. BOX 269
HARARE



CHANGE OF ADDRESS

COMPANY SECRETARY

GLORIA HOUSE
10 STIRLING ROAD
WORKINGTON
P.O. BOX 269
HARARE





NATIONAL FOODS

HOLDINGS LIMITED

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Website: www.nationalfoods.co.zw

