

Abridged Group Financial Results of National Foods Holdings Limited

for the six months ended 31 December 2023

Chairman's Statement

Directors' Responsibility

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's abridged consolidated interim financial statements, of which this press release represents an extract. These abridged Group consolidated interim financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements and, except where stated, in accordance with the measurement and recognition principles of International Financial Reporting Standards ("IFRS") and the manner required by the Companies and Other Business Entities Act [Chapter 24:31]. Except where stated, the principal accounting policies applied in the preparation of these abridged consolidated interim financial statements are consistent with those applied in the previous period's financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after 1 January 2023, on the Group's abridged consolidated interim financial statements.

Uncertain Tax Positions

As advised in previous periods, there have been substantial changes in the currency environment in Zimbabwe in recent years, including the reintroduction of the Zimbabwe Dollar ("ZWL") as the Country's functional currency in February 2019 through Statutory Instrument ("SI") 33 of 2019, followed by the promulgation of SI 185 of 2020, which reintroduced the use of foreign currency for domestic transactions. These significant changes have created numerous uncertainties in the treatment of taxes due across the economy and have been compounded by a lack of clear statutory and administrative guidance or practical transitional measures from the tax authorities. The wording of existing tax legislation has given rise to varying interpretations of tax law within the Country. Over time, it has become apparent that the Group's interpretation of the law regarding the currency of settlement for taxes, as well as the methodology for tax computation, has differed from that of the authorities, and this has resulted in a number of uncertainties in the Group's tax position. The Group continues to seek adjudication by the courts on these matters.

Sustainability Reporting

Pursuant to section 3 (1) (h) of Securities and Exchange rules of 2020 ("the VFEX Listing Rules"), the VFEX issued Practice Note 2 on Sustainability Information and Disclosure, which came into effect on 1 January 2024. Practice Note 2 introduced the mandatory requirement of specifically identified disclosures from the Global Reporting Initiative ("GRI") sustainability reporting protocol. The Group currently utilises the Zimbabwean Endorsed ("ZWS") International Standard ISO 26000 ("ZWS ISO 26000") guidance on social responsibility frameworks to integrate social responsibility into its values and practices. The Group's most recent Sustainability Report exhaustively captures all areas of sustainability reporting under ISO 26000 as its foundation, and work is currently underway to ensure that the current year's Sustainability Report conforms to both the ISO 26000 and GRI standards.

Operating Environment and Overview

The operating environment remained fluid and challenging, with a number of significant changes occurring across key aspects of the economy.

During the period, the use of the multi-currency system was extended until 2030, a most welcome development as it fosters economic stability, and allows for the importation of key raw materials in periods of local deficit, as well as plant and equipment.

Pricing distortions persisted in the formal retail sector, making this channel increasingly less relevant to consumers. We are hopeful that the relevant stakeholders will find a solution to this issue, so that the sector may continue to play a key role in serving the Zimbabwean consumer.

International wheat prices reduced from the elevated levels seen in 2022, immediately after the outbreak of hostilities in Eastern Europe. This allowed pricing reductions in the wheat to bread value chain, driving a recovery in volumes in the current period under review; these lower wheat prices were negated by higher prices for maize and rice. Local agricultural production continued to recover, with a very encouraging 2023 local wheat crop being harvested. The current summer crop has been seriously impacted by the ongoing drought affecting the region, and the necessary planning is now underway to ensure consistent product supply over the next year.

In early January 2024, a number of changes were made to the Value Added Tax ("VAT") status of several key basic products. Flour, maize meal, stockfeed and salt all had their VAT status changed from zero-rated to exempt; the impact of this change prohibits input VAT paid from being claimed, thus increasing the cost of production. To off-set these additional costs, our management teams are focused on achieving the necessary savings in the cost of sales and operating cost lines, with the objective of maintaining affordable pricing to the consumer.

Power costs increased significantly, and supply became less reliable during the period under review. Although the cost increases have resulted in higher production costs, we hope that, ultimately, this will result in improved sustainability of supply in the long term.

Financial Performance

As previously reported, the Group changed its reporting and functional currency from ZWL to United States Dollars ("USD") with effect from 1 July 2022. In line with this change, the comparative period interim report was prepared in USD based on management's best interpretation of IFRS and economic conditions prevailing at that time. Additional information was obtained in the period following the issuing of the comparative interim report, which allowed for fairer presentation of the Group's financial results for the 2023 financial year in the new functional currency. To ensure consistency and comparability, and taking account of this additional information, the Group's comparative interim financial statements have been restated. There is no change to the Group's full year comparative financial statements as contained in its Annual Report for the 2023 financial year.

Volumes for the current period under review amounted to 285,000 tons, 3.4% above the comparative period, with this growth emanating from the Stockfeeds, and to a lesser extent, Flour divisions. These gains were offset by losses in rice volumes, following the banning of exports out of India, which in turn led to a significant increase in global prices.

Revenue increased by 3.3% to USD 172 million, with the moderate increase being largely volume related. Gross profit dollars decreased by 2.1%, USD 784k in absolute terms, as pricing was moderated to maintain volume momentum. Operating costs, which continued to re-base in real terms, increased by 7.9% to USD 25.7 million, driven mainly by power (both from the grid and generators), repairs and maintenance, and higher wages at factory floor level. As a result, operating profit before depreciation, financial loss, interest, equity accounted earnings and tax at USD 11 million was 21% below the comparative period.

There was also substantial reduction in interest costs, which declined from USD 3.3 million in the comparative period to USD 0.9 million; the comparative period was heavily impacted by the sudden, and extreme, increase of local currency interest. These two factors drove the Group's current period Profit Before Tax to USD 9.60m, an increase of 56% over the comparative period.

The Group's statement of financial position remained extremely solid. The investment in working capital reduced significantly on the back of a return of creditor funding, closing the period at USD 22.9 million.

Salient Features

	6 Months Ended 31 Dec 2023 unaudited		
Volume (MT)	284 852	▲	3%
	US\$'000		
Revenue	172 411	▲	3%
Operating profit before depreciation, financial loss, interest, equity accounted earnings and tax	11 039	▼	(21%)
Profit before tax	9 597	▲	56%
Basic and diluted earnings per share (cents)	10.26	▲	51%
Interim dividend per share (cents)	3.42	▲	18%

Free cash generation was excellent, whilst net gearing remained low.

Operations Review

Flour Milling

Current period volumes for the Flour unit increased by 5% over the comparative period; this volume growth was largely driven by lower wheat pricing, which in turn lowered flour pricing.

National Foods continues to be a key off-taker of the 2023 local wheat harvest, having purchased in excess of 60,000 tons to date, with most of this volume having been procured from the A Growth contract farming scheme.

Stockfeeds

Stockfeed volumes continued to show encouraging growth, closing 14% above the comparative period, on the back of strong performances in the poultry and beef categories. Additional investment to improve the efficiency of the manufacturing platform will be undertaken in the period ahead.

Maize Milling

Maize volumes were disappointing, declining by 9.5% over the comparative period, although there was some recovery toward the end of the current period under review.

National Foods has a substantial import program in place for raw maize, and it is expected that supplies to the market will be consistent for the foreseeable future.

Downpacked

Volumes in the Downpacked unit, which primarily packs rice and salt, declined by 17% over the comparative period. India, which is the Group's main source of value rice, banned rice exports to protect domestic supplies; this ban led to minor supply disruptions, and also caused global rice prices to increase significantly, impacting off-take.

Cereals

Volumes in the cereals unit grew by 7% over the comparative period, notwithstanding the compressed trading in the modern retail channel. We have developed an exciting product portfolio in this division, and management is focusing on enhancing route-to-market initiatives to maintain the positive volume trend.

Snacks

Volumes in this Division increased by 31% over the comparative period, as further capacity enhancements came on line. Both the "King" and "Zapnax" brands continued to show pleasing volume growth.

Biscuits

Biscuit volumes declined by 27% against the comparative period. This was a period of transition for the unit, with good progress made in the construction of the new manufacturing plant, which is expected to be commissioned in April 2024. The new plant will result in an exciting new range of biscuits being launched into the market.

Pasta

Volumes for the period increased by 11% over the comparative period. Similar to Biscuits, the Pasta unit was in a period of transition, with our new plant being commissioned in February 2024. The plant is the first ever large-scale pasta line to have been commissioned in Zimbabwe, localising production of this growing category, as well as value adding local wheat.

Contract Farming

National Foods continues to keenly support contract farming of various cereal crops, principally maize, soya beans and wheat. The Group acts as the largest off-taker to the A Growth contract farming scheme, which produced 45,000 tons of wheat for the 2023 season, all of which was purchased by National Foods. For the current summer season, around 5,200 hectares of maize and 2,400 hectares of soya have been planted under this scheme.

Corporate Social Responsibility ("CSR")

National Foods believes in contributing to the welfare of the community and continues to support a wide range of causes through its comprehensive CSR program. The Group supports 48 registered institutions spread across the country's 10 provinces.

A wide range of organisations are assisted including orphanages, special needs groups, vulnerable women and children, schools, hospitals and churches, as well as animal welfare and conservation programs.

Future Prospects

The first half of the current financial year has seen a noticeable performance improvement over the same period last year, and in particular, on what was a very challenging second half of the last financial year. The core, established business units have delivered a solid performance and we look forward to improving on this in the period ahead. The key focus for management in the period ahead will be to ensure that our recent investments perform to expectation. These new investments usher in a new and exciting dimension for National Foods, and we are looking forward to adding a number of innovative, world-class products to our portfolio for the Zimbabwean consumer to enjoy.

Directorate

On the 24th January 2024, Mr Todd Moyo stepped down as Chairman of the Board, after many years of service to the Group. The Group would like to thank Todd sincerely for his wise counsel, guidance and stewardship over such an extended period. We are fortunate that Todd will remain on the Board as a non-executive director. Todd will be succeeded as Chairman by Mr Edwin Manikai, a respected member of the legal fraternity and co-founder of Dube, Manikai and Hwacha.

During the period, Mr Noel Doyle stepped down from the Board, and was replaced by Mr Tjaart Kruger, as a representative of Tiger Brands. Mr Doyle had also served the National Foods Holdings Board for many years, and we have benefited immensely from his industry knowledge and commercial experience. We wish Mr Doyle everything of the best in the future and welcome Mr Kruger, the incoming Chief Executive Officer of Tiger Brands Limited to the Board.

Interim Dividend

The Board is pleased to declare an interim dividend of 3.42 US cents per share (2023: 2.90 US cents per share). This interim dividend is in respect of the financial year ending 30th of June 2024 and will be payable to all the shareholders of the Company registered at the close of business on the 5th of April 2024.

The payment of the interim dividend will take place on or around the 26th of April 2024. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the market day of the 2nd of April 2024 and ex-dividend from the 3rd of April 2024.

Acknowledgement and Appreciation

It gives me great pleasure to thank all of our valued stakeholders for their ongoing contributions to the success of National Foods. Thank-you to my fellow colleagues on the Board for their guidance and input. As always, we remain grateful to the employees of National Foods for their hard work and commitment to the company.



Edwin Isaac Manikai
Independent, Non-Executive Chairman
13 March 2024



Abridged Group Statement of Profit or Loss And Other Comprehensive Income

	Notes	6 Months Ended 31 Dec 2023 unaudited US\$'000	6 Months Ended 31 Dec 2022 reviewed restated US\$'000
Revenue	5	172 411	166 958
cost of raw materials		(135 849)	(129 613)
Profit before items listed below		36 562	37 345
other trading income		128	394
operating expenses		(25 651)	(23 781)
Operating profit before depreciation, financial loss, interest, equity accounted earnings and tax		11 039	13 958
financial income/ (loss)		1 620	(2 847)
depreciation		(2 339)	(1 744)
Operating profit before interest, equity accounted earnings and tax		10 320	9 367
interest income		357	198
interest expense		(1 286)	(3 553)
equity accounted earnings		206	146
Profit before tax		9 597	6 158
income tax expense	6	(2 579)	(1 520)
Profit for the period		7 018	4 638
Other comprehensive income			
- not to be reclassified to profit and loss in subsequent periods		—	—
Total comprehensive income for the period		7 018	4 638
Profit for the period attributable to equity holders of the parent		7 018	4 638
Total comprehensive income for the period attributable to equity holders of the parent		7 018	4 638
EARNINGS PER SHARE (CENTS)			
- Basic and diluted earnings per share (cents)	7	10.26	6.78

Abridged Group Statement of Financial Position

	Notes	At 31 Dec 2023 unaudited US\$'000	At 30 June 2023 audited US\$'000
ASSETS			
Non-current assets			
property, plant and equipment		92 329	86 200
investment property		1 503	1 503
goodwill		325	325
investment in associates		2 064	1 858
other assets		7 553	7 037
right of use assets		454	143
		104 228	97 066
Current assets			
inventories	8	44 740	47 040
trade and other receivables	9	36 850	35 028
other assets		605	1 965
current tax receivable		—	397
cash and cash equivalents		5 936	3 810
		88 131	88 240
Total assets		192 359	185 306
EQUITY AND LIABILITIES			
Equity			
share capital		684	684
revaluation reserve		37 138	37 138
distributable reserves		75 057	68 826
Total equity		112 879	106 648
Non-current liabilities			
deferred tax liability		11 717	10 408
non-current portion of lease liability		393	—
		12 110	10 408
Current liabilities			
trade and other payables	10	58 659	53 368
current portion of lease liability		87	100
borrowings	12	8 253	14 782
current tax payable		371	—
		67 370	68 250
Total liabilities		79 480	78 658
Total equity and liabilities		192 359	185 306

Abridged Group Statement of Cash Flows

	Notes	6 Months Ended 31 Dec 2023 unaudited US\$'000	6 Months Ended 31 Dec 2022 reviewed restated US\$'000
Operating activities			
cash generated from operations		13 839	12 551
working capital changes		4 603	10 140
Operating cash flow		18 441	22 691
interest received		386	198
interest paid		(1 315)	(3 553)
income tax paid		(501)	(1 947)
Net cash inflows from operating activities		17 011	17 389
Investing activities			
purchase of property, plant and equipment to maintain operations		(833)	(1 506)
purchase of property, plant and equipment to expand operations		(7 596)	(6 319)
proceeds on disposal of property, plant and equipment		29	—
proceeds from sale of other investments		1 360	—
(decrease)/increase in other assets		(516)	6 865
Net cash outflow from investing activities		(7 556)	(960)
Financing activities			
proceeds from borrowings		3 545	8 022
repayment of borrowings		(10 075)	(10 644)
lease liability repayments		(35)	(102)
dividends paid		(787)	(4 403)
Net cash outflow from financing activities		(7 352)	(7 127)
Increase in cash and cash equivalents		2 103	9 302
net foreign exchange difference		22	—
Cash and cash equivalents at the beginning of the period		3 810	2 114
Cash and cash equivalents at the end of the period		5 936	11 416

Abridged Group Statement of Changes In Equity

	Share capital US\$'000	Revaluation reserve US\$'000	Distributable reserves US\$'000	Total US\$'000
Balance at 30 June 2022	684	37 138	67 349	105 171
profit for the period	—	—	4 638	4 638
total comprehensive income	—	—	4 638	4 638
dividend declared	—	—	(6 052)	(6 052)
Balance at 31 December 2022	684	37 138	65 935	103 757
Balance at 30 June 2023	684	37 138	68 826	106 648
profit for the period	—	—	7 018	7 018
total comprehensive income	—	—	7 018	7 018
dividend declared	—	—	(787)	(787)
Balance at 31 December 2023	684	37 138	75 057	112 879

Supplementary Information

1 Corporate Information

National Foods Holdings Limited and its subsidiaries ("The Group") are incorporated in Zimbabwe except for Botswana Milling and Produce Company (Proprietary) Limited and Red Seal Manufacturers (Proprietary) Limited which are incorporated in Botswana.

The Group's activities comprise of the milling of flour and maize, manufacture of animal feed, cereals, snacks and biscuits, pasta and the packaging and sale of other general household goods. The Group also owns a portfolio of properties that are leased out to the main business units.

2 Basis of Preparation

The Group's interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with requirements of the Victoria Falls Stock Exchange Listing ("The Regulator") and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Regulator requires interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standards ("IAS") 34 (Interim Financial Reporting). The Group's interim financial statements have been prepared based on the statutory records that are maintained under the historical cost basis except for investment property and property, plant and equipment which is measured at fair value. The financials are presented in United States Dollars ("US\$") and are rounded to the nearest thousand.

The principal accounting policies applied in the preparation of the Group interim consolidated financial statements are in terms of IFRS and have been applied consistently in all material respects with those of the previous consolidated financial statements.

Supplementary Information (continued)

2 Basis of Preparation (continued)

In the prior period the auditors issued an adverse review conclusion on the financial information for the period ended 31 December 2022 due to non-compliance with IAS 21. Following the change in functional currency in the prior year, the change to a revaluation model for property plant and equipment for the year ended 30 June 2023 and the limited volume of transactions in local currency for the current period, management believes that the impact of the non-compliance with IAS 21 is not material and therefore the interim financial statements for the current period comply with IFRS. Notwithstanding the aforementioned, the prior year adverse review conclusion may impact the comparability of the current year numbers.

2.1 Restatement of Prior Period Statement of Profit or Loss and Other Comprehensive Income

As previously reported, the Group changed its reporting and functional currency from ZWL to United States Dollars ("USD") with effect from 1 July 2022. In line with this change, the comparative period interim report was prepared in USD based on management's best interpretation of IFRS and the economic conditions prevailing at that time. Additional information was obtained in the period following the issuing of the comparative period interim report, which allowed for fairer presentation of the Group's financial results for the 2023 financial year in the new functional currency. To ensure consistency and comparability, and taking account of this additional information, the Group's comparative interim financial statements have been restated. There is no change to the Group's full year comparative financial statements as contained in its Annual Report for the 2023 financial year.

3 Functional Currency

These abridged consolidated financial statements are presented in United States Dollars ("US\$"), which is the functional and presentation currency of the Group. The Group changed its functional currency from Zimbabwe Dollars (ZWS) to United States Dollars ("US\$") with effect from 1 July 2022.

The Group assessed its functional currency in accordance with the requirements of International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21). In assessing the functional currency, we considered the following primary and secondary factors:

- The currency that mainly influences sales prices for goods and services
- The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- The currency that mainly influences labour, material, and other costs of providing goods or services
- The currency in which funds from financing activities are generated.
- The currency in which receipts from operating activities are usually retained.

Based on the above factors, the Group concluded that the functional currency remains the United States Dollars (US\$).

4 Treasury bills

The Group has foreign legacy liabilities amounting to US\$1 199 236, being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZWS currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZWS equivalent of the foreign liabilities based on an exchange rate of US\$/ZWS, 1:1 in line with Exchange Control Directives RUI02/2019 and RU28/2019 and as directed by the RBZ. In September 2022, RBZ issued Treasury Bills (TBs) in respect of the deposit made by the Group. The Treasury Bills were issued at face value, with zero interest and have differing maturity tenures ranging from August 2025 to November 2042. In compliance with IFRS 9, the legacy debt was derecognised and the treasury bills were recognised. Management engaged an external valuer to determine the fair value of the TBs at initial recognition. Treasury Bills are traded on an Over the counter (OTC) market which is a secondary market that is less regulated, less transparent and less liquid. In a secondary market, zero coupon bonds are traded at discount rates agreed by the counter parties. The valuer gathered information on the prevailing discount rates and discounted the treasury bills to determine the fair value.

Subsequently, the treasury bills were measured at amortised cost with interest recognised at 12% on the instrument using the effective interest rate. The Group is confident that the Government will honour the treasury bills due to the sovereign nature of the instrument and will continue to provide the necessary support.

5 Operating Segments

	Milling and Manufacturing US\$'000	Properties US\$'000	Intersegment adjustments US\$'000	Total US\$'000
Revenue				
31 December 2023	172 300	2 110	(1 999)	172 411
31 December 2022	166 876	1 719	(1 637)	166 958
Operating profit before depreciation, financial loss, interest, equity accounted earnings and tax				
31 December 2023	9 184	1 855	—	11 039
31 December 2022	12 383	1 575	—	13 958
Depreciation				
31 December 2023	(1 763)	(576)	—	(2 339)
31 December 2022	(1 361)	(383)	—	(1 744)
Net interest expense				
31 December 2023	(868)	(61)	—	(929)
31 December 2022	(3 412)	57	—	(3 355)

Supplementary Information (continued)

5 Operating Segments (continued)

	Milling and Manufacturing US\$'000	Properties US\$'000	Intersegment adjustments US\$'000	Total US\$'000
Profit before tax				
31 December 2023	8 475	1 122	—	9 597
31 December 2022	4 910	1 248	—	6 158
Segment assets				
31 December 2023	146 264	46 095	—	192 359
30 June 2023	146 911	38 395	—	185 306
Segment liabilities				
31 December 2023	(71 647)	(7 833)	—	(79 480)
30 June 2023	(72 605)	(6 053)	—	(78 658)
Capital expenditure				
31 December 2023	6 952	1 477	—	8 429
31 December 2022	7 511	314	—	7 825

	6 Months Ended 31 Dec 23 unaudited US\$'000	6 Months Ended 31 Dec 22 reviewed restated US\$'000
6 Income tax expense		
Current tax	1 270	885
- On current profits at normal rates	1 270	862
- Capital gains tax	—	23
Deferred tax relating to current temporary differences	1 309	635
	2 579	1 520

7 Earnings per share

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and number of shares in issue for the year.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	6 Months Ended 31 Dec 23 unaudited US\$'000	6 Months Ended 31 Dec 22 reviewed restated US\$'000
Reconciliation of basic earnings to headline earnings		
Profit for the year attributable to equity holders of the parent	7 018	4 638
Adjustment for capital items		
Profit on disposal of property, plant and equipment	—	14
Tax effect of adjustment	—	(3)
Headline earnings attributable to ordinary shareholders	7 018	4 649
Number of shares in issue		
Weighted average number of ordinary shares in issue	68 400 108	68 400 108
Basic and diluted earnings per share (cents)	10.26	6.78
Headline earnings per share (cents)	10.26	6.80
	31 Dec 23 unaudited US\$'000	30 June 23 audited US\$'000

8 Inventories

Raw and packaging material	33 299	28 908
Finished products	8 618	12 030
Consumable stores	2 895	6 150
Allowance for obsolete stocks	(72)	(48)
	44 740	47 040

Supplementary Information (continued)

	31 Dec 23 unaudited US\$'000	30 June 23 audited US\$'000
9 Trade and other receivables		
Trade receivables	26 557	23 122
Prepayments	6 925	8 808
VAT receivable	1 415	1 772
Other receivables	2 814	2 202
	37 711	35 904
Allowance for credit losses	(861)	(876)
	36 850	35 028
10 Trade and other payables		
Trade payables	53 863	50 390
Other payables	4 796	2 978
	58 659	53 368
11 Commitments for capital expenditure		
Approved and contracted	1 359	3 587
Approved but not yet contracted	8 585	7 891
	9 944	11 478

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

12 Interest bearing borrowings

Interest bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 11% per annum as at 31 December 2023 (2022: 11%). The facilities are short-term and mature at different dates during the year and these will be reviewed and renewed when they mature. All facilities are secured by guarantees from National Foods Holdings Limited.

13 Uncertain tax positions

There have been substantial changes in the currency environment in Zimbabwe in recent years, including the reintroduction of the ZW\$ as the country's functional currency in February 2019 through SI 33 of 2019, followed by the promulgation of SI 185 of 2020, which reintroduced the use of foreign currency for domestic transactions.

These significant changes have created numerous uncertainties in the treatment of taxes due across the economy, and have been compounded by a lack of clear statutory and administrative guidance or practical transitional measures from the tax authorities. The wording of existing tax legislation has given rise to varying interpretations of tax law within the country. Over time, it has become apparent that the Group's interpretation of the law regarding the currency of settlement for taxes, as well as the methodology for tax computation, has differed from that of the authorities, and this has resulted in a number of uncertainties in the Group's tax position. The Group continues to seek adjudication by the courts on the uncertain tax positions.

14 Interim dividend declaration

The Board is pleased to declare an interim dividend of US3.42 cents per share (2022: US2.90 cents per share) in respect of all ordinary shares of the Company. This dividend is in respect of the half year ended 31 December 2023 and will be payable to all shareholders of the Company registered at the close of business on the 5th of April 2024.

15 Going concern

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

