



NOTES TO THE FINANCIAL STATEMENTS (continued)
For the six months ended 30 June 2023

10.2 Revaluation of properties (continued)

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Fair Value at 30 June 2023 ZWS
Land and buildings	-	-	102,306,000	102,306,000

Fair value hierarchy: 2022

	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Fair Value at 31 Dec 2022 ZWS
Land and buildings	-	-	79,666,125	79,666,125

11 INVESTMENT PROPERTY

	Group		Group	
	Inflation Adjusted 30-Jun-23 Reviewed ZWS'000	31-Dec-22 Audited ZWS'000	Historical Cost 30-Jun-23 Unaudited ZWS'000	31-Dec-22 Unaudited ZWS'000
Reconciliation of carrying amounts				
Balance at 1 January	5,644,656	2,473,344	775,000	98,786
Fair value adjustment recognised in profit or loss (in other operating income)	1,619,344	3,171,312	6,489,000	676,214
Closing balance	7,264,000	5,644,656	7,264,000	775,000

11.1 Fair valuation of properties

The fair value of investment property was determined by an external independent property valuer, Dawn Property Consultancy (Private) Limited (Dawn) as at 30 June 2023. The valuer has appropriate and recognised professional qualifications and experience in the location and category of the properties valued.

Fair value hierarchy: 2023

The following table provides an analysis of properties that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Fair Value at 30 June 2023 ZWS
Land and buildings	-	-	7,264,000	7,264,000

Fair value hierarchy: 2022

	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Fair Value at 31 Dec 2022 ZWS
Land and buildings	-	-	5,644,656	5,644,656

12 INVENTORIES

	Group		Group	
	Inflation Adjusted 30-Jun-23 Reviewed ZWS'000	31-Dec-22 Audited ZWS'000	Historical Cost 30-Jun-23 Unaudited ZWS'000	31-Dec-22 Unaudited ZWS'000
Packaging and raw materials	31,852,747	37,748,911	15,299,823	5,139,093
Spares and general consumables	19,479,770	18,137,905	2,885,555	900,470
Finished goods	10,204,329	7,220,556	8,232,359	938,882
Total inventories at lower of cost and net realisable value	61,536,846	63,107,372	26,417,737	6,978,445

13 TRADE AND OTHER RECEIVABLES

	Group		Group	
	Inflation Adjusted 30-Jun-23 Reviewed ZWS'000	31-Dec-22 Audited ZWS'000	Historical Cost 30-Jun-23 Unaudited ZWS'000	31-Dec-22 Unaudited ZWS'000
Local trade receivables	27,383,908	21,789,556	27,383,908	2,991,662
Foreign trade receivables	644,744	1,067,466	644,744	146,561
Other receivables	2,175,167	15,913,166	2,175,167	2,184,846
Allowance for credit losses (trade and other receivables)	(188,368)	(181,190)	(188,368)	(24,877)
Total	30,015,451	38,588,998	30,015,451	5,298,192

14 TRADE, OTHER PAYABLES AND PROVISIONS

	Group		Group	
	Inflation Adjusted 30-Jun-23 Reviewed ZWS'000	31-Dec-22 Audited ZWS'000	Historical Cost 30-Jun-23 Unaudited ZWS'000	31-Dec-22 Unaudited ZWS'000
Trade and other payables				
Trade payables	70,640,779	67,397,935	70,640,779	9,253,602
Payroll accruals	2,173,230	2,566,459	2,173,230	352,370
Employee bonus accrual	-	2,013,196	-	276,408
VAT and VAT withholding tax payable	207,119	2,183,615	207,119	299,806
Leave accrual	628,103	906,144	628,103	124,412
Utilities accruals	1,636,906	828,560	1,636,906	113,760
Audit fee accrual	77,756	252,648	77,756	34,688
Interest accrued	-	175,114	-	24,043
Other payables	294,739	3,256,083	294,739	447,052
	75,658,632	79,579,754	75,658,632	10,926,141

Trade and other payables are non - interest bearing and are normally settled on 14 - 30 day terms.

Other payables comprise of sundry suppliers who provide goods and services that do not directly affect the operations of the business.

15 GOING CONCERN

The Group's performance for the period under review resulted in a loss after tax of ZWS4.65 billion against a profit after tax of ZWS7.88 billion in the prior year comparative period. The current period performance was heavily weighed down by significant exchange losses on foreign currency denominated liabilities which significantly increased in ZWS terms between May and June 2023 when the local currency ran into a freefall. The Group is seized with efforts to restructure the balance sheet in an effort to fund operations using more affordable forms of financing. This also includes reducing the foreign currency risk exposure by appropriately hedging the risk using an appropriate value match in foreign currency denominated monetary assets. At operating profit level, the performance of the Group is notable and buttresses its status as a commercially viable operation. The Group's operating profit grew 237% to ZWS61 billion from the ZWS18.08 billion posted in the prior year comparative period. The net asset position increased from ZWS134.59 billion to ZWS149.789 billion in the period under review, an attestation of the growth in shareholder wealth. Forecasts for the next 12 months that the Group has prepared indicate that the current operations will continue to grow in market share, profitability and net assets. Given the above considerations, the Directors have evaluated that the going concern assumption is valid for the Group.

16 EVENTS AFTER THE REPORTING DATE

There were no material events subsequent to 30 June 2023.



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