



### FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZWS'000	% Change	2021 ZWS'000	% Change
<b>Financial</b>				
Revenue	13,171,415	55% ↑	10,635,419	190% ↑
Earnings before depreciation, amortisation, interest and tax	1,024,551	342% ↑	1,059,630	197% ↑
Operating profit	790,665	1009% ↑	1,006,833	182% ↑
Profit for the period attributable to owners of the parent	60,615	149% ↑	476,335	56% ↑
Equity	3,392,711	22% ↑	1,883,858	52% ↑
Headline earnings per share (cents)	30	156% ↑	130	97% ↑
<b>Volume (Litres'000)</b>				
Raw milk utilised	27,488	1% ↑	27,488	1% ↑
Sales	94,185	48% ↑	94,185	48% ↑

### CHAIRMAN'S STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### INTRODUCTION

I am pleased to present the Group's audited results for the year ended 31 December 2021. The commentary on financials is based on the inflation adjusted numbers. The historic numbers are shown as supplementary information. The overall performance reflects a more stable operating environment than prior year.

#### OPERATING ENVIRONMENT

Despite COVID-19 induced disruptions, Zimbabwe's economy remained resilient and recorded a GDP growth of 7.8%. The growth was driven by higher agricultural output from the good 2020-2021 rain season, improved capacity utilisation in industry, large public infrastructure projects across the economy, a slowdown in inflation and improved availability of foreign currency.

Month on month inflation largely remained below 5% throughout the year but started to trend upwards in the 4th quarter, culminating in an annual inflation rate of 60.7% for 2021.

For the business, the net impact of a more stable environment, dual currency and access to foreign currency through the auction system for part of our requirements, was an improved ability to source raw materials and invest in retooling. Some negative impacts, such as longer lead times across supply chains, long delays in disbursement from the foreign auction system, increased labour and utility costs as well as increased COVID-19 mitigation costs, resulted in mounting pressure on costs and margins.

#### PERFORMANCE

##### Raw Milk

Raw milk processed in the year at 27.5mln litres was 1% above prior year. The raw milk processed represents 34.5% of the milk that was produced in the country of 79.6mln litres. Raw milk supply remains a key input for the business, and therefore Dairibord actively invests to support low cost milk production models that are sustainable in the face of regional competition.

##### Volumes and Revenue

Sales volume for the year at 94.2 mln litres was 48% ahead of prior year, and was the highest volume recorded in the last 5 years. The increase was largely driven by significant growth in the Beverages segment. Liquid Milks grew by 10%. Foods grew by 34% while Beverages recorded a significant 84% increase due to growth in volumes of Pfuco and Cascade. 20% of the volume was sold in foreign currency up from 16% in 2020. Despite the strong volume growth, the business was not able to meet strong consumer demand due to production capacity constraints and Covid 19 supply side disruptions.

Revenue for the year grew by 55% [Historical: 190%] over prior year to ZWS\$13.17 bln [Historical: ZWS\$10.64bln], driven by the 48% growth in volume and moderate upward price adjustments of 5%, which were well below the inflation rate. Total foreign currency revenue increased by 120% over 2020 as a result of a focus on foreign currency generating initiatives. The foreign currency revenue generated, coupled with proceeds from the auction market, contributed towards meeting the company's import bill.

##### Profitability

The operating profit increased to ZWS\$791 mln [Historical ZWS\$1.01 bln], a growth of 1009% above prior year [Historical 182%]. The Group achieved a profit after tax of ZWS\$61 mln [Historical ZWS\$476 mln], an increase of 149% above prior year [Historical: 56%].

While revenue grew by 55% [Historical: 190%], cost of sales increased by 50% [Historical: 202%] mainly driven by the depreciation of the Zimbabwe dollar as well as increases in commodity prices, petroleum-based packaging materials, milk powders and freight costs. The focus on cost management and cost containment of overheads resulted in an improved operating profit margin for the year of 6% up from -1% in prior year.

This was a satisfactory performance under the circumstances.

##### Working capital

Net cash generated from operations increased by 1218% [Historical 651%] to ZWS\$834 mln [Historical ZWS\$480 mln] on account of improved operating performance. Growth in cash flows was subdued by the significant investment in inventories and prepayments to suppliers, to mitigate value erosion from rising inflation. The business closed the year with foreign obligations of US\$2.8 mln, including a long term loan of US\$0.73 mln. The obligations were adequately covered by foreign currency assets and expected disbursements of outstanding allotments from the auction market.

#### OUTLOOK

Although the authorities are projecting a positive economic outlook in 2022, the poor start to the 2021/2022 summer agricultural season, erosion of consumer disposable incomes due to escalating inflation and exchange rate disparities heighten the risk of a slowdown in growth compared to 2021. The geopolitical effects resulting from the Russian-Ukraine war, are expected to further disrupt global supply chains, exert upward pressure on inflation and result in slowdown in economic growth.

Covid-19 remains a threat due to vaccine uptake hesitancy. However, most economies are moving towards a more normalised state where economic and social activity must live alongside the virus.

Demand for the United States dollar is expected to remain firm in an inflationary environment, however, it is expected that the Reserve Bank will continue to maintain a tight monetary policy and improve the foreign auction system. It is further expected that the Fiscal Policy will remain aligned with the goals of the National Development Strategy 1, to stimulate economic growth while maintaining fiscal discipline [i.e. Budget deficit in line with the Budget Strategy Paper targets of below 3% of GDP].

Given the current domestic inflation trend, foreign currency challenges, global inflation and attendant anticipated supply disruptions; the business will focus on sustenance to preserve value with moderate growth expectations. Key areas of focus will be:

- Localising supply chains of key inputs, through a sustained focus on smart partnerships with key suppliers;
- Cost reduction, cost containment and enhanced working capital management to defend margins and preserve value;
- Strategies that optimise the dual currency system, channel and product mix and export markets to ensure more than enough foreign currency is available for input requirements;
- Taking advantage of market opportunities by leveraging on the US\$2.8 mln investment in property, plant and equipment made in 2021 to increase availability of foods and beverages;
- Climate change sensitive investments for volume growth, cost reduction, continuous efficiency improvement, wider market reach and better service delivery;
- Investments in Environmental, Social and Governance Initiatives (ESG); and
- Investments in brand building and man power development to deliver stakeholder expectations.

#### SUSTAINABILITY

Dairibord, as one of the pioneers for adopting sustainability reporting in Zimbabwe, remains resilient and committed to enhancing its contribution to sustainable development. We know where our significant positive impacts come from; through nutritious foods and beverages for the sustenance of good health. We are partnering and collaborating with partners across our value chain to foster inclusivity, creating business opportunities for small scale businesses, farmers and vendors etc. The board has made an express commitment for the need to focus on the Group's impacts on enhancing corporate social responsibility, water management, energy efficiency and improved environmental management of packaging. The Group remains optimistic of its ability to manage these priorities despite the unpredictable operating environment.

#### DIVIDEND DECLARATION

In consideration of the improved performance of the business and in line with shareholder expectations, at the meeting held on the 28th of March 2022, the Board resolved to declare a dividend of ZWS\$0.41 per share for the year ended 31 December 2021. The dividend will be paid to shareholders registered in the share register of the company at close of business on the 22nd of April 2022. The payment of the dividend will take place on or about the 13th of May 2022. The shares will be traded cum-div on the Zimbabwe Stock Exchange up to the 18th of April 2022 and ex-div as from 19th of April 2022.

#### APPRECIATION

I extend my appreciation to all stakeholders, fellow board members, management and staff for the continued commitment to the success of the business.

J Sachikonye  
Chairman  
28 March 2022

### AUDITOR'S STATEMENT

The abridged inflation adjusted financial statements for the year ended 31 December 2021 have been audited by the Group's external auditors, Deloitte & Touche, who issued an adverse opinion in respect of the following matters;

- Non-compliance with International Financial Reporting Standards International Accounting Standard (IAS) 21 – "The Effects of Changes in Foreign Exchange Rates Exchange", for rates used in prior year as well as the carry over effects and resultant matters in the current year.
- Valuation of investment property and freehold land and buildings (included in property, plant and equipment) on current year and comparative information.
- Inappropriate application of IAS 8 – "Changes in Accounting Estimates and Errors" on comparative information, impact of incorrect date of application of IAS 29 – "Financial Reporting in Hyperinflationary Economies" and IAS 21 "The Effects of Changes in Foreign Exchange Rates".

The audit report is available for inspection at the Dairibord Holdings Limited registered offices.

The engagement partner responsible for the audit was Charity Mtswazi (PAAB Practice Certificate Number 0585).

### ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
<b>Revenue</b>	4	13,171,415	8,475,483	10,635,419	3,661,897
Cost of sales		(10,160,946)	(6,789,352)	(7,909,413)	(2,616,504)
<b>Gross profit</b>		3,010,469	1,686,131	2,726,006	1,045,393
<b>Operating profit / (loss)</b>		790,665	(86,959)	1,006,833	356,537
Fair value (loss)/gain on investment properties		(25,464)	12,786	21,486	67,879
Net foreign exchange (loss)/ gain		(11,438)	1,541	(9,180)	9,256
Monetary (loss)/ gain		(63,108)	114,397	-	-
<b>Profit before interest and tax</b>		690,655	41,765	1,019,139	433,672
Finance income		3,020	2,494	2,463	1,120
Finance costs		(434,550)	(133,099)	(343,126)	(61,562)
<b>Profit/ (loss) before tax</b>		259,125	(88,840)	678,476	373,230
Income tax expense	6	(198,510)	(34,349)	(202,141)	(68,106)
<b>Profit for the period attributable to owners of the parent</b>		60,615	(123,189)	476,335	305,124
<b>Other comprehensive income:</b>					
Revaluation (loss)/ surplus on properties, net of tax		(235,827)	294,434	249,561	677,153
<b>Total comprehensive (loss)/ income for the year attributable to owners of the parent</b>		(175,212)	171,245	725,896	982,277
<b>Earnings per share (cents)</b>					
Basic	10	16.93	(34.41)	133.05	85.23
Diluted	10	16.93	(34.41)	133.05	85.23
Weighted average number of shares in issue		358,000,858	358,000,858	358,000,858	358,000,858
Weighted average number of shares adjusted for the effect of dilution		358,000,858	358,000,858	358,000,858	358,000,858

\*Cost of sales was restated for a change in approach. Refer to note 13.

### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
<b>Asset</b>					
<b>Non-current assets</b>					
Property, plant and equipment		3,363,226	2,457,503	1,709,835	1,153,718
Investment property		98,786	136,739	98,786	85,070
Right of use asset		43,101	-	29,552	-
Intangible assets		4,410	8,087	120	244
Deferred tax asset		9,086	-	10,207	9,420
<b>3,518,609</b>		<b>2,602,329</b>	<b>1,848,500</b>	<b>1,248,452</b>	
<b>Current assets</b>					
Inventories		1,542,730	962,404	1,246,042	413,165
Prepayments		221,312	452,394	195,659	205,598
Trade and other receivables		607,619	468,124	607,619	291,236
Cash and cash equivalents		200,459	330,599	200,459	205,677
<b>2,572,120</b>		<b>2,213,521</b>	<b>2,249,779</b>	<b>1,115,676</b>	
<b>Total assets</b>		<b>6,090,729</b>	<b>4,815,850</b>	<b>4,098,279</b>	<b>2,364,128</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital		1,909	1,424	36	36
Share premium		73,570	54,876	1,380	1,380
Other reserves		677,353	866,140	1,107,197	876,640
Retained earnings		2,639,879	1,848,530	775,245	362,246
<b>Total equity attributable to owners of the parent</b>		<b>3,392,711</b>	<b>2,770,970</b>	<b>1,883,858</b>	<b>1,240,302</b>
<b>Non-current liabilities</b>					
Interest - bearing borrowings	9	247,397	122,656	247,397	76,308
Share incentive liability		57,013	45,079	57,013	28,045
Financial guarantee liability		7,271	11,248	7,271	6,998
Lease liability		15,268	-	15,268	-
Deferred tax liability		779,409	600,147	295,812	225,007
<b>1,106,358</b>		<b>779,130</b>	<b>622,761</b>	<b>336,358</b>	
<b>Current liabilities</b>					
Trade and other payables	8	1,031,123	585,618	1,031,123	364,333
Contract liabilities		82,410	25,336	82,410	15,764
Interest - bearing borrowings	9	347,622	583,969	347,622	363,307
Lease liability		8,103	-	8,103	-
Bank overdraft		93,354	-	93,354	-
Dividend payable		3,297	636	3,297	396
Income tax payable		25,751	70,191	25,751	43,668
<b>1,591,660</b>		<b>1,265,750</b>	<b>1,591,660</b>	<b>787,468</b>	
<b>Total liabilities</b>		<b>2,698,018</b>	<b>2,044,880</b>	<b>2,214,421</b>	<b>1,123,826</b>
<b>Total equity and liabilities</b>		<b>6,090,729</b>	<b>4,815,850</b>	<b>4,098,279</b>	<b>2,364,128</b>



### ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
<b>Operating activities:</b>				
Profit/ (loss) before tax	259,125	(88,840)	678,476	373,230
Depreciation and amortisation	296,993	204,105	52,798	11,389
Profit on disposal of property, plant and equipment and investment property	(8,693)	(25,892)	(8,120)	(6,033)
Fair value loss/ (gain) on investment property	25,464	(12,786)	(21,486)	(67,879)
Monetary loss/ (gain)	63,108	(114,397)	-	-
Other non-cash items	27,053	90,783	15,275	33,773
Finance income	(3,020)	(2,494)	(2,463)	(1,120)
Finance costs	434,550	133,099	343,126	61,563
Working capital movement	24,996	(43,340)	(345,994)	(426,540)
	<b>1,119,576</b>	<b>140,238</b>	<b>711,612</b>	<b>(21,617)</b>
Income tax paid	(285,163)	(160,335)	(231,990)	(62,599)
<b>Net cashflows generated from/ (used in) operating activities</b>	<b>834,413</b>	<b>(20,097)</b>	<b>479,622</b>	<b>(84,216)</b>
<b>Investing activities:</b>				
Additions to property, plant and equipment	(308,067)	(92,456)	(279,843)	(52,349)
Prepayments for plant and equipment	(14,563)	(115,093)	(44,029)	(4,459)
Purchase of intangible assets	-	(650)	-	(92)
Proceeds from sale of property, plant and equipment & investment property	28,709	48,331	19,132	10,858
Finance income	3,020	2,494	2,463	1,120
<b>Net cashflows used in investing activities</b>	<b>(290,901)</b>	<b>(157,374)</b>	<b>(302,277)</b>	<b>(44,922)</b>
<b>Net cashflows after investing activities</b>	<b>543,512</b>	<b>(177,471)</b>	<b>177,345</b>	<b>(129,138)</b>
<b>Financing activities:</b>				
Proceeds from borrowings	1,101,273	993,663	866,583	462,112
Repayment of borrowings	(836,945)	(246,327)	(711,180)	(77,825)
Lease payments	(18,255)	-	(20,990)	-
Interest paid	(419,262)	(129,095)	(327,082)	(56,597)
Dividend paid	(105,779)	(11,116)	(79,439)	(6,915)
<b>Net cashflows (used in)/ generated from financing activities</b>	<b>(278,968)</b>	<b>607,125</b>	<b>(272,108)</b>	<b>320,775</b>
Increase/(decrease) in cash and cash equivalents	264,544	429,654	(94,763)	191,637
Effects of exchange rate and inflation	(488,038)	(202,609)	(3,809)	(322)
<b>Cash and cash equivalents at beginning of period</b>	<b>330,599</b>	<b>103,554</b>	<b>205,677</b>	<b>14,362</b>
<b>Cash and cash equivalents at the end of period</b>	<b>107,105</b>	<b>330,599</b>	<b>107,105</b>	<b>205,677</b>

### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note	AUDITED INFLATION ADJUSTED Attributable to owners of the parent				
	Share Capital ZWS'000	Share Premium ZWS'000	Other reserves ZWS'000	Retained earnings ZWS'000	Total equity ZWS'000
<b>As at 1 January 2020</b>	<b>1,424</b>	<b>54,876</b>	<b>571,706</b>	<b>1,983,714</b>	<b>2,611,720</b>
Loss for the year	-	-	-	(123,189)	(123,189)
Other comprehensive income	-	-	294,434	-	294,434
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>294,434</b>	<b>(123,189)</b>	<b>171,245</b>
Dividend paid	-	-	-	(11,995)	(11,995)
<b>As at 31 December 2020</b>	<b>1,424</b>	<b>54,876</b>	<b>866,140</b>	<b>1,848,530</b>	<b>2,770,970</b>
Profit for the year	-	-	-	60,615	60,615
Other comprehensive loss	-	-	(235,827)	-	(235,827)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>(235,827)</b>	<b>60,615</b>	<b>(175,212)</b>
Impact of change in date of application of IAS 29	11	485	18,694	-	891,695
Reclassification of reserves	12	-	-	47,040	(47,040)
Dividend paid	-	-	-	(113,921)	(113,921)
<b>As at 31 December 2021</b>	<b>1,909</b>	<b>73,570</b>	<b>677,353</b>	<b>2,639,879</b>	<b>3,392,711</b>

Note	UNAUDITED HISTORICAL COST Attributable to owners of the parent				
	Share Capital ZWS'000	Share Premium ZWS'000	Other reserves ZWS'000	Retained earnings ZWS'000	Total equity ZWS'000
<b>As at 1 January 2020</b>	<b>36</b>	<b>1,380</b>	<b>199,487</b>	<b>64,282</b>	<b>265,185</b>
Profit for the period	-	-	-	305,124	305,124
Other comprehensive income	-	-	677,153	-	677,153
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>677,153</b>	<b>305,124</b>	<b>982,277</b>
Dividend paid	-	-	-	(7,160)	(7,160)
<b>As at 31 December 2020</b>	<b>36</b>	<b>1,380</b>	<b>876,640</b>	<b>362,246</b>	<b>1,240,302</b>
Profit for the period	-	-	-	476,335	476,335
Other comprehensive loss	-	-	249,561	-	249,561
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>249,561</b>	<b>476,335</b>	<b>725,896</b>
Reclassification of reserves	12	-	(19,004)	19,004	-
Dividend paid	-	-	-	(82,340)	(82,340)
<b>As at 31 December 2021</b>	<b>36</b>	<b>1,380</b>	<b>1,107,197</b>	<b>775,245</b>	<b>1,883,858</b>

### NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 1. BASIS OF PREPARATION

The Group's financial statements, of which these abridged results are an extract, were prepared in accordance with the Companies and Other Business Entities Act (Chapter 24:31), International Financial Reporting Standards (IFRS) and the Zimbabwe Stock Exchange Regulations.

The consolidated financial statements are based on the statutory records that are maintained under the historical cost convention, except for land and buildings and investment property that have been measured at fair value. The historical costs have been adjusted for the effects of applying International Accounting Standard 29 (IAS 29) - "Financial Reporting in Hyperinflationary Economies". The Group financial statements for the year ended 31 December 2021 and the corresponding figures for previous periods have been restated for the changes in the general purchasing power of the functional currency, and as a result, are stated in terms of the measuring unit current at the end of the reporting period.

The consolidated financial statements are presented in Zimbabwean Dollars (ZWS), which is the Group's functional and presentation currency. The historical financial statements are presented as supplementary information and do not form part of the audited financial statements.

#### 1.1 Hyper Inflation

On 11 October 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement on the application of IAS 29. This followed runaway inflation experienced in Zimbabwe. The pronouncement required that entities operating in Zimbabwe with financial periods ending on or after 1 July 2019 prepare and present financial statements in line with the requirements of IAS 29.

"The Directors have made appropriate adjustments to reflect the changes in the general purchasing power on the Zimbabwe Dollar and for purposes of fair presentation in accordance with IAS29, these changes have been made on the historical cost financial information. The ZWS all items CPI was used in adjusting the historical financial statements for inflation. The ZWS CPI was obtained from the Reserve Bank of Zimbabwe website. Below are the indices and adjustment factors used up to December 2021:

	Indices	Adjustment factor
CPI as at 31 December 2021	3997.50	1.00
CPI as at 31 December 2020	2474.51	1.61
CPI as at 31 December 2019	551.63	7.25
CPI as at 1 October 2018	88.81	44.79
Average CPI for 2021	3135.00	

#### 1.2 Historical Cost Financial Information

The historical cost financial information is shown as supplementary information. The information does not comply with the International Financial Reporting Standards (IFRS) in that it does not take into account the requirements of IAS 29. Consequently, the auditor does not express an audit opinion on the historical financial information.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are consistent with those used in the previous year with no significant impact arising from new and revised International Financial Reporting Standards applicable for the year ended 31 December 2021.

#### 3. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The underlying consolidated financial statements to these abridged results were approved by the Board on 28 March 2022.

#### 4. SEGMENT INFORMATION

The Group is currently organised into business units for management purposes. The Group has 3 operating segments which management uses to monitor performance and therefore inform decision making and these are:

Year ended 31 December 2021	AUDITED INFLATION ADJUSTED				
	Manufacturing and distribution ZWS'000	Properties ZWS'000	Corporate ZWS'000	Adjustments and eliminations ZWS'000	Group ZWS'000
<b>Revenue</b>					
- External customers	13,159,959	11,456	-	-	13,171,415
- Inter-segment	536	102,190	237,843	(340,569)	-
	<b>13,160,495</b>	<b>113,646</b>	<b>237,843</b>	<b>(340,569)</b>	<b>13,171,415</b>
<b>Results</b>					
Depreciation and amortisation	280,071	51	11,967	4,904	296,993
Operating profit	940,452	95,710	88,303	(333,800)	790,665
Segment assets	5,707,076	1,595,499	2,987,428	(4,199,273)	6,090,729
Segment liabilities	2,615,996	73,289	503,598	(494,865)	2,698,018
Capital expenditure	307,271	506	290	-	308,067

#### Year ended 31 December 2020

<b>Revenue</b>					
- External customers	8,469,049	6,434	-	-	8,475,483
- Inter-segment	7,207	3,268	160,903	(171,378)	-
	<b>8,476,256</b>	<b>9,702</b>	<b>160,903</b>	<b>(171,378)</b>	<b>8,475,483</b>
<b>Results</b>					
Depreciation and amortisation	169,965	28,446	5,694	-	204,105
Operating (loss)/profit	(216,081)	119,081	10,041	-	(86,959)
Segment assets	1,916,643	1,907,397	2,424,982	(1,433,172)	4,815,850
Segment liabilities	1,435,901	71,224	555,961	(18,206)	2,044,880
Capital expenditure	88,799	-	3,657	-	92,456

Year ended 31 December 2021	UNAUDITED HISTORICAL COST				
	Manufacturing and distribution ZWS'000	Properties ZWS'000	Corporate ZWS'000	Adjustments and eliminations ZWS'000	Group ZWS'000
<b>Revenue</b>					
- External customers	10,626,166	9,253	-	-	10,635,419
- Inter-segment	480	80,129	195,807	(276,416)	-
	<b>10,626,646</b>	<b>89,382</b>	<b>195,807</b>	<b>(276,416)</b>	<b>10,635,419</b>
<b>Results</b>					
Depreciation and amortisation	49,770	27,182	4,143	(28,297)	52,798
Operating profit	922,709	58,451	77,070	(51,833)	1,006,397
Segment assets	3,289,984	1,595,499	501,969	(1,289,174)	4,098,278
Segment liabilities	2,696,695	73,289	480,025	(1,035,588)	2,214,421
Capital expenditure	279,165	424	254	-	279,843

#### Year ended 31 December 2020

<b>Revenue</b>					
- External customers	3,659,097	2,800	-	-	3,661,897
- Inter-segment	3,110	960	68,858	(72,928)	-
	<b>3,662,207</b>	<b>3,760</b>	<b>68,858</b>	<b>(72,928)</b>	<b>3,661,897</b>
<b>Results</b>					
Depreciation and amortisation	5,976	5,029	384	-	11,389
Operating profit	351,730	1,798	3,008	-	356,536
Segment assets	1,165,267	1,186,656	391,133	(378,928)	2,364,128
Segment liabilities	883,598	44,311	344,283	(148,367)	1,123,825
Capital expenditure	50,467	-	1,882	-	52,349

The Group obtains most of its revenue from the domestic market.

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
<b>5. DEPRECIATION AND AMORTISATION</b>	<b>296,993</b>	<b>204,105</b>	<b>52,798</b>	<b>11,389</b>
<b>6. INCOME TAX</b>				
The major components of income tax are shown below:				
Current tax	250,003	152,101	214,073	94,627
Capital gains tax	-	790	-	492
Deferred tax	(51,493)	(118,542)	(11,932)	(27,013)
	<b>198,510</b>	<b>34,349</b>	<b>202,141</b>	<b>68,106</b>



**Dairibord Holdings**  
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# AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 7. CAPITAL COMMITMENTS

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
- Authorised and contracted for	113,014	184,233	113,014	114,617
- Authorised but not contracted for	839,416	924,686	839,416	575,278
	<b>952,430</b>	<b>1,108,919</b>	<b>952,430</b>	<b>689,895</b>

## 8. TRADE AND OTHER PAYABLES

	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
- Trade payables	817,164	347,115	817,164	215,952
- Payroll accruals	83,013	111,423	83,013	69,320
- Vat accrual	27,391	27,544	27,391	17,136
- Utilities	31,566	20,912	31,566	13,010
- Other payables	71,989	78,624	71,989	48,915
	<b>1,031,123</b>	<b>585,618</b>	<b>1,031,123</b>	<b>364,333</b>

## 9. INTEREST BEARING BORROWINGS

	AUDITED INFLATION ADJUSTED						INTEREST RATE
	CURRENT UTILISATION		SHORT TERM PORTION		LONG TERM PORTION		
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000	
Bank loans - long term	421,711	127,114	215,011	4,458	206,700	122,656	40-45
Vendor loan - long term*	40,697	-	-	-	40,697	-	8
Bank loan - short term	132,611	579,511	132,611	579,511	-	-	40-45
	<b>595,019</b>	<b>706,625</b>	<b>347,622</b>	<b>583,969</b>	<b>247,397</b>	<b>122,656</b>	

  

	UNAUDITED HISTORICAL COST						INTEREST RATE
	CURRENT UTILISATION		SHORT TERM PORTION		LONG TERM PORTION		
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000	
Bank loans - long term	421,711	79,081	215,011	2,773	206,700	76,308	40-45
Vendor loan - long term*	40,697	-	-	-	40,697	-	8
Bank loan - short term	132,611	360,534	132,611	360,534	-	-	40-45
	<b>595,019</b>	<b>439,615</b>	<b>347,622</b>	<b>363,307</b>	<b>247,397</b>	<b>76,308</b>	

The bank loans are secured against land and buildings valued at ZWS1.2bn. The vendor loan is secured against the machinery.

## 10. EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

Profit attributable to owners of the parent for basic earnings  
Profit on disposal of assets, net of tax  
Fair value adjustment on investment property, net of tax  
Profit attributable to owners of the parent for headline earnings

	AUDITED INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021 ZWS'000	2020 ZWS'000	2021 ZWS'000	2020 ZWS'000
Profit attributable to owners of the parent for basic earnings	65,709	(123,189)	476,335	305,124
Profit on disposal of assets, net of tax	(6,544)	(19,491)	6,113	(4,542)
Fair value adjustment on investment property, net of tax	19,169	(12,147)	(16,174)	(67,879)
Profit attributable to owners of the parent for headline earnings	<b>78,334</b>	<b>(154,827)</b>	<b>466,274</b>	<b>232,703</b>

  

	2021 No.	2020 No.	2021 No.	2020 No.
Weighted average number of ordinary shares for basic earnings per share	358,000,858	358,000,858	358,000,858	358,000,858
Number of shares in issue	<b>358,000,858</b>	<b>358,000,858</b>	<b>358,000,858</b>	<b>358,000,858</b>
Weighted average number of ordinary shares for diluted earnings per share	<b>358,000,858</b>	<b>358,000,858</b>	<b>358,000,858</b>	<b>358,000,858</b>

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.

## 11. CHANGE IN DATE OF APPLICATION OF IAS 29

"In February 2019, the Government of Zimbabwe issued Statutory Instrument (S.I.) 33 of 2019, which among other things, prescribed parity between the US\$ and local currency as at and up to the effective date of 22 February 2019 for accounting and other purposes. S.I. 33 also prescribed the manner in which certain balances were to be treated as a consequence of the recognition of the ZW\$ as currency in Zimbabwe. Based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency should have been accounted for with effect from 1 October 2018. The inconsistency between S.I. 33 and IAS 21 resulted in non-compliance with IFRS - IAS 21 and IAS 29 as the Group opted to comply with S.I. 33.

During the year ended 31 December 2021, management quantified the misstatement arising from adopting 22 February 2019 as the date of change in currency and the related effect on the application of IAS 29. The non-compliance affected plant and equipment, intangible assets, share capital, share premium and deferred tax. The net effect on the misstatement was adjusted for directly in opening equity as presented in the statement of changes in equity."

## 12. RECLASSIFICATION OF RESERVES

Included in the prior year other reserve is a foreign currency conversion reserve of ZW\$60 366 970 (historical: ZW\$17 123 643) which arose as a result of change in functional currency from the Zimbabwe dollar to the United States dollar in 2009 and on change from the United States dollar (US\$) to the Zimbabwean dollar (ZW\$) in 2018. The reserve represented the residual equity in existence as at the change over period. During the year ended 2021, the foreign currency conversion reserve was reclassified to retained earnings.

In addition, an amount of ZW\$13 327 324 (historical: ZW\$1 880 558) was reclassified from revaluation reserve to retained earnings for properties disposed off in the prior year. The assets were carried under the revaluation model and the amounts reclassified represent the accumulated revaluation surplus on disposal of the assets.

## 13. RESTATEMENT OF COST OF SALES

IAS 29 requires all items in the statement of comprehensive income to be presented in terms of the measuring unit current at the end of the reporting period, by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

Since IAS 29 became applicable to entities in Zimbabwe, the Group has consistently used the direct method to adjust 'cost of sales' for hyperinflation. In terms of the direct method, monthly inflation indices are used to adjust the historical monthly 'cost of sales' expense. Management believed this method to be compliant with IAS 29 and had applied it in its previously audited annual financial statements. In the current year, as part of the auditor transition, management has revised its approach and retrospectively applied the indirect method to hyper inflate 'cost of sales'. In terms of the indirect method, each component used to determine the 'cost of sales' expense (opening stock, production costs and closing stock) is adjusted for hyperinflation separately rather than adjusting 'cost of sales' as a whole.

This revision resulted in a restatement of cost of sales by ZW\$458 762 503 and a corresponding reduction in the monetary loss in the statement of comprehensive income. While operating profit decreased, there has been no impact on profit for the year, total earnings per share (basic and diluted), net cash flows nor the statement of financial position.

## 14. EVENTS AFTER THE REPORTING DATE

There were no significant events subsequent to year end.



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