Dairibord Holdings

More Than Just Milk

ANNUAL REPORT 2023

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Zimbabwe (Private) Limited
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Chimombe
Long Life Milk
Zimbabwe's Favourite Full Cream Milk
STANDARDISED UHT FULL CREAM MILK
Full Cream Milk
Long life milk
1 litre
Super Milk
dairibord.com

OUR CORE VALUES

Our Vision

To be the leading foods and beverages company in Africa, commanding a position of sustainable market leadership driven by strong brands and superior human capital.

Our Mission

To provide our customers with the best quality foods and beverages for the sustenance of good health.

Our Values

Integrity

Our integrity will be displayed in all our interactions with stakeholders while embracing environmentally friendly practices

Responsibility

As a corporate citizen, we are committed to discharging our duties responsibly in all our dealings with stakeholders

Accountability

We take responsibility for our own actions

Fairness

We will be fair in all our dealings.

Teamwork

We shall nurture a spirit of teamwork to optimise synergies and benefit from mutual co-existence.

Zero Tolerance to Corruption

Our strategies and operations are anchored on principles of sound corporate governance. To this end, the Group operates on a zero tolerance to corruption policy.

ABOUT THIS REPORT

This Annual Report is for the financial year ended 31 December 2023. It communicates, to our stakeholders, Dairibord Holdings Limited's financial and sustainability data, together with our prospects and strategy.

Reporting Scope and Boundary
The report covers Dairibord Holdings' primary activities in Zimbabwe, where it is listed on the Zimbabwe Stock Exchange (ZSE) since 1997 . Unless otherwise noted, references in this report to ''our'', ''we'', ''us'', ''the Company'', "Dairibord" refer to Dairibord Holdings Limited and its subsidiaries.

Reporting Frameworks
The preparation of this report incorporated due consideration of the following reporting requirements and provisions:

- International Financial Reporting Standards (IFRS);
- Global Reporting Initiative (GRI) Standards;
- The Companies and other Business Entities Act [Chapter 24:31];
- Statutory Instrument (SI) 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019.

Sustainability Data
The material topics presented in this report are based on qualitative and quantitative information extracted from Company records and policy documents, as well as personnel responsible for the respective operation. In some cases, estimations were made and confirmed for consistency with business activities.

External Assurance
The financial statements were audited by Deloitte and Touche Chartered Accountants (Zimbabwe) and their independent report appears on pages 76 to 79. A GRI Content Index is available on pages: 146 to 154. The sustainability data provided in this report has not been externally assured.

Restatements
Dairibord Holdings did not make any restatement of data previously reported.

Report Declaration
The Board of Directors and Management affirm that this report has been prepared with reference to applicable GRI Standards.

Forward looking Statements
This report contains certain forward-looking statements that incorporate the use of assumptions and associated future related uncertainties. The statements and forecasts were made based on information that was current at the date of this Annual Report's publication. Various factors could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Readers are cautioned not to put undue reliance on forward looking statements.

We welcome your feedback on our report and any suggestions you have in terms of our business and reporting practices. To do so, please email Maurice Karimupfumbi at karimupfumbim@dairibord.co.zw, or call +263 (242) 779056/7.

Josphat Sachikonye
Chairman

Mercy Ndoro
Group Chief Executive

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OVERVIEW

HISTORY OF DAIRIBORD

Our history commences in 1952 when we were established as a parastatal known as the Dairy Marketing Board. Our initial mandate included receiving all milk along with manufacturing and marketing dairy products.

We have grown since then, to become a leading milk processor in Zimbabwe, expanding our operations to include a broad range of dairy and non-dairy products.

Dairibord continues to be motivated to create shared value for our stakeholders who encompass our shareholders, customers, employees, and the wider community.

1952

Dairy Marketing Board established under the Agricultural Act of 1952. DMB assumed control of milk processing co-operatives in Harare. Bulawayo, Gweru. Kadoma, Mutare and Chipinge.

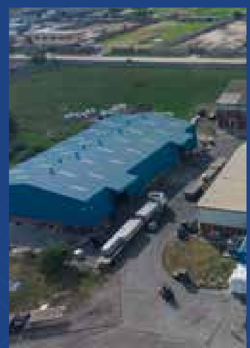
1960

New Dairy commissioned in Harare.

1983

Sterilised milk plant commissioned in Chipinge.

1993



Chitungwiza powder and butter plant commissioned.

1994

DMB is commercialised and Dairibord Zimbabwe Limited (DZL) is born.

1997

DZL is listed on the Zimbabwe Stock Exchange becoming the first state-owned Company in Zimbabwe to do so.

1998

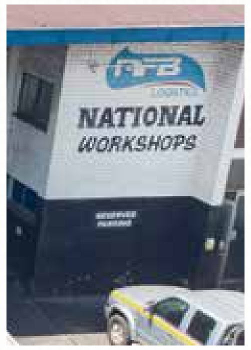
Dairibord Malawi acquired.

2001

Dairibord acquires 100% of Martindale (Pvt) Ltd (Lyons).

2016

Dairibord Holdings Limited re-organises Martindale (Pvt) Ltd and NFB (Pvt) Ltd, its Zimbabwe operations into one operating entity. Dairibord Zimbabwe (Pvt) Ltd.



2019

Dairibord Holdings Limited divests out of Malawi.

Sustainable Growth

DAIRIBORD HOLDINGS AT A GLANCE

We have established ourselves as a reputable manufacturer and marketer of high-quality milk, foods and beverages. The company owns Dairibord Zimbabwe (Private) Limited as its flagship subsidiary.

Our factories are strategically situated in the locations stated below, with distribution support being provided through the factory sites and our depots. Our 12 franchises extend our reach across the country, assisted by over 800 independent vendors. The Logistics and Sales departments oversee the inbound and outbound logistics of inputs and distribution of products, while the Milk Supply Development Unit relates with our farmers.

FACTORIES AND DEPOTS		FRANCHISES
FACTORIES	DEPOTS	
Harare (Rekayi Tangwena and Simon Mazorodze), Chitungwiza, Chipinge	Mutare, Gweru, Bulawayo, Gwanda, Masvingo	Bindura, Marondera, Chinhoyi, Kwekwe, Chegutu, Checheche, Chiredzi, Murewa, Gokwe, Kariba, Zvishavane, Beitbridge

Group Structure

In addition to the flagship subsidiary, Dairibord Zimbabwe (Private) Limited, Dairibord Holdings Limited also owns four property companies namely Goldblum Investments, Chatmos Enterprises, Qualinex Investments and Slimline Investments, while Lyons Africa, Lyons Zimbabwe and NFB Logistics are dormant companies also owned by Dairibord Holdings Limited.

OUR VALUE CHAIN

Shareholder value continues to be sustainably driven by essential value chain components that include our employees, access to raw materials, utilities, farmers, suppliers and customers. We prioritise building trust with our consumers and sharing the benefits across our value chain. To achieve this, certain services are outsourced to third parties, including merchandising, vending, security, canteen and cleaning services. Our outsourcing partners are carefully selected to ensure alignment with our values and commitment to sustainability.

Inputs

Raw Milk: is sourced from farmers who sign contracts of supply with the company. The pricing of milk is market determined to retain competitiveness. Milk collection is the responsibility of the company.

Raw Materials: comprise of Skimmed Milk Powder (SMP), Full Cream Milk Powder (FCMP), Sugar, Orange Juices, Fruit Sets, Tomato Paste, Oil, Eggs e.t.c.

Packaging Materials: comprise of High Density Polyethylene (HDPE), Polyethylene Terephthalate (PET), paper packaging e.t.c. Due to depressed industrial activity in Zimbabwe, most materials are imported exposing the business to global commodity price volatilities and foreign exchange fluctuations.

Utilities: [electricity, water, coal, and other fuels] Utilities availability is erratic and at a high cost particularly water and electricity. The business relies on standby facilities to support operations during power and water outages.

Human Capital: [contract and permanent] Labor is a combination of contract, permanent and outsourced services. Remuneration recognises collective bargaining, market benchmarks and productivity incentives.

Processes

The Group undertakes value addition by converting the inputs into value added products. The Group operates 4 factories in Zimbabwe

Marketing and Sales

Modern Trade: This channel is composed of key retail outlets.

Wholesalers: The channel is comprised of large and medium scale wholesalers.

General Trade: Composed of small to medium scale retailers, wholesalers, van sales, convenience stores, door to door sales, online sales, and the informal trade. A significant amount of cash sales is generated through this channel.

Vending: This is a cash channel with independent vendors.

Franchises: Most franchises operate from the Group's premises formerly operated as company owned distribution depots.

Hospitality and Institutions: The channel focuses on hotels, schools, and similar institutions.

Exports: Trade is done mainly with customers in Zambia, Mozambique Botswana, South Africa and Malawi.

GROUP BRANDS AND MARKETS

We have a diverse product range including liquid milk (sterilized milk, UHT milk, and cultured milk), foods (yoghurts, ice creams, condiments, and spreads), and beverages (cordials, dairy and non-dairy fruit juice blends, cereal-based ready to drink, tea, and water). These are marketed and distributed in domestic and export markets. No Dairibord products are prohibited in any market.

Milks

Beverages

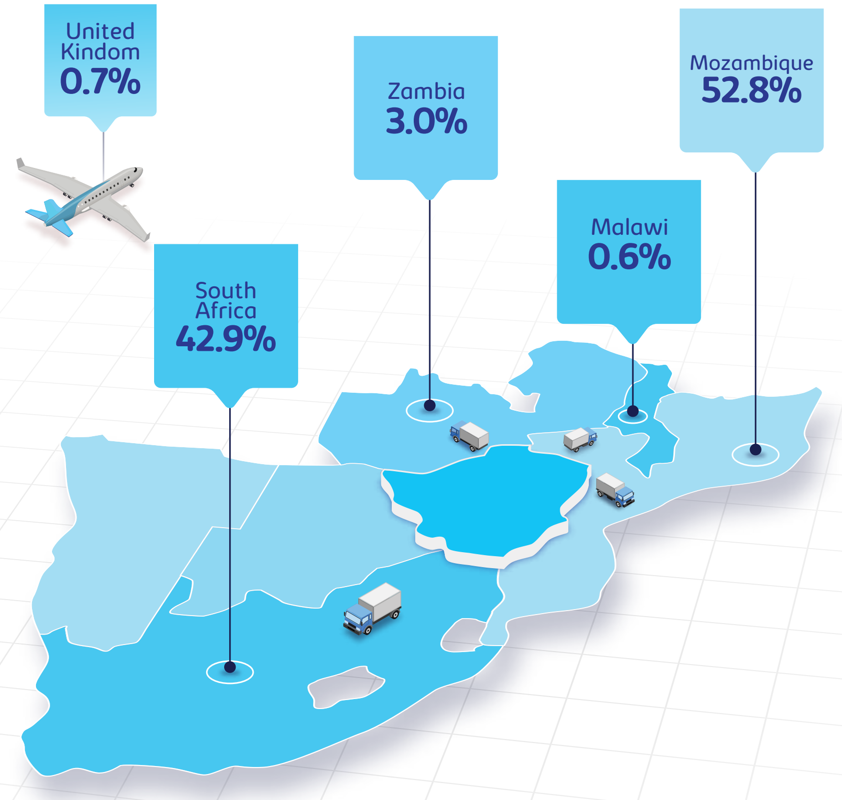
Foods

MARKETS SERVED

Dairibord products are available throughout Zimbabwe via a network of channels designed to effectively reach all markets.

Our major export markets are South Africa, Zambia, Mozambique, Botswana and Malawi.

Export Volumes by Country



Exported Products

MILKS:
STERILISED MILK, CHIMOMBE

FOODS:
LYONS PEANUT BUTTER, RABROY TOMATO SAUCE, RABROY SALAD CREAM, RABROY MAYONNAISE, YUMMY YOGHURTS, STICK ICE CREAMS

BEVERAGES:
QUENCH CORDIALS, QUICKBREW TEA, PFUKO MAHEU, CASCADE

MEMBERSHIPS AND AWARDS

BUSINESS ASSOCIATIONS AND MEMBERSHIPS

- Confederation of Zimbabwe Industries (CZI)
- Zimbabwe National Chamber of Commerce (ZNCC)
- Marketers Association of Zimbabwe (MAZ)
- Zimbabwe Business Council on Wellness (ZBCW)
- Buy Zimbabwe (BZ)
- Zimbabwe Dairy Industry Trust (ZDIT)
- Employers' Confederation of Zimbabwe (EMCOZ)

CERTIFICATIONS

- SAZ ISO 22000 Food Safety Management System
- SAZ ISO 9001 Quality Management System
- Hazard Analysis and Critical Control Points (HACCP)

AWARDS

Marketing Association of Zimbabwe (MAZ) Super Brands Awards 2023

Pfuko/Udiwo	Winner, FMCG Non-Alcoholic Brew
Chimombe	Winner, FMCG Dairy
Lacto	First Runner Up, FMCG Dairy
Cascade	Second Runner Up, FMCG Non-Alcoholic Beverages
Quickbrew	Second Runner Up, Hot Beverages
Dairibord Zimbabwe	5th Position, Business to Business Category

Zimbabwe International Trade Fair 2023

Dairibord Exhibition	Dairibord Exhibition Silver Medal, Best Zimbabwean Exhibit: Food Group

Buy Zimbabwe Awards 2023

Pfuko Maheu Ginger	Winner, Product of the Year
Dairibord	Chairman's Recognition Award
Dairibord	Winner, Buy Zimbabwe Insignia
Dairibord	2nd Runner Up, Best Company of the Year

International Dairy Innovation Awards 2023

Cascade Baobab	Top 3 Finalist

OUR SUSTAINABLE BUSINESS MODEL AND STRATEGY AT A GLANCE

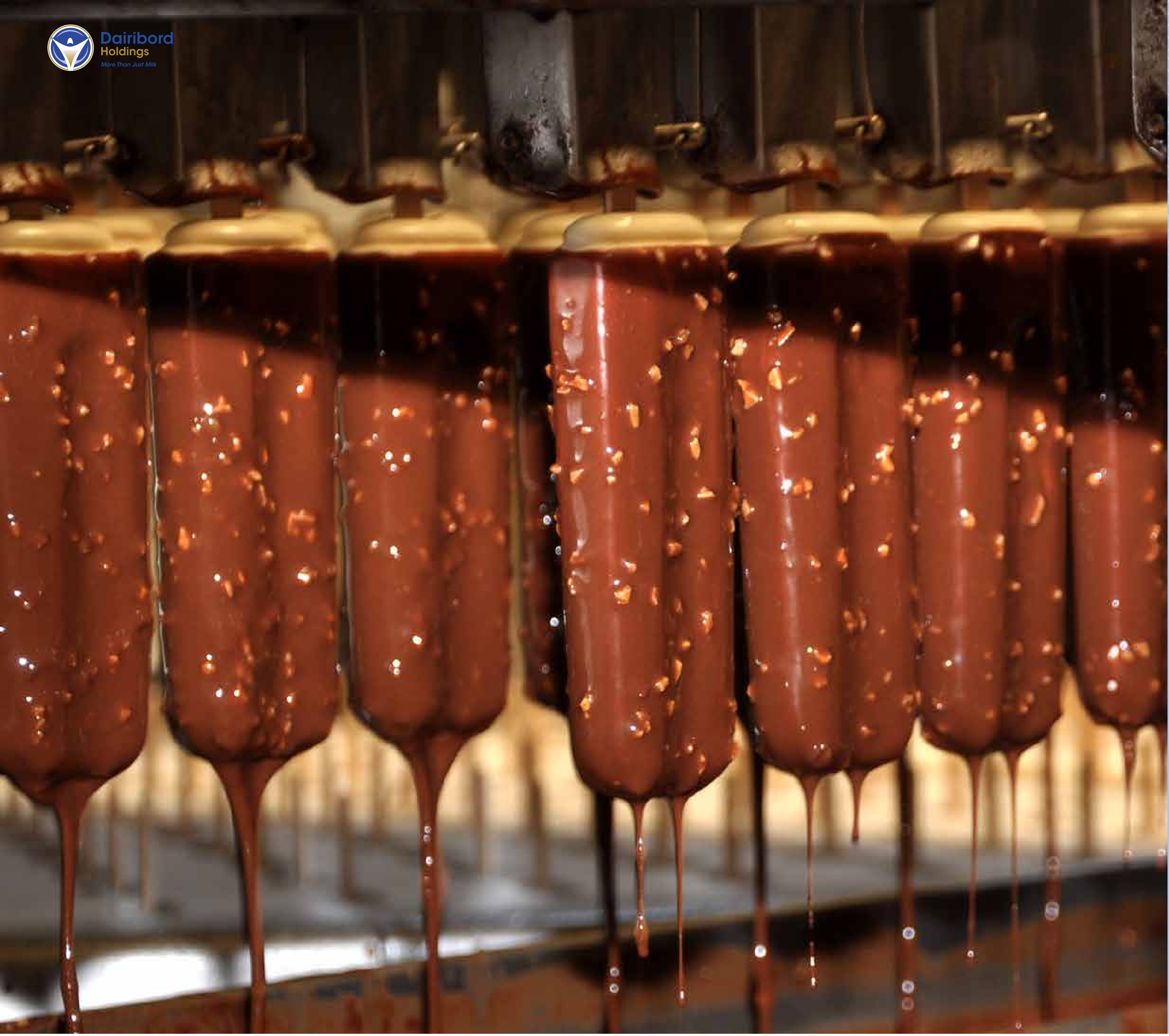
Our adaptability and responsiveness to the changing needs of our customers and the operating environment are essential components of our strategy. We leverage our expertise in the production and marketing of nutritious foods and beverages to capture local and regional market opportunities. We continually seek to enhance our operations through innovation, efficiency and ethical management techniques to enhance profitability and create long-term value for our stakeholders.

Focus
- Liquid Milks
- Foods
- Beverages

Key Strengths
- Strong heritage
- Diversified product portfolio
- Strong brand equity
- Diversified distribution channels
- Nationwide distribu-tion network
- State of the art processing technology
- Diversified skill base

Opportunities
- Growth in raw milk production to address supply gap and reduce import bill through import substitution
- Exports sales growth through deepening and widening existing offering
- Margin optimisation through operational efficiencies

Priorities
- Milk supply growth
- Exports growth
- Growing domestic market share
- Margin optimisation



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STRATEGY & PERFORMANCE COMMENTARY

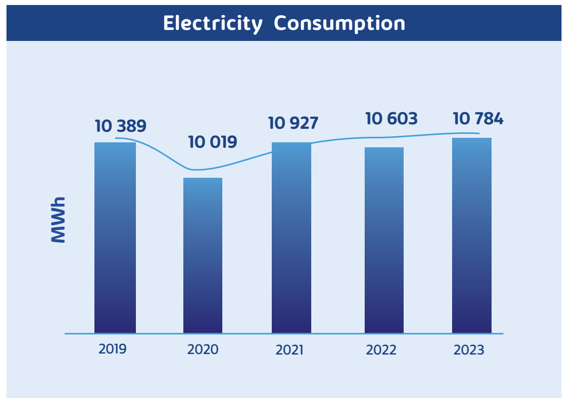
Performance Highlights

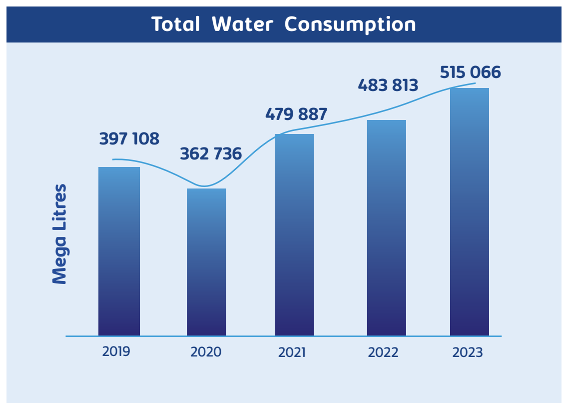
Financial Performance

	Audited Inflation Adjusted		*Unaudited Historical Cost	
	ZWL$'000 2023	ZWL$'000 2022	ZWL$'000 2023	ZWL$'000 2022
Revenue	**724 118 409**	**490 951 674**	**452 940 337**	**45 631 178**
Operating Profit	69 306 266	46 722 387	47 275 055	4 349 979
Profit	6 897 112	13 591 121	13 570 903	2 015 922
Earnings Before Interest and Tax Depreciation and Amortisation (EBITDA)	82 723 519	55 570 300	48 193 820	4 511 418
Net Cash flows Generated from Operations	11 771 722	15 544 842	27 178 574	2 548 169
Net Assets	179 613 744	143 152 179	114 341 989	12 134 183
Profitability Ratios				
EBITDA %	11%	11%	11%	10%
Interest Cover (times)	1	2	1	2
Return on Equity	4%	9%	12%	17%
Operating Margin	10%	10%	10%	10%
Liquidity Ratios				
Gearing Ratios	13%	7%	19%	10%
Current Ratio	1.26	1.24	1.09	1.11
Acid Test Ratio	0.69	0.59	0.61	0.58
Share Information And Performance - Earnings Per Share				
Basic (ZWL)	19.27	37.96	37.91	5.63
Diluted (ZWL)	19.27	37.96	37.91	5.63
Headline Earnings (ZWL)	**14.85**	**29.13**	**19.33**	**3.92**
Closing market price (ZWL).	606.99	35	606.99	35
Net asset value per share (cents).	50.17	39.99	31.94	3.39
Market Capitalisation in ZWL	217 302 940 797	12 530 030 030	217 302 940 797	12 530 030 030
Number of ordinary shares in issues as at 31 December.	358 000 858	358 000 858	358 000 858	358 000 858
Weighted average number of shares.	358 000 858	358 000 858	358 000 858	358 000 858

Sustainability Performance

	2023	2022	2021	2020	2019
Electricity consumption (MwH)	10 784	10 603	10 927	10 019	10 389
Water consumption (ML)	515 066	483 813	479 887	362 736	397 108
Coal consumed (tons)	7 518	6 189	5 669	4 565	5 762
Diesel consumed (000L)	2 590	1 608	1 432	2 385	2 237





CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The financial year under review remained tough, with the Group operating under a complex and dynamic economic environment characterised by rapid devaluation of the Zimbabwe dollar, tight liquidity and unpredictable market conditions. This was exacerbated by ongoing supply chain disruptions on imported inputs, equipment and machinery.

Interventions implemented by both fiscal and monetary authorities to moderate money supply growth and implement adjustments to the foreign currency auction system slowed down inflationary pressures and market volatility. However, they had a notable impact on liquidity for both ZWL$ and USD, suppressing consumer buying power.

Pricing distortions prevailed during the period under review, leading to market arbitrage that further undermined confidence in formal channels. Consequently, efforts to enhance route-to-market strategies were intensified to penetrate and drive volume into new markets.

High interest rates posed difficulties within the supply chain, resulting in unfavourable supplier trading terms.

Fuel supply remained stable, while availability of utilities was unreliable and at a high cost, particularly for electricity which was priced in foreign currency. Frequent power outages and inconsistent municipal water supply increased the cost of business operations.

PERFORMANCE

The commentary on the financials is based on the inflation-adjusted numbers. The historic numbers have been provided as supplementary information.

Raw Milk

The Group recognises the critical importance of stable and secure raw milk supply to its operations. As reported by the Dairy Services Unit of the Ministry of Agriculture, Lands, Fisheries and Rural Development, national milk production output increased by 8.78 % to 99.8 million (m) litres in 2023 compared to the preceding year. Intake by processors increased to 91.8m from 82.5m litres in 2022.

Raw milk utilised by the Group at 31.4m litres was 10% above prior year, representing 34% of milk intake by processors. The Milk Supply Development Unit continues to invest in technology and training programs to support our producers, promoting best practices and sustainable agricultural methods. These initiatives not only optimise the company's value chain resilience ensuring consistent and high-quality raw milk supply, but also support the empowerment of the local farming communities.

Sales Volume and Revenue

Notwithstanding the volatile trading environment and a general downturn in consumer spending, the Group achieved positive volume growth. Sales volume at 108 million litres marked an 11% increase above the comparative period last year. Liquid milks also grew by 8% compared to prior year, while beverages maintained a consistent growth momentum with an 18% growth. Foods declined by 21%, a result of persistent challenges in the procurement of high-quality inputs, reduced demand for bulk ice creams due to power outages and heightened competition from cheaper imports in the condiments category.

The annual revenue at ZWL$724.12 billion [historical: ZWL$ 452.94 billion], 47% ahead of prior year [historical: 893%], is primarily attributed to the 11% increase in sales volume and strategic pricing adjustments implemented to safeguard against margin erosion.

Since the promulgation of Statutory Instrument ("SI") 185 of 2020, the Group has experienced a consistent rise in the collection and utilisation of foreign currency. Foreign currency revenue accounted for 84% of total revenue, up from 58% recorded in the corresponding period in 2022.

However, the majority of transactions in 2023, taken on an aggregate basis, were largely denominated in ZWL$ which led the Directors to assess and conclude that the functional currency of the Group remained the ZWL$ in 2023. The Group will continue to monitor developments in the market and in its trading patterns with the view of regularly assessing its functional currency.

Profitability

The Group experienced significant cost increases on account of imported inflation and price distortions arising from exchange rate movements. There were sharp increases in material costs and utilities. Resultantly, cost of sales grew by 41% in Audited Inflation Adjusted terms [historical: 837%].

The Group's operating profit grew by 48% [historical: 987%] to ZWL$69.31 billion [historical: ZWL$47.28 billion] compared to ZWL$46.72 billion [historical: ZWL$4.35 billion] in the prior year. The operating profit margin for the period was 9.57%, a marginal improvement from the 9.52% recorded in the prior period in Audited Inflation Adjusted terms. The rapid depreciation of the local currency during the year resulted in significant foreign exchange losses arising from foreign currency denominated obligations. This resulted in high foreign exchange losses of ZWL$36.30 billion, [2022: ZWL$3.17 billion] which impacted the operating performance. The foreign exchange losses resultantly weighed down the overall performance of the business. However, the business, under a very unstable and unpredictable environment, managed to wrap up the year on a profit for the year of ZWL$6.90 billion (Historical ZWL$13.59 billion).

OUTLOOK

In the face of ongoing economic challenges, particularly the market turbulence witnessed in these first months of 2024, our commitment to stringent cost containment measures has escalated. The Group is aggressively pursuing a lean and agile cost structure, ensuring sustained profitability and long-term value creation for our stakeholders.

The Group is well-positioned to capitalise on emerging opportunities. As part of its growth strategy, the organisation will continue to explore avenues for expansion, both domestically and regionally, while ensuring a sustainable and responsible approach to business operations. The toll manufacturing project in South Africa is at an advanced stage and is anticipated to enhance foreign currency earnings and mitigate some risks associated with the Group's local operations.

Raw milk supply growth and the capital investment drive will underpin the overall volume trajectory, with focus being deployed on expanding plant capacities, optimising manufacturing capabilities, maintaining financial discipline and investing in technology and innovation to enhance our product offerings. Considerable emphasis will also be placed on restructuring the balance sheet to preserve value.

DIVIDEND

The Board has resolved not to declare a dividend for the twelve-month period ending 31 December 2023.

APPRECIATION

Despite the ongoing economic challenges, the Group remains steadfast in its mission to provide its customers with the best quality foods and beverages for the sustenance of good health. I acknowledge the support of our stakeholders including shareholders, fellow board members, employees, customers and suppliers, as we navigate these challenging times.

Mr. Josphat Sachikonye
(Chairman) Independent,
Non-Executive Director

GROUP CHIEF EXECUTIVE'S REVIEW OF OPERATIONS

OPERATING ENVIRONMENT

During the period under review, the Group operated within a difficult economic environment characterised by currency volatility and policy changes which required a high degree of resilience and adaptability. While there were periods of relative stability in interest rates and consumer prices, particularly towards the latter part of the year, overall inflation was high. Furthermore, bottlenecks and disruptions persisted throughout supply chains, resulting in imported inflation. Liquidity remained tight for both US$ and ZWL$.

Disparities in exchange rates led to a substantial shift in consumer behaviour, with a migration towards the informal trade sector, negatively impacting on the competitiveness and demand in the formal trade channels, posing a significant challenge for the Group's route to market strategy.

Supply of utilities was inconsistent and at a high cost, increasing operational costs.

Despite the complex economic and regulatory challenges, the Group managed to sustain positive momentum in its overall volume performance, surpassing the prior year. This achievement is a result of the strategic investments made to significantly expand and improve our production capabilities to improve product supply.

PERFORMANCE OVERVIEW

The financial commentary presented in this report is based on Audited Inflation Adjusted numbers.

Sales Volume and Revenue

The Group's overall sales volume grew by 11%, translating to a substantial 108 million litres sold compared to the same period last year. This positive trend builds upon the momentum achieved throughout 2022, demonstrating continued growth. The driving force behind this success can be attributed to two key categories: Milk, which saw a commendable increase of 8%, and Beverages, which exhibited an even more impressive surge of 18% compared to the previous year.

Revenue spiked 47% year- on- year [historical: 893%] to ZWL$724.12 billion [historical: ZWL452.94 billion]. The growth was primarily driven by a combination of the 11% increase in sales volume and implementation of pricing adjustments to ensure healthy margins are maintained.

The generation of revenue in foreign currency continued to be a major area of focus for the Group. This focus was driven by the challenges posed by the intricacies of the foreign exchange market and the difficulties encountered in procuring sufficient foreign currency through the Reserve Bank of Zimbabwe's (RBZ) Foreign Exchange Auction System. Notably, foreign currency revenue witnessed a significant increase, accounting for 84% of the Group's total revenue, a substantial growth compared to 58% contribution in prior year.

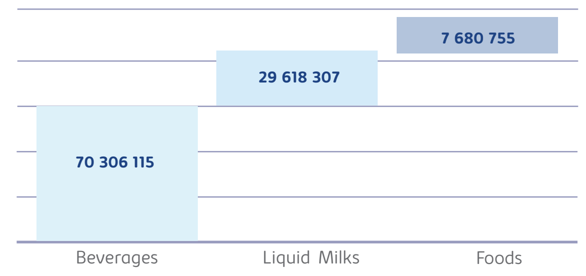
Ms. Mercy R. Ndoro
(Group Chief Executive)
Executive Director

The generation of revenue in foreign currency continued to be a major area of focus for the Group.

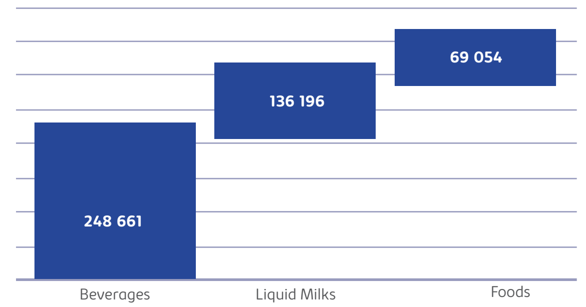
Portfolio Performance

The charts below show the volume and revenue performance by portfolio

Sales Volume



Sales Revenue ZWL (Millions)



Liquid Milks

The sales volume for the Liquid Milks category experienced a growth of 8% year-on-year, driven by a rise in raw milk supply. However, production of Steri Milk encountered setbacks, reflecting a decline of 3% due to blow moulder challenges. The cultured milk, Lacto, saw a significant production cutback of 15%, a result of a strategic decision to prioritise the allocation of milk towards the production of higher-profit margin products, such as yoghurt.

Foods

The Foods category experienced a significant downturn in sales volume, with a 21% decline compared to the prior year. Difficulty in procurement of high-quality inputs remained a hurdle, consequently restricting production output. Specific product lines also faced distinct obstacles. Power outages affected bulk ice cream consumer demand, while competitiveness in the condiments category intensified due to an influx of lower priced imported goods, which put pressure on Rabroy Tomato Sauce (-4%) and Rabroy Salad Cream (-48%) sales.

Beverages

Beverages' sales volume experienced an 18% growth compared to prior year, driven by stellar performances from Fun 'n Fresh which recorded a remarkable 21% sales volume increase. Pfuko Flavoured Maheu, a popular beverage choice, achieved a 23% growth. This robust performance highlights the continued expansion and strength of the company's beverage portfolio.

During the year under review, the business relaunched Nutriplus, a fortified dairy fruit juice blend, in a new and improved format. The one-litre tetra pack offers several advantages over the discontinued PET bottle version, including price benefit for consumers and extended shelf life, eliminating the need for a cold chain storage.

In a move to diversify its beverages portfolio and cater for evolving consumer preferences, the business also launched Natural Joy Juice Drink. This new offering strategically positions itself within the competitive and price-conscious juice market, aiming to capture a significant share of consumer spending.

Furthermore, the Pfuko brand witnessed another innovative product launch, Traditional Ginger. Recognising the growing trend towards natural ingredients in food and beverages, Pfuko Traditional Ginger boasts real ginger, delivering a genuine ginger flavour experience as opposed to artificial substitutes.

Portfolio Mix

The tables below show the volume and revenue contributions by portfolio

Volume Contribution

Category	2023	2022
Beverages	65%	62%
Liquid Milks	28%	28%
Foods	7%	10%

Revenue Contribution

Category	2023	2022
Beverages	51%	55%
Liquid Milks	28%	30%
Foods	21%	15%

GROUP CHIEF EXECUTIVE'S REVIEW OF OPERATIONS

Demand of our products remained consistently firm...

PROFITABILITY

The Group recorded an operating profit of ZWL$69.3 billion [historical: ZWL$47.3 billion], a 48% increase [historical: 987% increase] over prior year. The operating profit margin achieved was 9.57% [historical: 10.44%] up from 9.52% in 2022 [historical: 9.53%]. Margins slightly improved due to success of cost containment initiatives.

The ZWL$6.9 billion [historical: ZWL$13.6 billion] profit after tax was weighed down by ZWL$36.3 billion in foreign currency losses and a total of ZWL$69 billion [historical: ZWL$38 billion] net interest expenses. The large interest bill mostly resulted from the foreign exchange losses on the US$ loans as well as high interest rates, that were incurred on borrowings made to finance the increasing volumes and capital expenditures during the year.

Focus on revenue growth, cost containment and cost reduction through enhanced productivity and efficiencies contributed to achieving profitability in a challenging business environment.

Borrowings

Interest-bearing borrowings rose from ZWL$23.3 billion on 31 December 2022, to ZWL$36.2billion, mostly due to increases in working capital requirements brought on by volume growth and inflation. Capital investments and working capital were supported by borrowings. At 13%, the net gearing remained acceptable, therefore presenting opportunities to create value. The need to balance the use of debt financing against the hazards associated with an economy primarily defined by short-term financing at high interest rates continues to consume the Treasury department.

Cash Generation and Utilisation

The company's operating cash flows remained favourable. Nonetheless, the unfavourable working environment and the inflationary pressures already indicated had an adverse effect on the operating cash flows generated, which dropped from ZWL$15.5 billion to ZWL$11.7 billion. Capital equipment was purchased using ZWL$6.4 billion in cash flow from operations and borrowings [2022: ZWL$ 14.0 billion]. Cash amounts decreased from ZWL$14.2 billion in 2022 to ZWL$10.1 billion at the end of the period.

MILK SUPPLY

The 2022/2023 summer agricultural season, while challenged by periods of extended drought that adversely affected crop production in certain regions of the country, proved to be generally successful. Throughout the season, there was a consistent and reliable supply of raw materials, although there was a slight upward trend in the prices of stockfeed towards the latter part of the year.

As reported by the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development, there was an increase in national raw milk production in 2023. Compared to the prior year, production climbed 8.78%, reaching a total of 99.8 million litres. This upward trend was mirrored in processors' intake of raw milk, which grew 11.2% to 91.8 million litres in 2023 compared to prior year.

The group utilised 31.4 million litres of raw milk in the year, 10% above prior year, which accounted for a notable 34% of milk intake by processors. Part of this growth is credited to the successful strategy of on boarding several existing farmers from other processors. Additionally, the Group welcomed new producers, further contributing to the expanding pool of its raw milk suppliers. The established farmers demonstrated their commitment by increasing their milk supply by 3.9 million litres compared to the previous year. Encouragingly, the new producers also played a valuable role by contributing an extra 2.3 million litres to the total volume of milk processed by the Group in 2023.

The Milk Supply Development Unit has achieved significant accomplishments through collaborative efforts with agronomists and other key partners, successfully increasing the average daily milk output per cow by an impressive 9.1%. However, the volume of raw milk in the 'A Band', which represents our highest quality tier, decreased from 53.4% in 2022 to 49.6% in 2023. Emphasis is being placed on improvements in raw milk quality to ensure consistent, top- grade milk production.

Due to the limited availability of affordable, long-term funding, there were very few opportunities for farmers to benefit from finance facilities arranged by the company. To sustain producer viability, the Group regularly adjusted the producer price and maintained payments of raw milk in US$.

BRAND BUILDING

Dairibord brands have exhibited resilience in a marketplace characterised by fierce competition from both domestic and imported goods, particularly on price. This strength is a clear indicator of the high brand equity and preference that Dairibord enjoys among consumers. Demand of our products remained consistently firm in both local and regional markets, as evidenced by the growth in sales volume and the inability to meet demand.

The following accolades were received at the Marketers Association of Zimbabwe Super Brands 2023:
Pfuko – Winner, Non- Alcoholic Brew
Chimombe - Winner, FMCG Dairy
Lacto – First Runner Up, FMCG Dairy
Cascade – Second Runner Up, FMCG Non-Alcoholic Beverages,
Quickbrew – Second Runner Up, Hot Beverages
Dairibord – 5th position in the Business-to-Business category.

A first of its kind in the country and the region where 100% organic baobab pulp was combined with milk into a balanced dairy and natural native fruit juice blend, Cascade Baobab was a top 3 finalist in the 2023 International Dairy Federation's Dairy Innovation Awards held in Chicago, USA. The successful commercialisation of this wild fruit benefits marginalised communities in some of the country's poorest regions, making a positive impact and improving the livelihoods of communities, contributing to the attainment of the United Nations Sustainable Development Goals.

In order to navigate turbulent economic downturns, stay ahead of the competition and ensure long-term success, the company will prioritise brand differentiation, foster innovation in the development of new products and line extensions and diligently build brand awareness and positive associations.

HUMAN CAPITAL

In line with the Group's overarching vision, achieving our strategic objectives, operational targets and maintaining uninterrupted business functions hinges upon the competency of our human resources. Throughout the reporting period, the organisation prioritised the implementation of human capital strategies that directly aligned with the goals established for 2023. These strategies materialised through a series of initiatives designed to generate tangible value for the company. A pivotal undertaking in this regard was a comprehensive work study. This study served to evaluate and ensure a perfect synchronisation between the organisational structure and the core tenets of our business strategy. To further enhance our execution capabilities, other targeted programs were established to effectively bridge any identified gaps in the skillsets and competencies of our workforce.

SUSTAINABILITY

The Group demonstrates commitment to Environmental, Social, and Governance (ESG) principles by implementing a robust set of programs across its operations. These programs prioritise areas such as fostering sustainable sourcing practices throughout the dairy value chain and for all other raw materials. We also seek to reduce waste and water usage within our manufacturing processes. Furthermore, the Group actively engages in community development initiatives and places high value on promoting the well-being of its employees.

Dairibord champions local empowerment and sustainability in various ways:
Leads dairy industry growth: The company, as the a processor which supports the small-holder farmers, plays a key role in the expansion of Zimbabwe's small-holder dairy industry.
Empowers small businesses: The Group actively promotes diversity and inclusion by creating economic opportunities for small enterprises, vendors and farmers.
Community investment: Dairibord goes beyond business by supporting disadvantaged groups in local communities, sports programs, environmental initiatives, and education throughout the year.

Waste management: The Group acknowledges the impacts of its operations on the environment as a result of the solid, liquid and gaseous waste it produces. Our goal is to manage, control and dispose of these waste streams in a manner that complies with all applicable laws and regulations.

OUTLOOK

The global economy is expected to experience modest growth of around 3.1% (IMF) in 2024 and 2025. This is a continuation of the slow and steady recovery from the pandemic. While inflation is projected to decline gradually, geopolitical tensions and ongoing challenges in emerging markets add uncertainty.

Zimbabwe anticipates a growth trajectory, albeit lower than the initially anticipated growth of 3.5% in 2024 (GoZ) due to the impact of the El-Nino induced drought which has turned out to be more severe than initially envisaged. This dryness is expected to significantly hamper maize production, forcing a greater dependence on imports to meet the demand of this essential commodity. Stockfeed prices are expected to surge and, in turn, milk yield per cow is expected to decrease, ultimately impacting both raw milk production and its price. Raw material supply will also be affected.

A severe power deficit and amplified water supply challenges on the back of the El- Nino are expected to affect price of the utilities and hamper production.

A decline in global demand is anticipated to lower commodity prices, posing a significant risk to Zimbabwe's ability to capitalise on its abundant reserves of valuable minerals.

Despite an operating environment that remains uncertain, Dairibord is optimistic about its growth prospects. The Group will focus on:

- Raw milk supply growth
- Enhancement of production capacity for consistent product supply to meet market demand
- Continuous Route To Market optimisation and effective pricing models
- Innovations and venturing into new categories to grow product portfolio
- Grow exports for volume growth and foreign currency generation
- Cost containment and reduction

Ms. Mercy R. Ndoro
(Group Chief Executive)
Executive Director

04

GOVERNANCE

Directorate and Management
Corporate Governance and Ethics
Compliance
Risk Management

DIRECTORATE

Mr. Josphat Sachikonye (Chairman) Independent, Non-Executive Director
Tenure: 14 years

CMA (UK), MBL (UNISA), INSEAD Management Development Program, Executive Management Program (UCT), B. Acc (UZ).

Ms. Mercy R. Ndoro
(Group Chief Executive)
Executive Director
Tenure: 14 years

ACISZ, MBA (UZ), B. Acc (Hons) (UZ). She is also the Board Chairperson at Microplan Financial Services (Pvt) Ltd.

Mr. Cleton Mahembe
Non-Executive Director
Tenure: 24 years

Diploma in Agriculture (Chibero College of Agriculture).

Mrs. Rachel P. Kupara
Independent, Non-Executive Director
Tenure: 8 years

CA (Z), MBA (UZ), Executive Development Program (LBS) and B. Acc (Hons). She is a Non- Executive Director of British American Tobacco, a Board Member of Zimbabwe Insurance Brokers, Board Member of First Mutual Wealth Management and the Chairperson of Financial Securities Exchange.

Mr. Christopher R.J Hawgood
Non-Executive Director
Tenure: 6 years

BSc Hons in Agricultural Management (University of Natal). Chairman of National Dairy Cooperative and Chairman of Tavistock Estates (Pvt) Ltd.

Mr. Leonard Mutunga
(Group Finance Director)
Executive Director
Tenure: 3 months

CA(Z), BComm Hons in Accounting (NUST), BAcc / BCompt Hons (UNISA), Bachelor of Laws (LLB) (UNISA), Master of Business Leadership, Executive Development Program (UCT GSB).

Mr. Nobert Chiromo
Independent, Non-Executive Director
Tenure: 6 years

CA(Z) and B.Compt (UNISA)
He is a Director and Partner of Corporate Excellence Financial Advisory Services. Nobert is also a Director at Old Mutual Life Assurance and William Bain.

Mr. Ketan K. Naik
Non-Executive Director
Tenure: 4 years

Mc. Real Estate Investment (CASS Business School) and BSc. (Hons) in Management Sciences (Warwick Business School). He is the Chief Executive Officer of Rank Zimbabwe.

Mr. Bruce Henderson
Independent, Non-Executive Director
Tenure: 1 year 7 months

CA (SA).
He is a Non-Executive Director at Electrosales - Powerspeed, Tanganda and Truworths.

SENIOR/ EXECUTIVE MANAGEMENT

Mercy R. Ndoro
Group Chief Executive

Leonard Mutunga
Group Finance Director

Godfrey Machanzi
Chief Operations Officer

Gilbert Takabarasha
Human Resources and Administration Executive

Ruvarashe Matambo
Marketing Services Executive

Evert Oostindien
Milk Supply Development Executive

Anna Dhlamini
Business Information Systems' Executive

Bernard Chakeredza
Chief Internal Auditor

CORPORATE GOVERNANCE PRACTICES

Through good governance structures and strategic leadership, the Group aims to deliver investor trust, financial integrity, and long-term success. Dairibord Holdings is managed effectively and responsibly for long-term success and wealth generation through good corporate governance procedures.

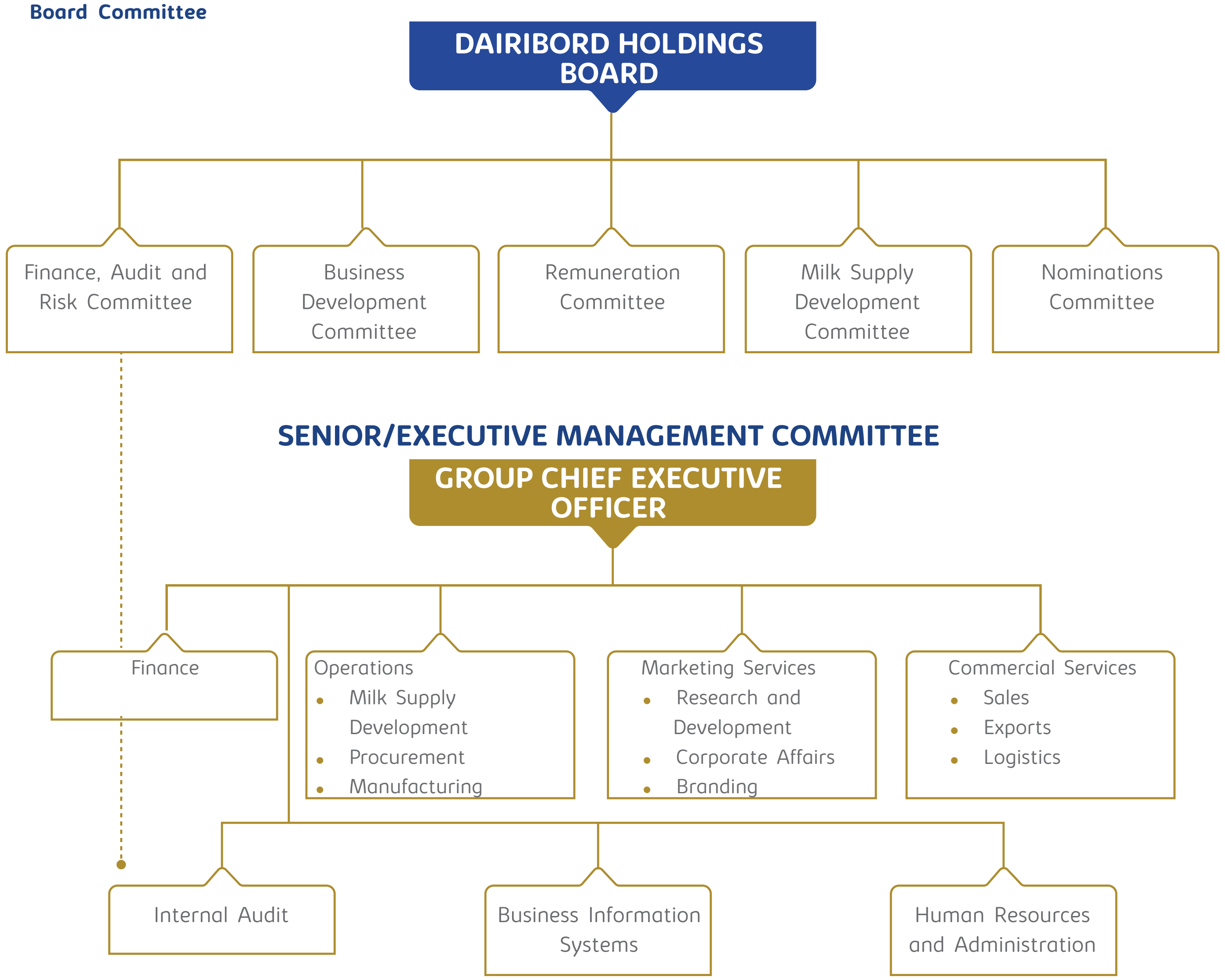
We maintain effective corporate governance by benchmarking against international best practices such as the South African King IV Report on Corporate Governance, the Organisation for Economic Cooperation and Development (OECD 1999)- Principles of Corporate Governance, and the Commonwealth of Nations (CACG Guidelines 1999).

We continue to assess and align our governance procedures with the Companies and Other Business Entities Act (24:31), the National Code on Corporate Governance in Zimbabwe (ZIMCODE) and SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.

Governance Structure

The Group's governance is designed to distribute duties between the Board of Directors and Senior/Executive Management. An independent non-executive director chairs the Board. The Board is organized into five (5) committees. The CEO and the committees are directly accountable to the board. The Senior/Executive Management consists of seven (7) functions led by executives who report directly to the Group CEO. Internal Audit and Risk Management is an independent department reporting to the Board.

Board Committee



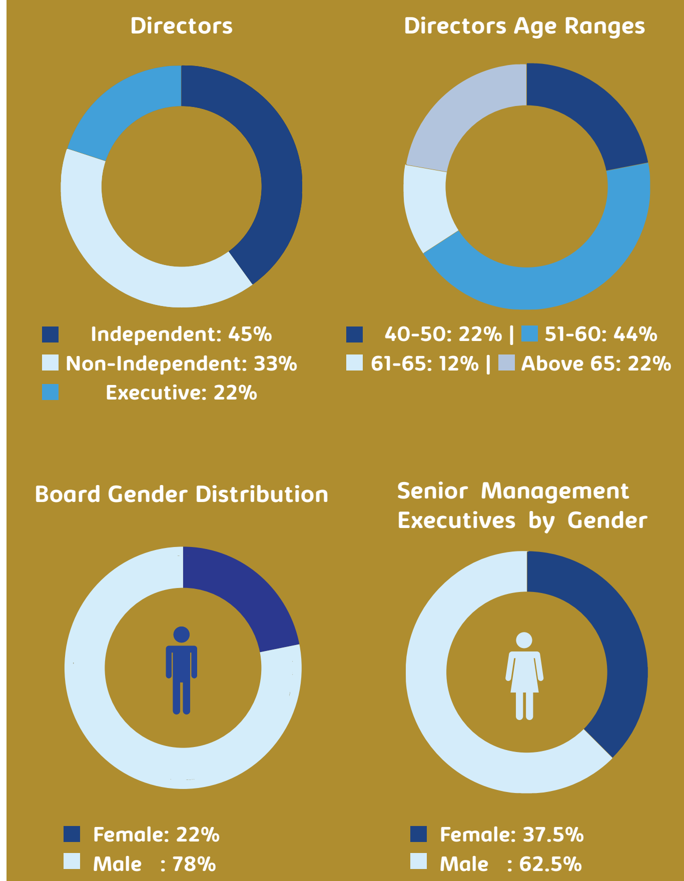
Board Responsibility

In addition to supervising management and reporting to shareholders on their stewardship of the company, The Board of Directors oversees strategic direction and entrepreneurial leadership. There are procedures and regulations in place to manage how the Boards meets and how the Company conducts its business. The Board is entirely committed to ensuring that the Group creates long- term value and benefits for all stakeholders, while conducting business in an ethical and transparent manner in relation of the economy, the environment and society.

Board Structure and Expertise

The current Board comprises seven non-executive directors including the Chairman (78%) and two executive directors (22%). An independent, non-executive director chairs the Board. Members of the Board have diverse backgrounds in business, finance, manufacturing, agricultural, and human resources management.

Composition of the Board by Independence and Age Range



Appointment and Retirement of Non-Executive Directors

In terms of the Company's Articles of Association, a third of non-executive directors retire from office by rotation at the annual general meeting and are eligible for re-election.

Business Ethics

The Group's core ethical foundation is established by the Board-approved Corporate Governance Code which is examined and updated regularly. Deloitte Tip-offs Anonymous operates an ethical hotline for the Group, and all reports are regarded as confidential. We have zero-tolerance to corruption. Any instances of corruption are thoroughly probed which may, on occasion, include consulting with specialists, external auditors, and the police. We continue to strengthen upholding and management of human rights in accordance with leading frameworks and standards.

Conflict of Interest

All Directors declare any conflict of interest before appointment to the Board. Any conflicts of interest are announced and minuted in Board meetings.

Mechanisms for Stakeholder Communications with the Board

The Group provides channels for stakeholders to communicate with the Board including annual general meetings, press announcements of performance, quarterly updates, interim and year-end reports, Company website, formal meetings, presentations and the shareholders voting rights system.

Share Dealings

It is incumbent upon Directors and Senior Management to divulge any supplementary interests that could potentially impact the Company. Directors and all Group employees are prohibited from engaging in direct or indirect trading of the Company's stock during the subsequent periods:

- The closed periods from the end of a reporting period to the announcement of results.
- Any period that they are aware of any negotiations or details which may affect the share price.

Executive Remuneration Policy

Our policy is to pay our executives competitive salaries, comparable to similar companies. A substantial amount of their salaries is performance-driven, based on collective and self-funded schemes. The performance schemes are reviewed regularly in accordance with Company strategy.

Professional Advice

Directors may, as prescribed by board policy, obtain independent expert assistance at the expense of the Company to carry out their obligations.

Board Performance Evaluation

The Group evaluates the Board's performance against targets. Shareholders evaluate Directors' performance at the Annual General Meetings.

CORPORATE GOVERNANCE PRACTICES (CONT'D)

Board Committee

Committee	Members	Main Function
Finance, Audit and Risk	Mrs. Rachel Pfungwa Kupara (Chairperson) Mr. Nobert Chiromo Mr. Ketan Naik	The committee is responsible for supervising the Company's financial reporting, risk management, and control procedures. It provides direct supervision and interaction with both internal and external auditors on behalf of the Board. Every quarter, the Committee assesses all material risks to the Group, as well as the efficacy of risk mitigation techniques.
Remuneration	Mr. Josphat Sachikonye (Chairperson) Mrs. Rachel Pfungwa Kupara	The responsibility of this committee is to evaluate the remuneration policies of the company and grant approval for the compensation packages of senior executives.
Nominations	Mr. Josphat Sachikonye (Chairperson) Mr. Cleton Mahembe	Nominations conducts background and reference checks, provides recommendations on board candidates, and searches for and receives nominations. The evaluation encompasses the board's expertise, pertinence, and autonomy. Additionally, the Committee is tasked with coordinating the evaluation of board performance.
Milk Supply Development	Mr. Christopher R. J. Hawgood (Chairperson) Mr. Josphat Sachikonye Mr Nobert Chiromo	The Milk Supply Development Committee is responsible for advancing the expansion strategy for the Group's milk supply. The principal objectives are to minimise the cost of raw milk production, improve farm output and quality, and enhance milk production efficiency.
Business Development	Mr. Nobert Chiromo (Chairperson) Mr. Ketan Naik Mr. Bruce Henderson	The Business Development Committee is primarily responsible for driving business growth. It is charged with proposing new business opportunities and implementing strategic and generative plans to meet the Company's vision and objectives.

Attendance to Meetings during 2023

Director	Main Board Attendance	Committee				
		Finance Audit and Risk Attendance	Nominations Attendance	Remuneration Attendance	Milk Supply Development Attendance	Business Development Attendance
Josphat Sachikonye	6/6	n/a	1/1	2/2	2/2	n/a
Mercy R Ndoro	6/6	n/a	n/a	n/a	n/a	n/a
Ketan K Naik	5/6	2/4	n/a	n/a	n/a	3/3
Nobert Chiromo	6/6	6/6	n/a	n/a	1/1	3/3
Christopher RJ Hawgood	5/6	n/a	n/a	n/a	2/2	n/a
Cleton Mahembe	6/6	n/a	1/1	n/a	n/a	n/a
Rachel P Kupara	6/6	6/6	n/a	2/2	n/a	n/a
Bruce Henderson	6/6	n/a	n/a	n/a	n/a	3/3

n/a – not a committee member.

COMPLIANCE

Our leadership and employees are guided by our principles and values...

Dairibord complies with all relevant laws and guidelines. Our leadership and employees are guided by our principles and values to adhere to the laws and rules that control the business and industry. This directs our personnel to reduce our exposure to compliance risks.

Responsibility
The Company Secretary is the senior custodian for compliance matters at Dairibord Holdings.

Monitoring Compliance
Each executive maintains their respective area's compliance systems ensuring that their area's personnel are kept abreast of any changes. All staff members are expected to be aware of the Dairibord code of conduct. We continuously engage with regulatory authorities on any legal changes and for legal advice.

Throughout the year, the Group ensured that its robust compliance processes were maintained by diligently adhering to the following instruments and regulations:

- Agriculture Marketing Authority Act [18:04].
- Animal Health (Foot and Mouth) Regulations 1997.
- Capital Gains Tax Act [23:01].
- Companies and Other Business Entities Act [24:31].
- Consumer Protection Act [14:44].
- Dairy Act 1977 [18:08].
- Dairy Regulations 1978.
- Dairy Regulations 1997.
- Dairy Regulations 2012.
- Environmental Management Act [20:27].
- Exchange Control Act [22:05].
- Food and Food Standards Act [15:04].
- Income Tax Act [23:06].
- Labour Act [28:01].
- National Social Security Act [17:04].
- Pneumoconiosis Act [15:08].
- Public Health Act [15:17].
- Regional Town and Country Planning Act [29:12].
- Trademark Act [26:04].
- Trade measures Act [14:23].
- VAT Act [23:12].
- Securities and Exchanges Commission of Zimbabwe (SECZ) .
- Zimbabwe Stock Exchange (ZSE) Listing Rules.
- International Financial Reporting Standards (IFRS).

RISK MANAGEMENT

Risk is inextricably linked to the Group's activities. Given the instability in the operational environment, it is necessary to conduct continual risk assessments as risks are ever-changing. Our risk management is integrated across company activities to preserve value and respond to the changing nature of risks. In terms of likelihood and impact, the risks outlined in this report are the primary uncertainties.

Group Risk Management Framework

Risk governance is ultimately the responsibility of the Board. The responsibility for risk management has been delegated to the Group Finance, Audit and Risk Committee, which comprises an exclusive membership of non-executive directors, of which 67% maintain an independent status. The committee is accountable to the Board of Directors. The responsibility of the Finance, Audit, and Risk Committee is to ensure that the Group possesses appropriate protocols to recognise, quantify, forecast, strategise for, and react suitably to any risks that the organisation might encounter.

Main Risks Affecting the Group and Mitigating Measures

Risk Category	Specific Exposures	Mitigation
Legal/ Regulatory	• Non-compliance with tax laws. • Increased costs of doing business due to levying of duty in foreign currency.	• Tax health checks are done regularly including reviews by external specialists. • Transfer pricing policy documentation and continuous review of the same. • Frequent engagement with authorities on tax laws and policies that reduce the tax burden on the business, particularly the payment of duty in foreign currency
	• Product and workplace safety below standards stipulated by law.	• Operating standards are maintained above minimum requirements. • Quality issues resolved amicably with customers in line with the quality policy. • Certification with regulators such as the National Social Security Authority, Environmental Management Agency and the Ministry of Agriculture is in place
	• Regulatory compliance	• Refer to previous table for more detailed list of regulations to which we comply.
Economic Risk	• Loss of value on monetary assets through rising inflation. • Erosion of profits through rising costs and failure to recover full costs from consumers due to erosion of disposable incomes.	• Continuous review of consumer prices to remain profitable. • Regular reviews of wages and salaries to cushion employees against rising inflation. • Continuous review of credit terms to preserve value.
	• Declining consumer disposable incomes due to erosion of disposable incomes.	• Widen product offering to cater for all classes in society. • Price adjustments to retain competitiveness and viability.
	• Risk of price controls on basic commodities.	• Maintain a diversified product portfolio to minimise impact.
	• Increased competition from new entrants.	• Maintain superior product quality and consistent product availability. • Invest in building competencies to remain the preferred supplier/customer in the market.

05

SUSTAINABILITY STRATEGY

Our Approach to Sustainability
Materiality
Stakeholder Engagement

OUR APPROACH TO SUSTAINABILITY

Dairibord Holdings is dedicated to integrating sustainability into our business strategy and expansion efforts. We acknowledge that identifying critical opportunities and effectively managing economic, environmental, and social hazards, all require a commitment to sustainability.

Our approach to sustainability is to capitalise on the performance-enhancing opportunities presented by the connections between sustainability and business strategy. The primary areas of concern encompass the entirety of our value chain and are interconnected with the fundamental value chain drivers of the Group.

Sourcing raw materials
We source and work with all suppliers to ensure that they meet our sustainability standards which include compliance with labour laws, environmental regulations and ethical standards.

Processing and manufacturing
The company is dedicated to sustainable processing and manufacturing our products. We minimise our environmental impact by using energy-efficient equipment and by reusing and recycling materials.

Distribution and marketing
We work with retailers and other partners to distribute and sell our products, ensuring they are displayed and marketed in a way that encourages sustainable consumption.

End-of-life management
We manage the end-of-life of our products sustainably.

We provide our consumers with the best products possible while reducing our environmental effect and advancing the case of sustainability by optimising every step of our value chain. We actively seek to contribute to the accomplishment of the United Nations Sustainable Development Goals (SDGs) and our sustainability plan.

Sustainability Governance
Our dedication to sustainability is spearheaded by a Group sustainability team under the coordination of Marketing Services. They conceptualise and execute programs that contribute positively to the economy, society and environment.

The Group is always searching for methods to enhance our sustainability performance. They track sustainability indices monthly and pinpoint critical issues that need management's attention on collaboration with sustainability champions from each function. The sustainability champions' concerns are also assessed by the team for their materiality impact. This information is used to make informed decisions about how to improve our results.

Dairibord is also advised by independent sustainability advisory firms on sustainability best practices which help to benchmark performance on sustainability matters.

Inclusive Business
Inclusive business practices involve the strategic and financial incorporation of underprivileged community members, as well as small and micro-enterprises, into the fundamental value chain of larger corporations. It fosters economic expansion and prevents destitution by means of job creation, thereby generating systemic value that aids in the realisation of the Sustainable Development Goals. As well as additional personnel, individuals and organizations situated at the base of the pyramid (BoP) may function as distributors, retailers, consumers, entrepreneurs, and innovators. People and enterprises at the Base of the Pyramid (BoP) can be included as suppliers, distributors, retailers, consumers, entrepreneurs and innovators, and as additional employees. Our commitment lies in implementing inclusive business strategies that yield mutual advantage for all parties involved. Our business strategy involves people with low to moderate incomes in both upstream and downstream activities. This entails the procurement of milk from small holder farmers, the distribution of our products via a network of small retailers and the empowerment of individuals hailing from underprivileged communities.

Our approach to sustainability is to capitalise on the performance -enhancing opportunities...

The stakeholders at the base of the pyramid are connected to the business via the following:

Small Scale Farmers
- Payment of a viable price, on time and at fortnightly intervals to support farmers in managing inflationary pressures
- The guaranteed market for milk produced
- Provision of Extension Services
- Credit facilities for herd development, stock feeds, equipment and other farm requirements
- Lobbying to the government for favourable agriculture policies.

Vendors
- Viability of vending as a source of livelihood.
- Provision of uniforms and merchandising equipment.
- Transportation to and from selling points.

Small Scale Suppliers
Creating opportunities for small formal businesses.

Franchises & Distributors
- Credit facilities
- The utilisation of company premises to conduct business
- Marketing support
- Assistance in managing their businesses

Merchandiser
- Employment creation
- Skills development

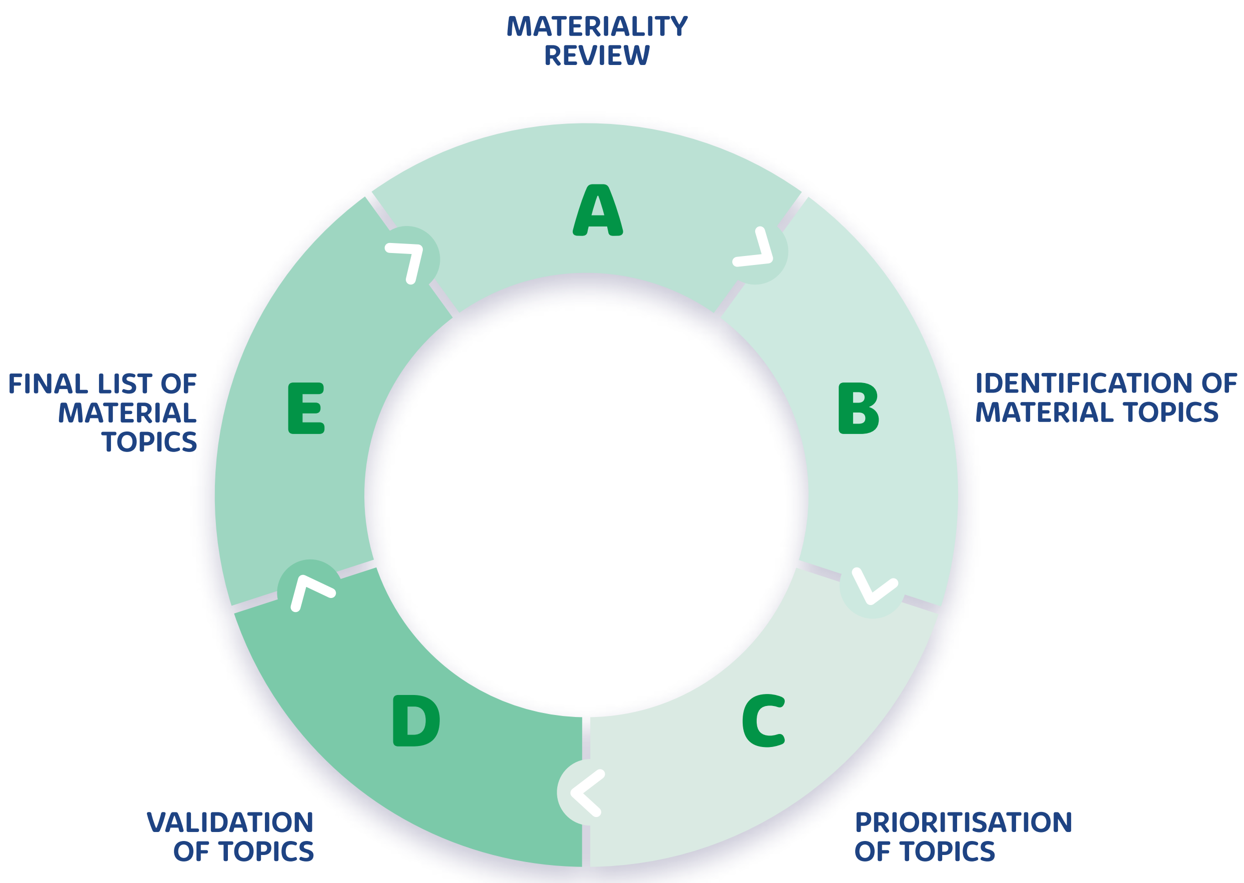
MATERIALITY

Materiality Assessment
The methodology we employ to ascertain significant matters for disclosure is in accordance with the Global Reporting Initiative Standards. We undertake the materiality assessment annually as part of the reporting process to identify the most important effects on the environment, society and economy.

During the reporting period, we refreshed our materiality assessment through a review of the previously identified and reported material topics. The reviewed list of topics was used as a baseline and was supplemented by other topics raised by stakeholders, business impacts identified during the reporting period, key trends identified in our industry and material topics reported by businesses in our industry.

We reviewed the previously identified and reported material subjects during the reporting period in order to update our materiality assessment. The reviewed list of topics was used as a baseline and was supplemented by other topics raised by stakeholders, business impacts identified throughout the reporting period, trends found and material topics disclosed by companies in our industry.

Subsequently, senior management and sustainability champions assigned priorities to the identified list of topics in accordance with their importance to the organisation and its stakeholders. The Board validated the ranked topics to establish a final list.



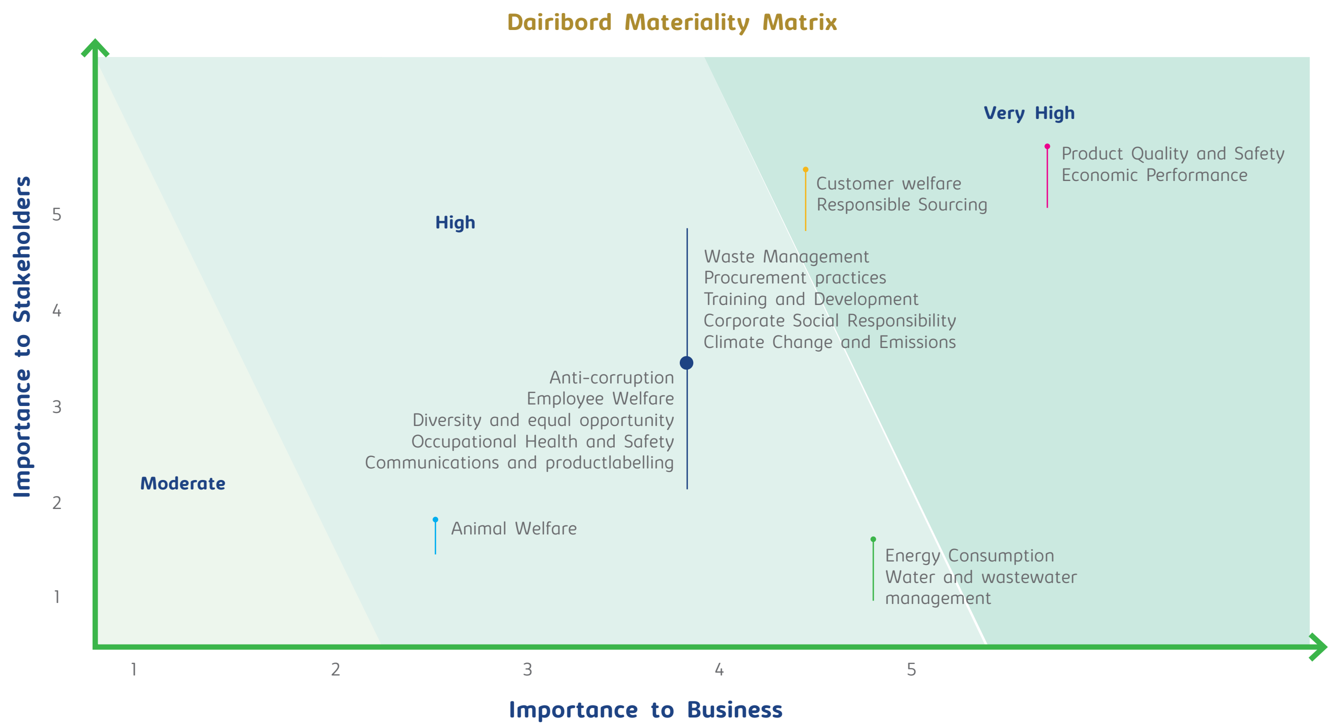
MATERIALITY (CONT'D)

Material Topics by Category
The key material topics for the year affected consumers, the supply chains, sustainable production, our people and communities, economic impacts and caring for the planet. Below are the material topics:

Consumers	Supply Chain	Sustainable Production
• Product quality and safety • Customer welfare • Communications and product labelling	• Animal welfare • Responsible Sourcing	• Energy consumption • Water and wastewater management

Our People and Communities	Economic Impacts	Caring for the planet
• COVID-19 Prevention • Occupational Health and Safety • Employee welfare • Training and development • Diversity and equal opportunity	• Economic performance • Procurement practices • Anti-Corruption • Corporate Social Investments	• Waste management • Climate change and emissions

Prioritisation of Topics



Economic performance, product quality and safety were identified as the most significant topics to both the business and stakeholders during the reporting period.

STAKEHOLDER ENGAGEMENT

Engagement of stakeholders is an integral part of our operations. It aids in the identification of opportunities and threats in light of the concerns and interests of stakeholders. Stakeholders are identified according to their level of interest in the Group and the manner in which our actions as a business impact them. This procedure facilitates the identification of the requisite degree of involvement and correspondence.

The business has identified the following stakeholders as significant to the Group:

- Internal – employees and management
- External - suppliers, government, customers and consumers, investors, shareholders, and local communities

Based on their influence on the business's operations and/or level of interest, these stakeholders have been ranked in order of importance. Management makes selections on a continuing basis in order to align strategy with risk management.

Our business model is dependent on the social and relational capital that is generated through stakeholder engagement. The Group allocates responsibilities for stakeholder engagement to personnel who interact with stakeholders. Through stakeholder engagement processes, critical material issues are escalated to the Board and Executive Committee for resolution. The Group engaged with stakeholders on a variety of critical issues as outlined below:

Stakeholder	Materials Issues Raised	Mitigation Measures	Engagement Channels
Employees	Timely and accurate payment of salaries. Creation of a work environment that promotes wellbeing, productivity and growth.	Creation of a conducive work environment.	Memorandums. Works council meetings. Town halls.
Customers and Consumers	Product function concerns.	Strive to meet customer expectations.	One on one meetings. Digital platforms. Marketing campaigns.
Suppliers	Reliable supplier relationships. Timely payments.	Supplier diversity and transparency.	One on one meetings.
Government and Regulators	Compliance with laws and regulations.	Enforcement through internal systems.	One on one meetings. Conferences. Statutory Returns.
Shareholders and Potential Investors	Increase in the value of shares and dividend declaration.	Improvements in company performance aimed at paying dividends	Financial publications.
Local Communities	Requests for assistance.	Community involvement.	Social welfare programs. Political leaders within constituencies.

Our Company is committed to the continuous advancement of stakeholder engagement strategies. The strategy will be routinely examined by the Group.

06

SUSTAINABILITY PERFORMANCE

Dairibord dairy based beverages on shelf in TM Pick n Pay

OVERVIEW OF THE LEVERS OF OUR SUSTAINABILITY PERFORMANCE

Having engaged with all our key stakeholders to understand the most material sustainability topics of the company, we have identified 8 key levers to strategically target and ultimately improve our sustainability performance. The graphic below identifies these key levers, as well as the strategic priorities within each. We dive into each of these elements in the sections that follow, providing the motivation for why that area has impact, outlining our visions and targets for improvement, detailing the systems and structures we have established within the organisation to achieve these and reporting on our performance and results from the previous reporting period.

Our Sustainability Performance

Key Levers	Strategic Priorities within Each Lever	
Our Supply Chain	• Responsible Sourcing • Supporting Small Businesses Support	• Milk Supply Management & Farmer Support • Animal Welfare
Quality Control & Standards	• Meticulous, Sophisticated and Third-Party Audited Monitoring of Food Safety and Quality • Stakeholder Engagement	• Responsible Participation at the National and Regional Levels • Implementation of Supplier Development Programs
Our Consumers & Customers	• Customer Welfare	• Responsible Communication & Product Labelling
Sustainable Production & Environmental Impact Management	• Energy Use & Efficiency • Water Consumption • Raw Material Use Efficiency & OEE	• Packaging • Solid Waste Management • Emissions Reduction
Our People	• Human Resources Initiatives • Equity, Diversity & Inclusion • Training & Personnel Development	• Remuneration and Employee Economic Empowerment • Health & Safety
Community Investment & Contribution to the SDGs	• Support of Small-Scale Dairy Farmers	• Support for Local Communities and our Most Vulnerable Members
Economic Integrity	• Inclusive Wealth Generation & Distribution	• Payments to Government
Anti-Corruption	• Anti-Corruption Policies, Reporting Procedures and Platforms	

OUR SUPPLY CHAIN

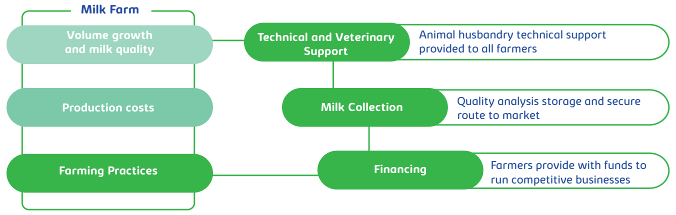
As a business, we understand how critical ethical supply chain management is to accomplish our sustainability objectives. Because the security and quality of the raw materials we source determine the value we create, we place a high importance on our relationships with ethical suppliers. We implement strategies to guarantee that transgressions against human rights, child labour and corruption are tracked down and resolved in order to preserve an accountable and transparent supply chain.

We also leverage sustainable practices across our supply chain, while minimising potential risks. By working closely with farmers, suppliers and service providers, we understand the risks they face and support them in meeting the standards of quality we expect. 60% of our spend is on local suppliers. Our commitment to sustainability also extends to supporting and including smaller local businesses in our value chain.

The four areas we have targeted to improve the sustainability of our supply chain are:

- Responsible Sourcing
- Supporting Small Businesses
- Milk Supply Management and Farmer Support
- Animal Welfare

OUR SUPPLY CHAIN (CONT'D)

<table>
<tr><th></th><th>1) Responsible Sourcing</th><th>2) Supporting Small Businesses</th><th>3) Milk Supply Management and Farmer Support</th><th>4) Animal Welfare</th></tr>
<tr><td>Motivations & Impacts</td><td>• Our supply chain has inherent social and environmental risks that can impact our business performance, therefore responsible sourcing is critical to our success as a business.</td><td>• Our procurement practices play an important role in promoting economic activity and job creation for local communities.</td><td>• Our business is only as strong as our supply chain, which starts with the dairy farmers who provide us with raw milk for our products. A secure and sustainable raw milk supply ensures a reliable and high-quality supply of dairy products for our consumers.</td><td>• Well-fed animals at optimal health ensure high- volume, quality raw milk supply and ultimately the production of nutritious milk-based products for our consumers.</td></tr>
<tr><td>Vision & Targets</td><td>• Only work with suppliers who share our values and meet rigorous standards for quality, are ethical and are environmentally sensitive.</td><td>• To support small to medium-scale enterprises by continuously evaluating their capacity to meet our procurement demands and standards. We aim to evaluate the performance of each supplier at least once a year.
• To provide competitive payment terms to strengthen their capacity.</td><td>• We aim to build robust, long-lasting relationships with our farmers and equip them with the tools and resources necessary to operate sustainably and profitably.</td><td>• We are committed to promoting and encouraging responsible animal husbandry and welfare among our farmers.</td></tr>
<tr><td>Systems & Structures in Place</td><td>• Supplier evaluation process: This takes place at least once a year. We conduct full-scope audits and supplier visits to provide feedback and identify areas for improvement. Non-compliance with our procurement requirements can lead to supplier rejection. We seek to continually improve this procurement process.
• Regular internal & external audits of our suppliers: We strive to achieve 100% compliance with laws and regulations and require all suppliers to comply with our service conditions. We hold regular meetings with our suppliers to ensure they are adhering to best practices and provide relevant documentation such as tax clearance certificates and fiscal invoices.</td><td>• Packaging materials: We mostly source these from small-medium scale enterprises.
• Relevant key performance indicators established to manage suppliers: These include the number of meetings and feedback on outcomes and the percentage of materials rejected from small to medium-scale enterprises.</td><td>• Milk Supply Development Unit (MSDU): Our MSDU provides extension services to large and small- scale milk suppliers, ensuring good quality and quantity of milk at a fair cost. MSDU staff provide dairy farmers with management and technical support to ensure compliance with the Dairy Act. We provide financial resources to enable the unit to pursue its objectives.
• Farmer training and support: Through MSDU, we provide training on various aspects of dairy farming and closely monitor key parameters to maintain high-quality standards. Training program topics include farm business management, hygiene, milk handling, pasture and fodder management. Additionally, we provide technical advice, input sourcing and access to state-of-the-art milk testing machines to assist farmers increase their herd size and improve milk production efficiency. The diagram below illustrates the core support we provide to dairy farmers.

• Provision of the service of fully qualified veterinary doctors in each region: This is done at no cost to the producers and is meant to ease the farmer's burden with respect to overall animal health and welfare.</td><td>• Deployment of resident veterinary doctors and extension officers in all our milk-producing regions: These professionals provide farmers with critical support, including the diagnosis and treatment of diseases affecting dairy cattle, nutrition consultancy, giving advice and providing training and a range of other services aimed at improving the standards of their dairy business and infrastructure.
• Regular communication with our farmers: We also make sure to share the latest dairy tips obtained from international publications.
• Regular animal health assessments: We conduct monthly body condition scoring to help farmers determine if their cattle are getting adequate nutrition. We also use Milk Urea Nitrogen (MUN) to assess the effectiveness of cow rations and monitor cases of tick-borne diseases to gauge the efficacy of the dips being used.
• Waste management: We encourage proper disposal and reuse of cattle dung to reduce the negative impact on the environment.
• Other animal welfare support measures include:
• Liaison with government and veterinary suppliers to make vaccines available and easily accessible;
• Provide loans or facilitate access to loans to fund on-farm feed production;
• Facilitating credit terms with all dairy industry stakeholders such as feed companies.</td></tr>
<tr><td>Performance & Results to Date</td><td>• We have been able to assess, identify and address malpractices by suppliers.
• We have developed procedures that support supplier development and growth.
• Our supplier relationships are much stronger, meaning our supply chain is more resilient and sustainable.</td><td>• Most small to medium-scale enterprises' engagement witnessed significant growth in their businesses confirming that the support we are providing has been effective.
• Our platform for feedback and supplier relationship management resulted in pleasant relations with suppliers.</td><td>• Currently, we have 98 dairy farmers supplying milk to the company, including 11 milk collection centres with over 480 small-scale farmers.
• Every year our farmers are more equipped and supported to operate better, and our relationships grow stronger.</td><td></td></tr>
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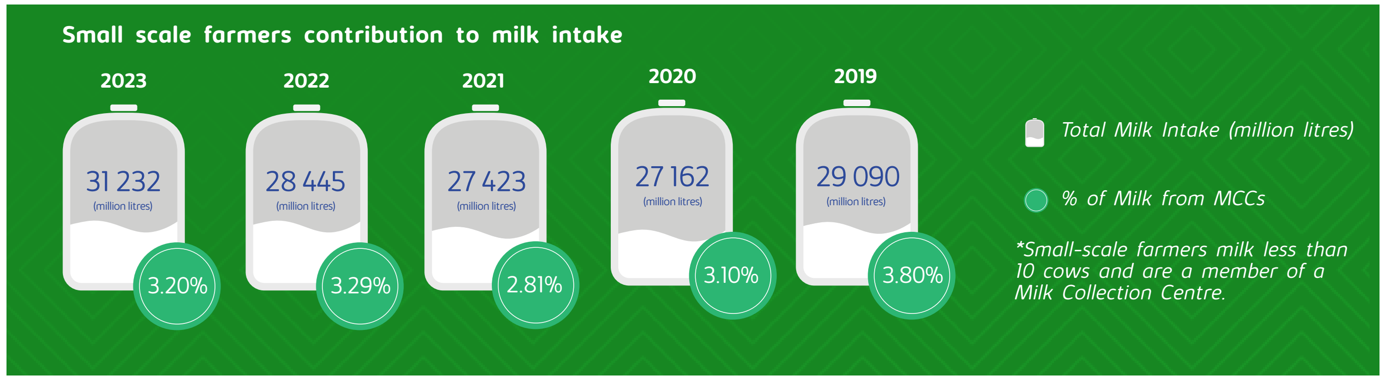


QUALITY CONTROL AND STANDARDS

As a fundamental responsibility, we provide high-quality and safe food products to our valued customers and consumers. Our fully-fledged quality assurance and control department is responsible for ensuring that all our operations are adhering to reputable industry best practices and international standards for quality and food safety, and meeting customer and consumer expectations. Quality specifications are monitored from procurement throughout all the different stages of the manufacturing processes, up to supply to the final consumer. This approach ensures that we maintain control over the microbiological and chemical composition, hygiene and quality of our products across the whole value chain. We have developed and implemented an integrated food safety and quality management system whose objectives are to:

- Meet customer and consumer expectations.
- Guarantee consumer confidence in the safety and quality of our brands.
- Protect and build brand reputation in local and international markets.
- Comply with regulatory requirements and industry best practice and gain relevant accreditations.
- Minimise food waste and reduce product losses.

Management Actions

Our top management is involved in ensuring that food safety and quality management systems are efficiently implemented and effectively managed. It employs a risk-based approach to develop user-generated, documented procedures to carry out processes and maintain records as objective evidence. This includes:

- Implementation of process monitoring and verification programs for self-evaluation and traceability.
- Conducting regular internal audits on Good Manufacturing Practices (GMP), Hygiene, Hazard Analysis and Critical Control Points (HACCP) as well as System audits to verify compliance to standards.
- Conducting annual independent third-party audits certifying compliance and effectiveness of the system.
- Audits by regulatory authorities.
- Bi-annual Product Certification Audits for selected products.

The company has implemented the following pre-requisite programs and good manufacturing practices as part of its food safety management system:

- Hygiene and Sanitation
- Supplier Management
- Utilities for water & air
- Internal Audit
- Traceability and Product Recall,
- Process Control and Product Release
- Food Safety Hazards Control using HACCP
- Food Defence and Emergency Preparedness

Pursuant to meeting growing consumer demand for high quality and safer food products, the Company monitors quality at three levels:
1. The Product Level: including inputs, processes used for supplied materials, production, warehousing, distribution, display and merchandising of the product,
2. The Operations Level: programs used to manage the processes
3. The Enterprise level: strategies used to achieve food safety and quality objectives.

Performance is tracked daily at product and process level, weekly for operational activities, and annually or bi-annual for the whole enterprise system.

To ensure that our food safety and quality monitoring processes are independently verifiable, we put the following measures in place:

- **Frequent monitoring and assessment against stated objectives and risk-informed plans:** Business leadership is involved in planning, communicating and reviewing improvement plans defined in the food safety objectives. The company uses a collaborative approach to managing risks and achieving its food safety objectives with both internal and external stakeholders. Performance reviews are conducted in bi-annual management reviews to ensure continued suitability of the food safety system and its effectiveness.

- **Integrated management and buy-in:** To ensure successful implementation and coordinated integration of our systems across all operations, the Chief Operations Officer serves as the Top Management Representative, while the QA Manager leads the Food Safety Teams. The food safety and quality agenda is integrated at all levels of operations and management, led at functional level by HODs and driven by cross-functional food safety teams, supported by a culture of food safety where every team member is engaged and empowered to prioritise the safety and quality of our products.

- **Response to issues that arise:** Corrective actions are key to achieving continuous improvements of the food safety system and performance. Quality and food safety issues are investigated to determine the root cause for appropriate corrective action to be taken to prevent recurrence and provide continued assurance of consumer protection and satisfaction.

	Unit	2023	2022	2021	2020	2019
Certified production sites	Count	1	-	3	4	3
Sites undergoing recertification audit	Count	3	4	1	0	1
Total number of sites		4	4	4	4	4

Lab technician, Elina Chakaodza, tests milk samples at Rekai Tangwena factory.

Our strategic priorities to achieve our mandate in delivering on quality and food safety include:

- Third- party audit monitoring of Food safety and quality.
- Stakeholder engagement.
- Responsible participation at national and regional level.
- Implementation of supplier development programs.

Third- party audit monitoring of Food safety and quality

We aim to meet Global Food Safety Standards recognized such as FSSC to boost consumer and trading partners' confidence in our brands and enable the company to trade in new lucrative markets. We also adopt a risk-based approach to prioritise monitoring and control, in line with ISO22000:2018 standard. To ensure the efficiency of Dairibord Quality and Safety Systems, all production sites are subjected to internationally recognised Food Safety Audits by an accredited third-party certification body. Our production sites are to be certified by Hazard Analysis and Critical Control Points (HACCP) and the International Standards Organisation (ISO) Food Safety Management System.

Stakeholder Engagement

Focus on food safety and quality is an essential component of the design and development of our products. This is underpinned by a strong culture of internal and external stakeholder engagement and involvement which ensures the voice of internal and external customers is always heard and drives a customer-centric approach to business processes. Some of our actions that have been directly informed and guided by stakeholder consultation include:

- Identification of emerging distribution channels' requirements for more shelf-stable products for our in-hand lines for beverages and yoghurts.
- Meeting growing consumer demand for health and nutritional benefits of the food they eat. Pfuko Ginger Maheu was introduced.
- Reduction of the environmental impact of our products, in particular packaging, while meeting the safety and convenience requirements of customers. Recycling of the UHT carton packaging in collaboration with our supplier partners is ar project on the cards.

Responsible participation at national and regional levels

As responsible industry leaders, we understand our influence on product quality and food safety standards within the broader food industry, particularly in the dairy sector. Our standards of quality and food safety impact the perception of Zimbabwean food brands in the local and export markets. To that end, we are committed to maintaining the highest standards of quality and safety.

We encourage our employees to participate in national, regional and continental bodies, such as the Standards Association of Zimbabwe (SAZ) technical committees and the African Organisation for Standardisation (ARSO) technical committees, where they contribute their expertise to the development of local and regional standards that promote competitiveness and trade.

Implementation of supplier development programs

As part of our demonstrated commitment to food safety and quality, we have invested in Supplier Development Programs that are inclusive of local suppliers. Through these programs, we transfer knowledge and expertise to small businesses using our internal pool of technical experts, enabling them to meet our requirements and improve their product quality and food safety standards. This support in turn enables start-up businesses to access markets beyond Dairibord, promoting economic growth and development.

OUR CONSUMERS AND CUSTOMERS

As a food manufacturer and marketer, we recognise our accountability to our customers to deliver exceptional products and services that meet the highest standards of quality and safety. We take responsibility for our products throughout the entire value chain, from the farm to the final disposal and recycling of packaging materials. As such, we take great care in managing the food handling, storage processes, product labelling and market delivery to ensure that our end-users receive products that are safe and wholesome for consumption. We also seek to ensure that all the parties that we interface with experience the highest standard of customer care. The two strategic priorities we have aimed at creating sustainable food systems that benefit all stakeholders are:

- Customer Welfare
- Responsible Communication and Product Labelling

	Customer Welfare	Responsible Communication and Product Labelling
Motivations & Impacts	• At Dairibord, we recognise that our business interfaces with a diverse range of customers, all with varying expectations. These relationships include vendors, franchises, retailers and wholesalers, and by extension, we also have the opportunity to support small businesses and promote youth employment. We acknowledge that our business success is highly dependent on the strength of all these relationships, and therefore, our commitment to providing quality, nutritious and healthy products extends to all of these parties.	• As a leading manufacturer and marketer of high-quality food and beverage products, we recognise our responsibility to promote healthy eating and an active lifestyle for our consumers. Consumer trust and stakeholder satisfaction are essential for us.
Vision & Targets	• While challenges such as product shortages, arbitrage opportunities, trade terms and agreements are inherent to our industry, we strive to eliminate any negative customer experiences and ensure that all interactions with our products are positive. • Our strategies prioritise quality, transparency and accountability throughout our value chain.	• Responsible communication is our priority, particularly in the areas of nutrition labelling and advertising to ensure that our customers can make informed decisions about our products. We work to provide accurate and transparent information about our products through ethical marketing and compliance with all relevant regulation. • Our ultimate objective is to secure the 1st or 2nd position in market share in all categories we compete in.
Systems & Structures in Place	• **Customer engagement:** Engagement with our customers to add value to their experience, keeping our brands top of mind and enhancing customer loyalty and growing our customer database is our priority. • **Regular assessment of customer welfare actions:** We regularly assess daily, weekly and monthly sales performance reports, conduct market visits and provide performance rewards to high-performing sales teams. Revenue growth and demand serve as key indicators of customer welfare. • **Order timeliness:** We are committed to delivering inter-city orders within 72 hours and intra-city orders within 24 hours. • **Mitigation of the negative impact of supply shortages:** There has been a demand-supply gap due to factors such as inadequate milk supply giving rise to arbitrage opportunities, smuggling of products outside the country and unregulated vendors. To mitigate these challenges, we closely monitor channel prices and strategically allocate stock to minimise the negative impact on our customers of product shortages. Our perishable food handlers receive training on proper product handling and behaviour to minimise losses. • **Returns Policy:** This is designed to ensure that customers have ample opportunity to receive full or close to full reimbursement on purchase returns, with the amount of credit determined by the shelf life of the product. • **Continuous enhancement of operations:** We are continually working to improve our warehousing, transport control systems, market coverage and returns policy.	• **Accurate and compliant product labelling:** Our product labelling adheres to the guidelines set by the Ministry of Health and government regulations, and our patented packaging and labelling designs ensure our products are easily recognisable and differentiated from competitors. • **Conscientious and educational marketing:** Our marketing and labelling efforts are guided by the principles of balanced nutrition, personal choice and competitive price. Our marketing strategies reflect this through various media channels and sales promotions. We also educate customers on the proper handling and disposal of our products to minimise waste. • **Continuous enhancement of marketing strategies and product labelling efforts:** We continually revise our approaches to ensure that our communication lines are ethical, non-offensive and aligned with our product attributes and features. We track a range of performance indicators such as stock in trade reports, brand health checks, customer satisfaction research, Super Brand awards and external laboratory tests and reports.
Performance & Results to Date	• Sales volume for the year was 11% ahead of the prior year. • **Market share:** Most of our products commanded first or second position in the categories they compete.	

Happy customer shows off her favourite Dairibord product, Nutriplus, at the Zimbabwe International Trade Fair.

SUSTAINABLE PRODUCTION AND ENVIRONMENTAL IMPACT MANAGEMENT

We prioritise responsible manufacturing and recognise the collective benefits of resource and cost efficiency and environmentally conscious production practices.

We appreciate how wasteful and inefficient processes can strain and negatively impact the environment. These include our use of water, energy, food, and raw materials, and the generation of solid, liquid and gaseous waste. We also recognise that our impacts extend beyond our direct operations to include those of our supply chain partners.

Dairibord is committed to producing goods using sustainable practices that do not harm the planet. We continuously monitor and manage our operations to minimise environmental impact by reducing emissions, water use, energy consumption and waste and increasing efficiencies across the value chain. In doing so, we strive to decouple economic growth from environmental degradation, promote sustainable lifestyles, optimise value for our shareholders and stakeholders, and ensure long-term success of our business.

To date, Dairibord has implemented various programs and controls aimed at reducing its negative impact on the environment. These include;

- Monitoring water usage and setting targets for reducing consumption.
- Monitoring trade effluent quality by measuring various parameters.
- Implementing programs to minimise the generation of solid and liquid wastes .
- Implementing programs to minimise returns and damages .
- Monitoring energy usage and setting targets for reducing consumption and associated emissions.
- Conducting SHE policy awareness programs for stakeholders.
- Organising clean-up campaigns to maintain a clean working environment.

Our strategic initiatives have included:

- Office and plant redesign to save energy and reduce environmental impact.
- Investing in solar energy to decrease reliance on fossil fuels.
- Efficient production planning to minimise water consumption, detergent usage, energy and coal consumption.
- Responsible utilisation of water through efficiency and recycling for non-food purposes.
- Initiatives to increase material usage efficiency, reduce waste and promote energy and water efficiency to avoid costs.

Below we provide further detail on the six areas that we focus on to improve our sustainable production performance:

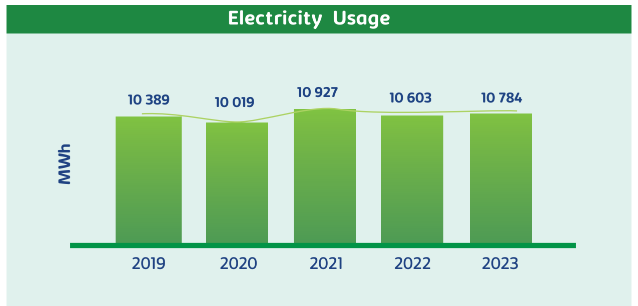
- Energy use and efficiency.
- Water consumption.
- Raw material use efficiency and Overall Equipment Effectiveness.
- Packaging.
- Solid waste management.
- Emissions reduction.

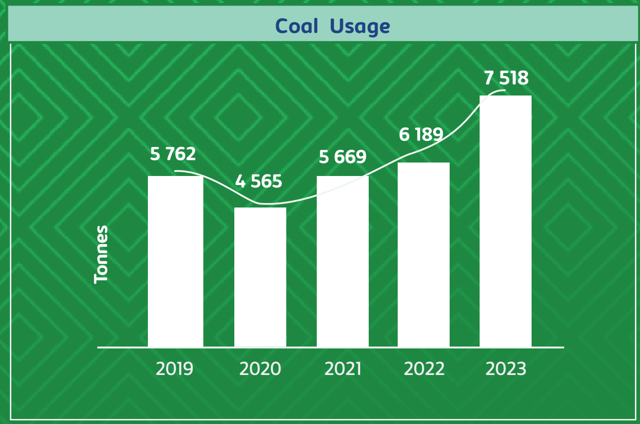
Energy Use and Efficiency

Energy efficiency is a critical component of Dairibord's operations, as it is used to power equipment, vehicles, and maintain illumination. Our substantial expenditures and contribution to the emission of air pollutants, including greenhouse gases, result from our reliance on non-renewable energy sources. As an effort to alleviate these effects, we have invested in energy-efficient equipment and mandated the use of LED illumination, among other measures. Daily, weekly, and monthly monitoring of our utility indices enables us to determine the amount of energy consumed per unit of product manufactured.

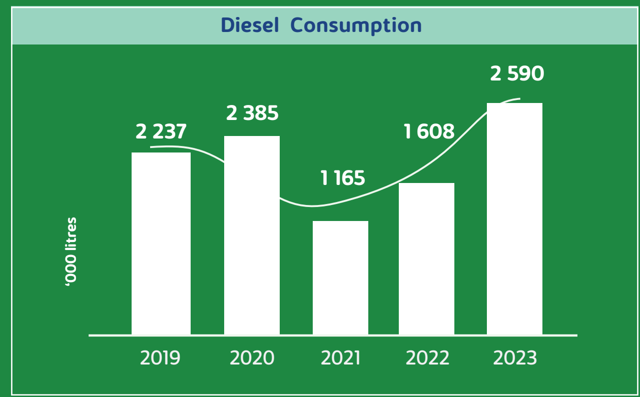
In addition, for optimum efficiency, we optimise our boiler operations by concurrently operating multiple steam-intensive processes. Furthermore, employee training is a top priority for us, and we have established partnerships with coal suppliers to ensure that coal is utilised appropriately in accordance with its quality. The ZESA tariff system has additionally facilitated the avoidance of penalties through the promotion of energy consumption during off-peak periods. We are committed as a business to reducing our carbon footprint and investigating renewable energy sources to satisfy our energy requirements. Information on energy intensity by the organisation is unavailable and energy consumption of third parties is unreliable.

	2023	2022	2021	2020	2019
Electricity (MwH)	10 784	10 603	10 927	10 019	10 389
Coal (Tons)	7 518	6 189	5 669	4 565	5 762





	Units	2023	2022	2021	2020	2019
Diesel '000' litres	Litres	2 590	1 608	1 165	2 385	2 237



Diesel consumption for distribution vehicles has increased in comparison to the previous year due to increased volumes, while a greater reliance on generator power at the Chipinge factory has resulted from an unreliable supply of ZESA power.

Investments in a solar plant for the Chipinge factory is now at an advanced stage, while other factories have transparent roofing to allow for use of natural lighting. The Group has also increased its acquisition of equipment such as electric forklifts in an effort to reduce energy requirements of products and services.

Overall Indices	2023				
Indices	Electricity Usage	The volume of Products produced	Efficiency Indicator	Target	Com-mentary
Electric-ity L/ KWh	977 055	10 946 419	11.20	9.36	Higher is better
Coal L/ kg	936 728	10 946 419	11.69	15.48	Higher is better

The higher efficiency indicator shows that more product is being produced with less energy.

Rekai Tangwena Factory Manager, Jason Muwani, monitoring Natural Joy production.

SUSTAINABLE PRODUCTION AND ENVIRONMENTAL IMPACT MANAGEMENT (CONT'D)

Water Consumption

Our operations are greatly dependent on water, which serves a variety of purposes including raw material usage, hygiene, sanitation, cooling and steam generation. As a business, we recognise our potential to impact water availability, contribute to water shortage, and pollute surrounding water bodies, which can harm aquatic life and have negative implications on society. We value water as a precious resource and have implemented measures to conserve and protect it. The water management mechanisms we have in place include:

- Monitoring of water and steam leakage;
- Onsite effluent treatment plant to treat wastewater before disposal back into the environment;
- Appointment of water attendants to monitor and manage water usage efficiency;
- Reuse the final rinse water for cleaning facilities;
- Reverse osmosis for wastewater used for cleaning and watering gardens.

Dairibord is dedicated to attaining water efficiency objectives. Our objective is to produce 1 litre of product using 3 litres of water. We assess our progress by comparing the quantity of products manufactured to the overall quantity of water consumed. We acknowledge the direct relationship between water usage and production efficiency, and we strive to enhance our procedures consistently in order to decrease our water consumption and mitigate our environmental footprint.

Water Consumption	Total Volume of Products Produced	2023 Water Efficiency Indicator	Target
515 066 000	106 490 885	5.83	4.99

The progressive decline in water used per litre of product has been recorded over the past several years from 7L/l of product to the current 4.84l/l of product. Targets are set annually for continuous improvement.

Water Source	2023 '000	2022 '000	2021 '000	2020 '000	2019 '000
Municipal	92 712	141 249	166 550	164 481	230 089
Borehole + Bulk Deliveries	422 354	342 564	313 337	198 255	167 019
Total Water consumption	515 066	483 813	479 887	362 736	397 108

Municipal water continues to be less reliable. For Harare Rekayi Tangwena and Chipinge Factories, more than 82% of water requirements are supplied from boreholes, with over 90% of Chitungwiza factory's water requirements coming from Bulk water deliveries.

Raw Material Use Efficiency and Overall Equipment Effectiveness

Below are key materials used for the manufacture of key products during the year:

	Units	2023	2022	2021	2020	2019
Raw materials (Milk)	Litres	31 423 488	27 202 025	27 422 944	27 162 331	29 090 609
Packaging	Tons	6 446	5 851	5 342	4 116	4 133

No information is available on reclaimed products and their packaging materials.

We recognise the importance of efficient material usage and strive to make the most of our resources. While our business operations do present some limitations for the use of recycled materials, we are committed to maximising material usage efficiency. Our Research & Development personnel work to establish usage yields for each product line and these yields are monitored regularly to ensure ongoing efficiency. By closely monitoring material usage, we can work to minimise waste and reduce our environmental impact.

We utilise the World Class Manufacturing methodology to monitor and improve our Overall Equipment Effectiveness (OEE). Our goal is to fully utilise our facilities, time and material to reduce disturbances and minimise product losses. By efficiently managing our OEE, we can optimise our production processes and improve our operational efficiency, which ultimately benefits both the Company and the environment.

Packaging

Packaging plays a crucial role in enabling the sale, delivery and marketing of our products, as well as protecting, preserving and presenting them. Our packaging materials include HDPE, PET, Tetra cartons, PVC and foil. While some of our packaging materials are recyclable and reusable, improper disposal can lead to pollution and waste. Our goal as a company is to increase the use of recyclable packaging materials while preventing or reducing the generation of waste and pollution from our operations. We assess the quantity of waste generated, recycled and disposed of to measure our progress.

To mitigate our impact, we have implemented processes to promote the recycling of our waste. These include:

- Working with local small businesses to collect and recycle our waste.
- We are affiliated with PETRICOZIM, an industry recycling organization, to proactively research and develop environmentally safe packaging technology.
- We have established partnerships with stakeholders such as packaging suppliers, waste collectors and recyclers to ensure that our management process is successful.
- We work closely with the Environmental Management Agency to stay informed on regulations related to waste management.

By investing in programs that minimise and conserve natural resources, we are committed to reducing our impact on the environment and promoting sustainable practices in the packaging industry.

No information is available on reclaimed products and their packaging material.

> "...we are committed to maximising material usage efficiency.

CARING FOR THE PLANET

Solid Waste Management

Given that packaging production and use is a necessary component of our business, we are committed to reducing the quantum of solid waste that we produce across our value chain and ensuring its proper disposal. We track key indicators such as the amount of waste generated and the method of disposal (see the table below). At all times, we aim to manage, control and dispose of these waste streams in compliance with all relevant legal standards and requirements.

Waste type	Disposal method	Unit	2023	2022	2021	2020	2019
Coal Ash	Sold	Kg	997 415	977 868	850 284	684 803	633 820
Packaging waste generated							
Linear Low-Density Polyethylene (LDPE/ LLDPE)	Recycling & Landfill	Kg	494 661	445 641	451 753	308 338	366 005
Biaxial-oriented Polypropylene (BOPP/ VMCPP)	Recycling & landfill	Kg	6 058	5 454	5 473	8 273	9 274
High-Density Polyethylene (HDPE)	Recycling & landfill	Kg	3 141 192	2 804 636	2 663 731	1 687 565	2 225 880
Polyethylene Terephthalate (PET)	Recycling & Landfill	Kg	251 640	230 863	212 488	119 737	121 531
Polypropylene (PP)	Recycling & landfill	Kg	373 097	362 231	363 654	297 965	308 526
Liquid Waste							
Effluent Municipal	Municipal	m^3	302 328	287 932	386 101	238 265	186 058
Oils	Sold	Litres	2 442	2 200	4 173	19 249	5 947

Currently, no information is available on recycled input materials used.

In addition to our partnership with PETRICOZIM to manage PET waste, we also partner with Zimbabwe Sunshine Group to manage other classes of solid waste which include HDPE/PP.

This initiative focuses on managing solid waste generated by Dairibord products in the market (post consumption). The used packaging is picked throughout the nation, segregated and classified according to class e.g HDPE/PET and channelled to recycling companies. Currently, no information is available on recycled input materials used.

Emissions Reductions

We are deeply conscious of the increasing global importance of reducing Greenhouse Gas Emissions in light of the severe climate change predictions. To do our part, Dairibord conducts emission surveys every quarter to establish the level of emissions generated by the use of coal and diesel as a source of energy. The Group calculates its carbon footprint by converting its energy consumption into carbon dioxide equivalency using internationally accepted conversion factors. We adopt this method due to the unavailability of nationally adopted conversion factors for Zimbabwe. Emissions licences are then issued by Environmental Management Agency (EMA) in line with Statutory Instrument 72 of 2009.

Scope 1: Direct Emissions

These are direct Greenhouse Gas (GHG) emissions from operations owned or controlled by Dairibord. These emissions are primarily from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage and coal combustion as presented below.

Scope 1 Emissions	2023	2022	2021	2020	2019
Diesel (Kg CO^2e litres)	5 173 196	3 211 776	3 598 410	5 991 907	5 620 082
Coal (Kg CO^2e ton)	18 072 069	15 670 961	13 627 369	10 973 530	13 850 926
Total Scope 1 Emissions (Kg CO^2e)	23 245 266	18 882 737	17 225 779	16 965 437	19 471 008

Scope 2: Indirect Emissions

These emissions are from third party energy consumption over which Dairibord has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below.

Scope 2 Emissions	2023	2022	2021	2020	2019
Electricity (Kg CO2e KwH)	11 579 474	3 211 776	3 598 410	5 991 907	5 620 082

Gaseous Waste Emissions

SI 72 of 2009				
Band scale of emmissions	Blue	Green	Yellow	Red
Particulate	<60mg/m^3	<90mg/m^3	<100mg/m^3	<120mg/m^3
SO2	<25mg/m^3	<30mg/m^3	<35mg/m^3	<40mg/m^3
NOX	<70mg/m^3 as NO2	<100mg/m^3 as NO2	<130mg/m^3 as NO2	<150mg/m^3 as NO2

During the year under review, Dairibord boilers and generators' emissions fell within the green and blue bands respectively. As per legal stipulations, we carry out periodic surveys and boiler maintenances to maintain or improve results.

We believe that Safety, Health & Environment challenges can be solved by an I CAN attitude.

I CAN, you CAN, we CAN be SAFE.
I CAN, you CAN, we CAN make our environment CLEAN.

OUR PEOPLE

Human Capital Management

Our people are undoubtedly a key pillar of the business. We rely on their skills and dedication to achieve our strategic objectives and to represent the company when engaging with stakeholders. We work to promote harmonious working relationships that are guided by our corporate values and national and industry regulations.

Our goal is to create an inclusive and supportive work environment which fosters equal opportunity, fair treatment and respect for all, while encouraging innovation and creativity in line with our cultural heritage and values. Ensuring the psychological, social and economic well-being of our employees, is essential to unlocking human potential.

Overview of our people

We are dependent on direct contract and permanent employees for the bulk of our operations.

Employee Category	2023	2022	2021	2020	2019
Permanent	521	483	438	459	494
Contract	616	700	733	723	605
Total	1137	1183	1,171	1,182	1,099

Employees by Contract Type

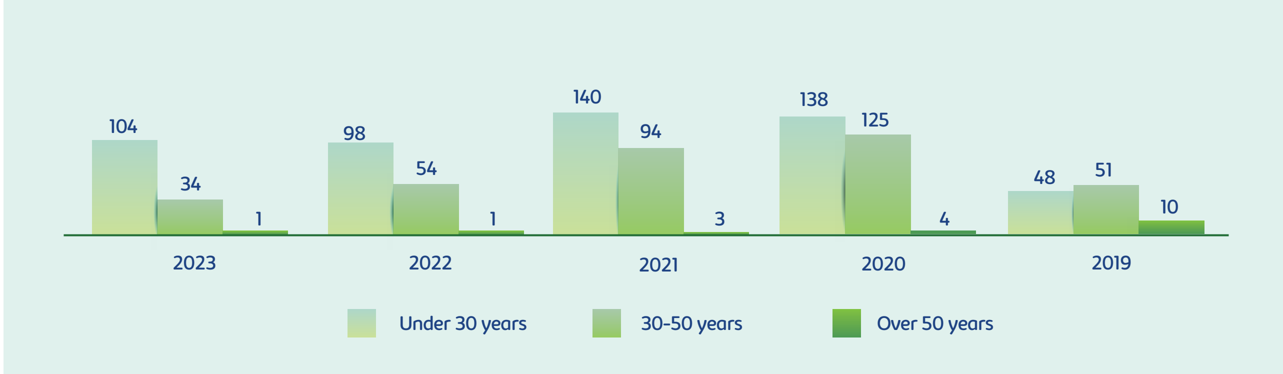
We also continuously seek to grow our teams and employ top talent:

Recruitment

Gender	2023	2022	2021	2020	2019
Female	31	41	67	74	30
Male	108	112	170	193	79

Employee Category	2023	2022	2021	2020	2019
Under 30years old	104	98	140	138	48
30-50 years old	34	54	94	125	51
Over 50 years old	1	1	3	4	10
Total new employees	139	153	237	267	109

New Employees by Age



In addition to our direct contracted and permanent employees, we outsource several services as follows:

- Merchandising - Merchandising of our products in major retail outlets is outsourced to external merchandisers, who are employed by a third party.
- Vending - The vendors are independent contractors who sell our products including ice cream, yoghurt and beverages.
- Security services – We have outsourced security for all our operations.
- Canteen – Canteen services are provided by a third party.
- Cleaning – Cleaning services are outsourced.
- Transport and Logistics - We outsource a portion of our distribution requirements to external transporters.

Beyond this, the Group opens opportunities for broader employment and economic growth, particularly through the support of small-scale businesspeople. Through our street vending program, we provide over 800 vending opportunities each year, with a focus on empowering women, who make up 65% of our vendors. In addition to our direct efforts, our extensive route-to-market network has also led to indirect job creation in modern trade, general trade, merchandising companies and transport service companies, further contributing to the economic well-being of our communities.

Our strategic priorities for sustainably managing our human capital include, but are not limited to:

- Human resources initiatives.
- Equity, diversity and inclusion, with a particular focus on gender equality.
- Training and personnel development.
- Remuneration and employee economic empowerment.
- Health and safety.

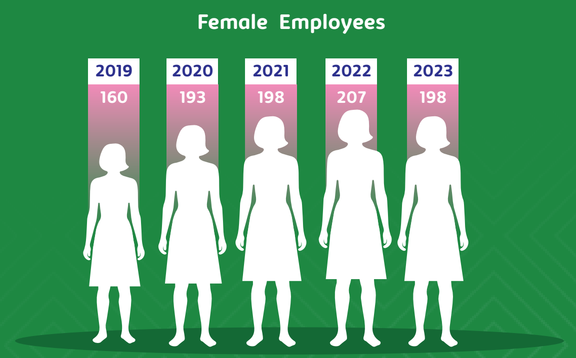
Human Resources Initiatives

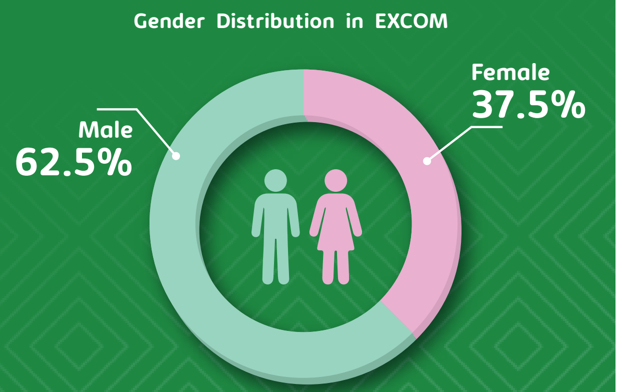
We have a dedicated human resources team that is committed to crafting a work environment that sustains our employees' well-being and provides opportunities for growth. Their initiatives include:

- Equal employment opportunities, violence-free workplace.
- Training programs for managerial employees.
- Retention strategies (salary cushioning, recognition, innovation awards, access to loans).
- Employee welfare (canteen facilities, medical aid, company clinic).
- Wellness training and events (health awareness e.g., prostate and breast cancer screening awareness).

OUR PEOPLE (CONT'D)

Equity, Diversity and Inclusion	
Motivations & Impacts	• We believe in fostering a workplace culture that values and promotes diversity and inclusion because we recognise how this helps to create a supportive and respectful environment for all employees. This leads to increased productivity, creativity, collaboration and retention rates. • Conversely, failure to manage diversity and inclusion may result in harassment, poor communication and decreased teamwork, which ultimately harm employee well-being, reputation and bottom line. • Gender disparity remains a key issue in our business environment. We understand how this impedes social development and makes women vulnerable to limited opportunities. Consequently, we have made gender balance a priority, seeking to create an environment where women aspire to work.
Vision & Targets	• To foster a peaceful and productive workplace free of harassment, discrimination and bullying. • To equally divide tasks, responsibilities, resources and opportunities among everyone in the organisation. • To pursue gender and youth balance within our workforce, with a target of having 30% of our staff being female by 2026.
Systems & Structures in Place	• **Employee education and awareness:** We ensure that all managers and staff are familiar with our equal opportunities policy and anti-harassment policy. We also conduct regular awareness campaigns and trainings on sexual harassment, gender-based violence, respect, anti-discrimination and dress code. Additionally, we observe wellness calendars such as International Women's Day and Breast Cancer Day to promote understanding of the challenges facing women in the workplace. • **Diversity and equal opportunity during hiring:** The company is an equal-opportunity employer committed to fair and transparent recruitment and selection processes that reflect best practices and standards. We ensure that our workforce is diverse, carefully considering the demography of our employees, the ratio of men to women and the specific skills and experience required for senior management positions. • **Measures for equality:** We strive for equal distribution of roles, responsibilities, pay, and benefits. We also provide equal access to promotion opportunities regardless of gender. • **Gender-sensitive accommodations:** We are committed to providing adequate ablution facilities to accommodate our targeted growth of 30% female employees. • **Open feedback and communication channels:** We encourage employees to use our suggestion boxes and open-door policy to report any concerns. We also conduct job retention and job satisfaction assessments and exit interviews to gain insight into reasons why employees leave the business.
Performance & Results to Date	• We remain committed to achieving our gender balance targets through initiatives such as the recruitment of graduate trainees and the hiring of capable women in traditionally male-dominated roles. • Our vending program also plays a key role in promoting gender balance, with over 65% of our street vendors being women.





Gender Distribution in The Executive Committee

Gender	2023	2022	2021	2020	2019
Female	3	3	5	5	5
Male	5	5	5	4	4


Female machine operator attends to the maheu line at Chitungwiza factory.

Training and Personnel Development	
Motivations & Impacts	• Training and development of staff is essential for enhancing and guaranteeing business success through capacity building.
Vision & Targets	We implement training programs that are geared to achieve the following: • Capacity building. • Increased performance and ultimately productivity. • Increased competitiveness. • Staff motivation. • Guarantee business continuity through systematic talent pipeline. • Bridging any existing or foreseen skill gaps. • Succession planning. • Multi- skilling of staff. • Safety promotion.
Systems & Structures in Place	• **Talent development policy and strategy:** These are in place to drive performance and create a learning organisation. Major objectives of the policy are development of leadership, management, supervisory, soft and technical skills, coaching and mentoring. We also focus on graduate traineeship, apprenticeships and student internships. In addition to the foregoing, we utilise expatriates to aid in knowledge transfer. Short courses, seminars and conferences are frequently held to further our employees' expertise. We want to discover adequate resources for successful leadership, talent development and retention of all critical skills. • **Employee assistance development program:** We have implemented an employee assistance development program to help financially challenged staff pursue further education in their profession. Recipients commit, as part of the assistance, to being retained for a number of agreed years. • **Perpetual assessment and upgrade of trainings:** We undertake training evaluations and assessments to determine the efficacy and compatibility of programs offered, with the objective of avoiding outdated and irrelevant training. The evaluation is done both during and after the training to determine its success. A skills audit is also performed on a regular basis to help close gaps in credentials, abilities and competencies. • **Promotion of youth advancement and upskilling:** Unemployment and skills deficit remain major issues in Zimbabwe. We have established a platform for youth to learn practical skills as part of their education, while also providing the company with an opportunity to be active in skills development.

There is insufficient information on the average hours of training per year per employee.

Opportunities presented in 2023:

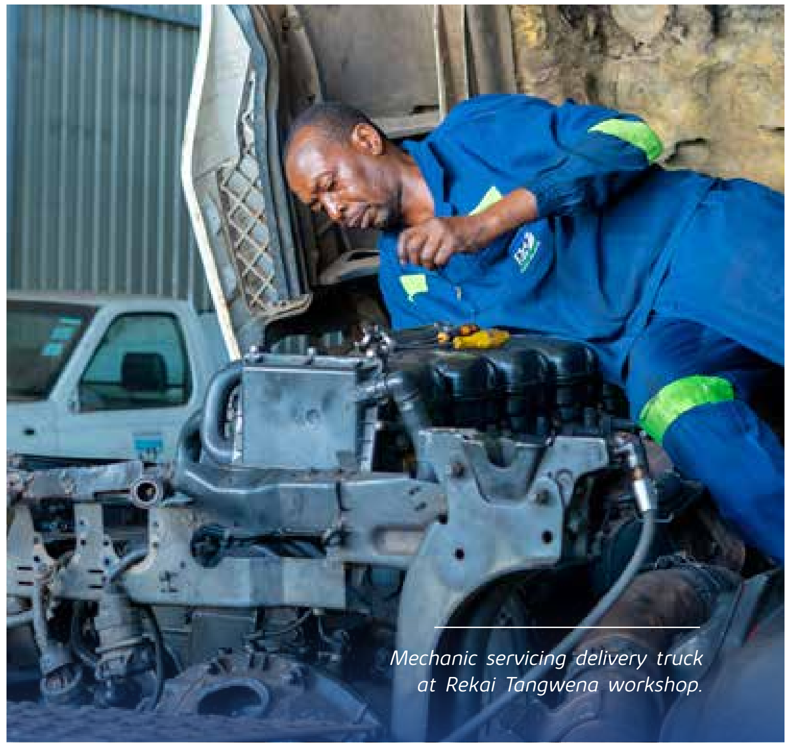
Category	2023	2022	2021	2020	2019
Graduate Trainees	0	13	13	-	11
Students on attachment	24	26	25	24	22
Total	**24**	**39**	**38**	**24**	**33**

OUR PEOPLE (CONT'D)

Remuneration and Employee Economic Empowerment
We rely on our remuneration policy to attract and retain key skills and to guide us in determining how we compensate employees. We also follow and comply with industry collective bargaining agreements as minimum benchmarks for determining salaries for our non-managerial staff who constitute 80% of the total complement. This approach is also complemented by self-financing incentive schemes that recognise collective and or individual performance achievements.

Beyond Remuneration, the Dairibord Employee Share Ownership Trust (DESOT) was founded in July 1997 to acquire shares in Dairibord. The trust presently holds around 12% of Dairibord Holdings Ltd through Serrapin Investments (Pvt) Ltd, demonstrating previous and present workers' faith in the company.

Health and Safety
Our employees' health and safety is a priority for us. We ensure provision of all the relevant protective gear at all stages of our production activities. Work-related accidents is a key performance indicator that we monitor very closely and establish safeguards to mitigate.



Mechanic servicing delivery truck at Rekai Tangwena workshop.

Work-related Accidents

	Attendance		Injuries		Off duty		Referrals	
	2023	2022	2023	2022	2023	2022	2023	1022
Jan	79	110	4	7	64	46	7	6
Feb	124	171	9	11	84	65	3	6
Mar	197	176	8	8	66	66	6	3
Apr	208	112	9	7	125	45	10	5
May	136	97	9	9	70	29	7	14
Jun	100	50	6	4	65	22	10	5
Jul	88	98	6	9	48	51	9	25
Aug	84	78	4	7	32	29	3	14
Sep	117	59	7	9	38	13	6	3
Oct	92	73	4	5	17	58	4	4
Nov	167	100	1	7	16	80	7	10
Dec	133	77	9	9	29	54	3	3
Total	**1525**	**1201**	**76**	**92**	**654**	**558**	**75**	**98**

Board member, Mr C Mahembe, receives recognition for 48 years of service to Dairibord.

COMMUNITY INVESTMENT AND SUSTAINABLE DEVELOPMENT GOALS

Supporting the communities in which we operate is crucial to sustainability work, and Dairibord remains dedicated to improving their lives. Constant contact with communities helps us to better understand their needs, our impacts on them, how we can best support and how we can foster long-term partnerships.

Support of Small-Scale Dairy Farmers

Our Corporate Social Responsibility initiatives have successfully contributed to the growth of the dairy industry by supporting small-scale dairy farmers, aligning with our objective of rebuilding the national dairy herd and increasing milk production. Our Chipinge operation has facilitated the devolution and decentralisation of our value chains to promote equitable and sustainable socio- economic progress.

Support for Local Communities and Our Most Vulnerable Members

In addition, we actively contribute to the betterment of local communities by enhancing the living conditions of our most susceptible individuals. We also promote well-being by providing nutrition and supporting education through bursary programs and talent development initiatives for our employees. We partner with charitable organisations and other intermediaries who directly interact with the individuals we aim to help. We are governed by the United Nations Sustainable Development Goals (SDGs), which serve as our main priorities:

Kudakwashe Ndoro (USAID) & Evert Oostindiën (Dairibord Milk Supply Development Executive) at grant signing ceremony between the two entities for small-scale dairy farmer support

Community Investments

We regularly assess our community investments to ensure they align with the needs and interests of the surrounding communities. We evaluate beneficiary feedback carefully in order to pinpoint weaknesses and potential areas for development .

We evaluate beneficiary feedback carefully...

CSR summary table

Target	Purpose of investment	Organisations supported	Items donated	Amount USD$
Education	Investment in human development	Children of retired employees	Fees	7 820
Vulnerable orphans and the elderly	Improve the quality and standard of life for vulnerable groups	Orphans and the elderly	Food groceries	8 700
Employee engagement	Honouring service rendered	Recognition awards	Recognition ceremony & certificates, food hampers	45 000
Stakeholders support	Relationship management	Media, sports persons		1 500

ECONOMIC PERFORMANCE

Management Approach

Dairibord's business strategy provides a framework for discovering and developing opportunities in the food, beverage and liquid milk businesses. Focusing on our core strengths and objectives, ensures the realisation of these prospects by our management team. We intend to enhance this process in the future by supporting an inclusive approach to wealth generation and distribution, ensuring that the economy, workforce, farmers, suppliers and communities benefit the most from the value we generate.

Payments to Government

We are committed to full compliance and transparency concerning tax matters. We take the following steps to ensure that our tax affairs are in good order.

- Placing high priority on statutory payments and have a robust system in place to ensure that all taxes are paid on time.
- Conducting quarterly compliance check to ensure that all taxes have been paid and that we are following all relevant laws and regulations.
- Regular review of our systems and processes to ensure that they are compliant with the latest changes in tax law.
- Providing staff with training on how any new or revised legislation will affect our operations.
- Maintaining a close relationship with our tax consultants to ensure that we are abreast with the latest developments.
- Undertaking tax health checks every three years to ensure that our tax affairs are in good order.
- Maintaining regular dialogue with the Zimbabwe Revenue Authority (ZIMRA) liaison officers.

We are confident that our commitment to tax compliance and transparency helps us to build trust with our stakeholders and contributes to our long-term success.

ANTI-CORRUPTION

Dairibord upholds the principles of sound corporate governance and promotes ethical behaviour throughout all our strategies, operations and institutions. We have taken proactive measures to combat corruption, something that we do not tolerate in any form. This has helped to safeguard our assets, foster positive relationships with all our stakeholders and establish a trusted reputation within the market.

Our anti-corruption policy, which is firmly anchored on the principles of transparency, accountability and fairness informs our stance on corruption. This policy is aligned to SDG 16 which calls for the promotion of peace and inclusivity at all levels as well as access to justice for all.

Anti-Corruption Policies, Reporting Procedures and Platforms

Our established policies and practices to help detect and prevent corruption include:

- Individual contracts of employment.
- Our Employment Code of Conduct.
- Regular training and education programs.
- Reporting mechanisms to flag suspected instances of corruption through anonymous tip-offs, suggestion boxes and employee engagement surveys. Tip-offs are managed by a reputable third party, Deloitte & Touché Zimbabwe, from whom we receive quarterly update reports on corruption.
- Education on behavioural expectations during our new employee induction process.

Mitigating Corruption from Procurement and Vendor Processes

Our proactive approach to mitigate adverse impacts of corruption also include:

- Procurement staff individually signing letters acknowledging their adherence to our code of ethics.
- Encouraging suppliers to report any acts of corruption from our employees.
- Raising awareness of vendor anti-corruption through various media channel, such as print, radio, and digital media.
- Countering potential money laundering stemming from use of third- party bank cards in exchange for cash or foreign currency.
- Investigations to determine 'when and where' any corruption occurred. Following that up with appropriate actions including internal disciplinary action and litigation if necessary.

We openly communicate our anti-corruption stance through various channels including circulars, works council meetings, staff addresses and monthly reports. The continuous reviews of our Standard Operating Procedures (SOPs) and regular vendor assessments assist in managing the impact of corruption.

Monitoring the effectiveness of our anti-corruption activities

To help maintain our zero-tolerance approach, we institute measures that include:

- Seeking guidance from the Financial Intelligence Unit of Reserve Bank of Zimbabwe;
- Conducting internal audit and risk assessments to identify and address potential issues;
- Ensuring compliance with statutory returns;
- Facilitating external audits;
- Tracking number of incidents against targets and incidents from prior periods;
- Holding frequent anti-corruption meetings with franchisees.

> *We openly communicate our anti-corruption stance*

These measures aid in upholding our corporate reputation and remaining listed on the Zimbabwe Stock Exchange with share price appreciation. Our efforts have reduced corruption cases and serve as a deterrent to other employees.

We recognise the importance of incorporating prior learnings from our anti-corruption efforts into our operational policies and procedures. To that end we have established a mechanism to regularly update our policies and controls to reflect new or evolving risk exposures.

07

FINANCIAL RESULTS

Dairibord Holdings
More Than Just Milk

CORPORATE INFORMATION

CORPORATE INFORMATION
Dairibord Holdings Limited
Company Registration No. 2168/94
www.dairibord.com

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Belvedere, Harare

POSTAL ADDRESS
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Telephone Numbers: + 263 24 2790801-5, 2779035-45

COMPANY SECRETARY
Maurice Karimupfumbi
E-mail: karimupfumbim@dairibord.co.zw

AUDITORS
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West Block, Borrowdale Office Park
Borrowdale Road
Borrowdale
P O Box 267
Harare

BANKERS
Standard Chartered Bank of Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
First Capital Bank Limited
Ecobank Zimbabwe Limited
Central Africa Building Society
FBC Bank Limited
ZB Bank Limited

TRANSFER SECRETARIES
Corpserve Registrars
2nd Floor ZB Centre,
56 Kwame Nkrumah Avenue,
Harare

SUSTAINABILITY REPORTING ADVISORS
Africa Corporate Rescue
22 Walter Hill Avenue
Eastlea, Harare
Zimbabwe

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to prepare Group and Company financial statements which comprise, the Audited Inflation Adjusted statements of financial position, Audited Inflation Adjusted statements of profit and loss and other comprehensive income, Audited Inflation Adjusted statements of cash flows, Audited Inflation Adjusted statements of changes in equity and notes to the Audited Inflation Adjusted financial statements for each financial year giving a true and fair view of the state of affairs of the Dairibord Holdings Limited and its subsidiaries (the Group) as at the end of the financial period.

The Directors are responsible for maintaining records which disclose with reasonable accuracy the Audited Inflation Adjusted financial position of the Group and Company, and which enable them to ensure that the consolidated and separate Audited Inflation Adjusted financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31). The Directors are also responsible for safeguarding the assets of the Group and Company for preventing and detecting fraud and other irregularities.

The Directors recognise and acknowledge their responsibility for the Group's and Company's systems of internal control. These systems are adequate to provide reasonable assurance that the assets of the Group and Company are safeguarded and that accurate records, necessary for the preparation of the Audited Inflation Adjusted financial statements, are maintained.

The Directors consider that in the preparation of these Audited Inflation Adjusted financial statements, reasonable and prudent judgments and estimates have been made. International Financial Reporting Standards have also been followed where applicable with suitable accounting policies having been consistently applied subject to limitations imposed by statutes.

Compliance With IFRSs

The Group and Company Audited Inflation Adjusted financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These Audited Inflation Adjusted 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 (IAS 29) - 'Financial Reporting in Hyperinflationary Economies". The Group and Company financial statements for the year ended 31 December 2023 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.

Going concern

The Directors have assessed the ability of the Group and Company to continue as a going concern and have satisfied themselves that the Group and Company are in a sound financial position and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors believe that the preparation of these Audited Inflation Adjusted financial statements, on a going concern basis is still appropriate.

Preparation and audit of the financial statements

The Group and Company Audited Inflation Adjusted financial statements have been audited by the Group's External Auditors, Deloitte & Touche Chartered Accountants (Zimbabwe), who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and Committees of the Board. The annual report was prepared under the supervision of the Finance Director, Mr L. Mutunga. The Directors confirm that all representations made to the independent auditors during the audit were valid and appropriate.

Approval of the financial statements

The Group and Company Audited Inflation Adjusted financial statements for the year ended 31 December 2023 have been approved by the Board of Directors and are signed on its behalf by the Chairman of the Board, Mr J.H.K Sachikonye and by the Group Chief Executive, Ms. M Ndoro.

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their audited financial statements of the Group and Company for the year ended 31 December 2023.

Share capital

The authorised share capital is 425 000 000 ordinary shares. The number of issued ordinary shares remained at 358 000 858.

Reserves

The movements in the reserves of the Group and the Company are shown in the Statements of Changes in Equity.

Dividend

The Board has resolved not to declare the dividend for the year ended 31 December 2023 on the basis of working capital preservation given the highly fluid nature of the economic environment.

Capital expenditure

In 2023, the Group invested ZWL8.7billion (historical: ZWL6.4 billion) [2022: ZWL14 billion (historical: ZWL1.5 billion)] in property, plant and equipment.

Directorate

The following were changes to the directorate:
Leonard Mutunga - Group Finance Director
(appointed 1 January 2024)
Gertrude Kumbirai Mashonganyika - Independent
non- executive director (appointed 1 January 2024)

Auditors

At the Annual General Meeting, members will be asked to approve the remuneration of the auditors, Deloitte & Touche Chartered Accountants (Zimbabwe) of US$145,950 for the year ended 31 December 2023.

Going concern

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

M Karimupfumbi
Company Secretary

26 March 2024

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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Zimbabwe

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Dairibord Holdings Limited

Report on the Audit of the Audited Inflation Adjusted Financial Statements

Opinion

We have audited the Audited Inflation Adjusted consolidated and separate financial statements of Dairibord Holdings Limited (the "Company") and its subsidiaries (together "the Group"), set out on pages 80 to 142, which comprise the Audited Inflation Adjusted consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate Audited Inflation Adjusted statement of profit or loss and other comprehensive income, the Audited Inflation Adjusted consolidated and separate statement of changes in equity and the Audited Inflation Adjusted consolidated and separate statement of cash flows for the year then ended, and the notes to the Audited Inflation Adjusted consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the Audited Inflation Adjusted consolidated and separate financial position of Dairibord Holdings Limited as at 31 December 2023, and its Audited Inflation Adjusted consolidated and separate financial performance and Audited Inflation Adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Audited Inflation Adjusted Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Audited Inflation Adjusted financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of investment properties and owner-occupied properties	
As disclosed per note 2.9 and 2.10, the Group measures investment properties and owner-occupied properties at fair value at each reporting date, which is determined using international valuation techniques which include the income approach or the direct comparison market approach. As at 31 December 2023, the Group holds investment properties valued at ZWL7.86 billion and owner-occupied properties valued at ZWL111.91 billion. Given the minimal market data arising from a subdued and depressed property market, largely due to the current economic constraints in Zimbabwe, these ZWL valuations involve significant judgements and resultantly have high estimation uncertainty. These valuations also involve the use of valuation experts. The assumptions with the most significant impact on the property valuations were: • The market rental yields, which are based on unobservable market data. The rental yields are estimated for each individual property; and • The exit capitalisation rates, which are considered to be an all-risk yield rate and incorporate qualitative aspects, notably occupancy, tenancy mix, physical attributes and property locations risk adjustments. All the above inputs are highly subjective and rely on judgement. The valuation of investment property is considered to be a key audit matter due to the greater degree of subjectivity and judgement included in the determination of the fair value and economic consequences and ongoing uncertainty in the property market.	In evaluating the valuation of properties, we reviewed the property valuations/calculations prepared by management's expert, with a particular focus on the market rental yields and exit capitalisation rates. Our procedures also included the following: • Testing the entities' controls relating to the determination of the fair values of the investment properties including controls related to the appropriate review and approval of the investment property valuations. • Assessing the competence, capabilities and objectivity of the independent valuer; • Assessing the scope of the independent valuers' work, terms of the engagement and their independence and objectivity; • Conducting meetings with the management's experts to obtain an understanding of the assumptions employed in the valuation of investment properties; • Evaluating the appropriateness of the valuation methods used to assess whether they were in line with acceptable industry practice and the requirements of IFRS; • Engaging a suitably qualified auditor's expert to independently assess the reasonableness and appropriateness of the valuation models, methodologies and inputs used by the management's expert on a sample basis; • Obtaining an understanding of the build-up of the capitalisation rate including validating the base rate against observable transactions and evaluating adjustments made to the capitalisation rate; • Comparing the management's expert valuation to our auditor's expert valuation outcomes for a sample of properties. Differences noted were assessed against acceptable pre-determined thresholds for reasonableness; and • ·Assessing whether the disclosures in the consolidated financial statements are appropriate and in accordance with IFRS 13: Fair Value Measurement and IAS 40: Investment property/IAS 16 Property, Plant and Equipment. The valuation methodology was deemed to be appropriate and in line with both International Valuation Standards as well as IFRS 13. We consider the inputs to be highly subjective and judgemental, however the judgements made were acceptable in the current economic climate as disclosed in the sensitivity analysis in note 12. The disclosures are in terms of IFRS and appropriate.

INDEPENDENT AUDITOR'S REPORT
(CONT'D)

Other Information
The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies and Other Business Entities Act (Chapter 24:31), the Directors Responsibility Statement and the historical cost financial information which we obtained prior to the date of this auditor's report. The other information does not include the Audited Inflation Adjusted consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the Audited Inflation Adjusted financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Audited Inflation Adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Audited Inflation Adjusted financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Audited Inflation Adjusted Financial Statements
The directors are responsible for the preparation and fair presentation of the Audited Inflation Adjusted financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of Audited Inflation Adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Audited Inflation Adjusted financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the Audited Inflation Adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Audited Inflation Adjusted financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Audited Inflation Adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Audited Inflation Adjusted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Audited Inflation Adjusted financial statements, including the disclosures, and whether the Audited Inflation Adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Audited Inflation Adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1) (a)
The inflation-adjusted financial statements of the Group are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of the inflation-adjusted financial statements for the financial year ended on that date.

Section 193(2)
We have no matters to report in respect of the Section 193(2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Charity Mtwazi.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Charity Mtwazi
PAAB Practice Certificate Number 0585
Partner
Registered Auditor

Harare, Zimbabwe

Date: 27 March 2024

Dairibord Holdings
More Than Just Milk

GROUP STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-22 ZWL$'000
Assets					
Non-current Assets					
Property, plant and equipment	11	167 362 380	142 955 866	119 540 650	12 704 596
Investment property	12	7 860 000	6 003 534	7 860 000	775 000
Right of use assets	13	-	1 727 353	-	167 913
Intangible assets	14	77 909	100 204	240	289
Deferred tax asset	9.3	38 055	-	244 230	-
Total non-current assets		**175 338 344**	**150 786 957**	**127 645 120**	**13 647 798**
Current Assets					
Inventories	16	72 456 867	67 119 632	60 290 752	6 978 445
Trade and other receivables	17	46 105 249	41 042 421	46 105 249	5 298 192
Prepayments	17.2	28 810 212	5 378 471	18 966 549	641 874
Current tax receivable		1 806 031	-	1 806 031	-
Cash and bank balances	20	11 092 012	14 193 532	11 092 012	1 832 252
Total current assets		**160 270 371**	**127 734 056**	**138 260 593**	**14 750 763**
Total Assets		**335 608 715**	**278 521 013**	**265 905 713**	**28 398 561**
Equity and Liabilities					
Equity					
Share capital	22	50 836	50 836	36	36
Share premium		1 959 114	1 959 114	1 380	1 380
Revaluation reserve		87 665 325	57 252 814	98 336 503	9 341 600
Retained earnings		89 938 469	83 889 415	16 004 070	2 791 167
Total Equity		**179 613 744**	**143 152 179**	**114 341 989**	**12 134 183**
Non-current liabilities					
Interest - bearing borrowings	19	11 354 740	8 536 221	11 354 740	1 101 946
Lease liability	13	-	1 303 890	-	168 320
Deferred tax liabilities	9.3	17 344 109	22 181 824	12 912 862	1 652 994
Total non-current liabilities		**28 698 849**	**32 021 935**	**24 267 602**	**2 923 260**
Current liabilities					
Trade and other payables	18.1	98 744 179	84 639 300	98 744 179	10 926 143
Contract liabilities	17.3	2 729 186	1 920 444	2 729 186	247 911
Interest - bearing borrowings	19	24 853 586	14 760 196	24 853 586	1 905 403
Lease liabilities	13	-	386 515	-	49 895
Bank overdraft	20	956 644	-	956 644	-
Dividend payable		12 527	25 451	12 527	3 286
Current tax liabilities		-	1 614 993	-	208 480
Total current liabilities		**127 296 122**	**103 346 899**	**127 296 122**	**13 341 118**
Total equity and liabilities		**335 608 715**	**278 521 013**	**265 905 713**	**28 398 561**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

J.H.K Sachikonye
Chairman
26 March 2024

M.R. Ndoro
Group Chief Executive
26 March 2024

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-22 ZWL$'000
Assets					
Non-current Assets					
Property, plant and equipment	11	796 402	1 018 414	90 157	95 061
Intangible assets	14	74 693	93 382	39	52
Investment in subsidiaries	10	66 176 448	66 176 448	46 603	46 603
Long term loan receivables	15	8 280 191	8 039 540	8 280 191	1 037 830
Deferred tax asset	9	38 055	-	244 230	-
Total non-current assets		**75 365 789**	**75 327 784**	**8 661 220**	**1 179 546**
Current Assets					
Amounts owed by group companies	21.2	2 539 156	1 559 008	2 539 156	201 253
Trade and other receivables	17	12 456	2 809	12 456	363
Prepayments	17.2	101 552	85 594	101 430	10 625
Loans receivable	15	19 527 987	10 653 501	19 527 987	1 375 267
Cash and bank balances	20	95 618	69 767	95 618	9 006
Total current assets		**22 276 769**	**12 370 679**	**22 276 647**	**1 596 514**
Total Assets		**97 642 558**	**87 698 463**	**30 937 867**	**2 776 060**
Equity and Liabilities					
Equity					
Share capital	22	50 836	50 836	36	36
Share premium		1 959 114	1 959 114	1 380	1 380
Retained earnings		66 010 825	64 631 934	1 314 669	68 404
Total Equity		**68 020 775**	**66 641 884**	**1 316 085**	**69 820**
Non-current liabilities					
Interest - bearing borrowings	19	8 278 036	6 858 173	8 278 036	885 326
Deferred tax liabilities	9	-	141 502	-	6 300
Total non-current liabilities		**8 278 036**	**6 999 675**	**8 278 036**	**891 626**
Current liabilities					
Trade and other payables	18.1	1 285 198	2 108 034	1 285 197	272 127
Interest - bearing borrowings	19	19 527 987	11 818 176	19 527 987	1 525 615
Dividend payable		12 527	25 451	12 527	3 286
Amounts owed to group companies	21.2	-	33 719	-	4 353
Current tax liabilities		518 035	71 524	518 035	9 233
Total current liabilities		**21 343 747**	**14 056 904**	**21 343 746**	**1 814 614**
Total equity and liabilities		**97 642 558**	**87 698 463**	**30 937 867**	**2 776 060**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Audited Inflation Adjusted 31-Dec-23 ZWL'000	Audited Inflation Adjusted 31-Dec-22 ZWL'000	*Unaudited Historical Cost 31-Dec-23 ZWL'000	*Unaudited Historical Cost 31-Dec-22 ZWL'000
Revenue from contracts with customers		723 228 137	490 363 380	452 398 731	45 576 241
Investment property rental income		890 272	588 294	541 606	54 937
Revenue	4	**724 118 409**	**490 951 674**	**452 940 337**	**45 631 178**
Cost of sales		(560 267 086)	(396 278 325)	(309 871 087)	(33 058 355)
Gross Profit		**163 851 323**	**94 673 349**	**143 069 250**	**12 572 823**
Other operating income	8.1	3 831 065	4 450 843	9 188 217	853 359
Selling and distribution expenses	5.1	(72 561 899)	(48 937 765)	(45 703 345)	(4 603 746)
Administration expenses	5.2	(46 889 375)	(39 105 306)	(29 202 587)	(4 248 377)
Allowance for expected credit losses	17.1	(821 099)	(98 689)	(821 099)	(12 740)
Other operating expense	8.2	(37 661 778)	(3 179 704)	(29 255 381)	(211 340)
Monetary gain		59 558 029	38 919 659	-	-
Operating profit before finance income and costs		**69 306 266**	**46 722 387**	**47 275 055**	**4 349 979**
Finance costs	7.2	(69 127 756)	(13 310 927)	(37 716 070)	(1 604 305)
Finance income	7.1	117 654	174 101	46 753	7 492
Profit before tax		**296 164**	**33 585 561**	**9 605 738**	**2 753 166**
Income tax	9	6 600 948	(19 994 440)	3 965 165	(737 244)
Profit for the year		**6 897 112**	**13 591 121**	**13 570 903**	**2 015 922**
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss					
Revaluation of land and buildings		33 591 956	44 508 169	105 429 972	9 505 564
Deferred tax	9	(3 179 445)	(5 292 822)	(16 435 070)	(1 271 161)
Total other comprehensive income for the year		**30 412 511**	**39 215 347**	**88 994 902**	**8 234 403**
Total comprehensive income for the year		**37 309 623**	**52 806 468**	**102 565 805**	**10 250 325**
Profit for the year attributed to:					
Owners of the parent		6 897 112	13 591 121	13 570 903	2 015 922
Total comprehensive income for the year attributable to:					
Owners of the parent		37 309 623	52 806 468	102 565 805	10 250 325
Earnings per share	**25**				
Basic earnings per share (ZWL)		19.27	37.96	37.91	5.63
Diluted earnings per share (ZWL)		19.27	37.96	37.91	5.63

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Audited Inflation Adjusted 31-Dec-23 ZWL'000	Audited Inflation Adjusted 31-Dec-22 ZWL'000	*Unaudited Historical Cost 31-Dec-23 ZWL'000	*Unaudited Historical Cost 31-Dec-22 ZWL'000
Revenue from contracts with customers	4	11 592 057	8 280 361	7 226 986	782 843
Cost of sales		-	-	-	-
Gross Profit		**11 592 057**	**8 280 361**	**7 226 986**	**782 843**
Other operating income	8.1	23 074 432	4 594 485	13 486 697	529 476
Administration expenses	5.2	(6 776 747)	(6 985 485)	(4 110 789)	(706 173)
Other operating expense	8.2	(938 365)	-	(938 365)	-
Monetary loss		(968 899)	(9 077 790)	-	-
Operating profit before finance income and costs		**25 982 478**	**(3 188 429)**	**15 664 529**	**606 146**
Finance costs	7.2	(28 631 609)	(4 047 247)	(16 715 565)	(1 291 726)
Finance income	7.1	5 502 124	8 386 221	3 210 374	784 550
Profit before tax		**2 852 993**	**1 150 545**	**2 159 338**	**98 970**
Income tax expense	9	(626 045)	(651 405)	(555 071)	(51 096)
Profit for the year		**2 226 948**	**499 140**	**1 604 267**	**47 874**
Other comprehensive income					
Total other comprehensive income for the year		-	-	-	-
Total comprehensive profit for the year attributableto: Owners of the parent		**2 226 948**	**499 140**	**1 604 267**	**47 874**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital ZWL$'000	Share Premium ZWL$'000	Revaluation Reserve ZWL$'000	Retained Earnings ZWL$'000	Total ZWL$'000
Audited Inflation Adjusted					
Balance on 1 January 2022	**50 836**	**1 959 114**	**18 037 467**	**70 298 294**	**90 345 711**
Profit for the year	-	-	-	13 591 121	13 591 121
Other comprehensive income	-	-	39 215 347	-	39 215 347
Balance at 31 December 2022	**50 836**	**1 959 114**	**57 252 814**	**83 889 415**	**143 152 179**
Dividend Paid	-	-	-	(848 059)	(848 059)
Profit for the year	-	-	-	6 897 113	6 897 113
Other comprehensive income	-	-	30 412 511	-	30 412 511
Balance at 31 December 2023	**50 836**	**1 959 114**	**87 665 325**	**89 938 469**	**179 613 744**
***Unaudited Historical Cost**					
Balance on 1 January 2022	**36**	**1 380**	**1 107 197**	**775 244**	**1 883 857**
Profit for the year	-	-	-	2 015 924	2 015 924
Other comprehensive income	-	-	8 234 403	-	8 234 403
Balance at 31 December 2022	**36**	**1 380**	**9 341 600**	**2 791 168**	**12 134 184**
Dividend Paid	-	-	-	(358 001)	(358 001)
Profit for the year	-	-	-	13 570 903	13 570 903
Other comprehensive income	-	-	88 994 903	-	88 994 903
Balance at 31 December 2023	**36**	**1 380**	**98 336 503**	**16 004 070**	**114 341 989**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

COMPANY CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital ZWL$'000	Share Premium ZWL$'000	Retained earnings ZWL$'000	Total ZWL$'000
Audited Audited Inflation Adjusted				
Balance on 1 January 2022	**50 836**	**1 959 114**	**64 132 794**	**66 142 744**
Profit for the year	-	-	499 140	499 140
Balance at 31 December 2022	**50 836**	**1 959 114**	**64 631 934**	**66 641 884**
Dividend Paid	-	-	(848 059)	(848 059)
Profit for the year	-	-	2 226 950	2 226 950
Balance at 31 December 2023	**50 836**	**1 959 114**	**66 010 825**	**68 020 775**
***Unaudited Historical Cost**				
Balance on 1 January 2022	**36**	**1 380**	**20 530**	**21 946**
Profit for the year	-	-	47 874	47 874
Balance at 31 December 2022	**36**	**1 380**	**68 404**	**69 820**
Dividend Paid	-	-	(358 001)	(358 001)
Profit for the year	-	-	1 604 266	1 604 266
Balance at 31 December 2023	**36**	**1 380**	**1 314 669**	**1 316 085**

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

GROUP STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historic Cost 31-Dec-23 ZWL$'000	*Unaudited Historic Cost 31-Dec-22 ZWL$'000
Cash flows from operating activities					
(Loss)/Profit before tax		296 164	33 585 561	9 605 738	2 753 166
Adjusted to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	11.1	12 604 165	8 233 865	828 346	132 800
Depreciation of right of use asset	13.1	790 794	591 277	90 370	28 560
Amortisation of intangible assets	14	22 294	22 771	49	79
Loss/(profit) on disposal of property, plant and equipment		1 362 080	(141 207)	(209 578)	(14 103)
Profit on disposal of investment property	8.1	(407 101)	-	(466 012)	-
Gain on remeasurement of right of use asset	8.1	-	(562 017)	-	(109 681)
Gains on disposal of scrap		(210 333)	(124 752)	(145 954)	(11 740)
Finance income	7.1	(117 654)	(174 101)	(46 753)	(7 492)
Impairment loss on trade and other receivables	17.1	821 099	98 689	821 099	12 740
Loan guarantee costs		-	193 610	-	7 271
Fair value gain on investment property	12	(2 843 724)	(3 372 939)	(8 013 242)	(676 214)
Unrealised exchange (gain)/loss	8.1	10 897 352	91 912	10 897 352	11 865
Finance costs	7.2	69 127 756	13 310 927	37 716 070	1 604 305
Non-cash adjustment IAS 29		(59 558 029)	(38 919 659)	-	-
		32 784 863	12 833 937	51 077 485	3 731 556
Working capital changes					
Increase in Inventories		(5 337 234)	(26 037 746)	(53 312 308)	(5 732 403)
Increase in trade and other receivables		(5 062 828)	(24 861 920)	(40 807 056)	(4 690 573)
(Increase)/Decrease in prepayments		(21 178 316)	1 305 597	(16 601 066)	(349 093)
Increase/(Decrease) in contract liabilities		808 741	(274 082)	2 481 274	165 501
Increase in trade and other payables		14 104 879	57 181 173	87 818 038	9 895 018
		16 120 105	20 146 959	30 656 367	3 020 006
Income tax paid		(4 348 383)	(4 602 117)	(3 477 793)	(471 837)
Net cash flow (used)/from operating activities		**11 771 722**	**15 544 842**	**27 178 574**	**2 548 169**
Investing activities					
Purchase of plant and equipment		(6 451 822)	(14 031 979)	(4 720 964)	(1 547 850)
Purchase of intangible assets	14	-	(5 535)	-	(249)
Proceeds from sale of property, plant and equipment		4 612 951	607 852	4 513 857	78 468
Proceeds from sale of investment property		1 392 598	-	1 392 598	-
Finance income	7	117 654	174 101	46 753	7 492
Prepayments for plant and equipment		(2 253 425)	(790 674)	(1 723 608)	(97 123)
Net cash flows used in investing activities		**(2 582 044)**	**(14 046 235)**	**(491 364)**	**(1 559 262)**
Financing Activities					
Lease liability principal repaid	13	(370 810)	(1 193 101)	(225 514)	(159 410)
Finance costs		(67 172 301)	(13 310 927)	(35 760 615)	(860 544)
Dividend paid		(848 059)	(92)	(358 001)	(12)
Repayments of borrowings		(32 523 714)	(14 360 065)	(22 812 123)	(1 853 750)
Proceeds from borrowings		44 640 086	27 416 233	26 339 667	3 539 179
Net cash flows (used in)/from financing activities		**(56 274 798)**	**(1 447 952)**	**(32 816 586)**	**665 463**
Net (decrease)/increase in cash and cash Equivalents		**(47 085 120)**	**50 655**	**(6 129 376)**	**1 654 370**
Effects of exchange rate changes on cash and cash equivalents		43 026 956	11 290 746	14 432 492	70 777
Cash and cash equivalents at 1 January		**14 193 532**	**2 852 131**	**1 832 252**	**107 105**
Cash and cash equivalents at 31 December	**20**	**10 135 368**	**14 193 532**	**10 135 368**	**1 832 252**
Comprising of					
Cash and bank balances		11 092 012	14 193 532	11 092 012	1 832 252
Bank overdraft	20	(956 644)	-	(956 644)	-

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

COMPANY STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historic Cost 31-Dec-23 ZWL$'000	*Unaudited Historic Cost 31-Dec-22 ZWL$'000
Cash flows from operating activities					
Operating profit before tax		2 852 993	1 150 545	2 159 338	98 970
Adjusted to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	11.1	265 978	135 623	23 513	8 875
Depreciation of right of use asset	13.1	-	151 054	-	2 887
Amortisation of intangible assets	14	18 689	14 678	13	13
Profit on disposal of property, plant and equipment		(43 816)	(91 221)	(43 816)	(7 678)
Finance income	7.1	(5 502 124)	(8 386 221)	(3 210 374)	(784 550)
Exchange loss / (gain)		938 365	(4 492 483)	938 365	(520 469)
Finance costs	7.2	28 631 609	4 047 247	16 715 565	1 291 726
Non-cash adjustment IAS 29		968 899	9 077 790	-	-
		28 130 593	1 607 012	16 582 604	89 774
Working capital changes					
Increase in trade and other receivables		(9 647)	(1 927)	(12 094)	(330)
(Increase)/Decrease in prepayments		(15 958)	60 939	(90 806)	(5 293)
Decrease in intergroup balances		(1 013 867)	(1 275 182)	(2 342 255)	(187 535)
Increase/ (Decrease) in trade and other payables		(822 836)	964 064	1 013 071	229 169
		26 268 285	1 354 906	15 150 520	125 785
Income tax paid		(363 905)	(259 059)	(296 800)	(25 356)
Net cash flow from/(used) in operating activities		**25 904 380**	**1 095 847**	**14 853 720**	**100 429**
Investing activities					
Purchase of plant and equipment	11.1	(43 966)	(912 986)	(18 610)	(100 223)
Proceeds from sale of property, plant and equipment		43 816	180 788	43 816	23 338
Loans issued to subsidiaries		(45 310 915)	(31 995 748)	(26 342 874)	(2 745 680)
Loans repaid by subsidiaries		31 445 177	9 963 083	20 252 185	761 449
Finance income	7.1	5 502 124	8 386 221	3 210 374	784 550
Net cash flows from investing activities		**(8 363 764)**	**(14 378 642)**	**(2 855 109)**	**(1 276 566)**
Financing Activities					
Lease liability principal repaid	13	-	(113 875)	-	(16 717)
Finance costs		(27 699 763)	(6 073 475)	(15 783 718)	(784 029)
Dividend paid		(848 059)	(92)	(358 001)	(12)
Repayments of borrowings		(31 445 190)	(10 053 944)	(20 252 187)	(1 297 870)
Proceeds from borrowings		45 342 663	21 491 906	26 369 861	2 774 404
Net cash flows from/(used) in financing activities		**(14 650 349)**	**5 250 520**	**(10 024 045)**	**675 776**
Net increase/(decrease) in cash and cash Equivalents		**2 890 267**	**(8 032 275)**	**1 974 566**	**(500 361)**
Effects of exchange rate changes on cash and cash equivalents		(2 864 416)	7 975 255	(1 887 954)	504 606
Cash and cash equivalents at 1 January		**69 767**	**126 787**	**9 006**	**4 761**
Cash and cash equivalents at 31 December	**20**	**95 618**	**69 767**	**95 618**	**9 006**
Comprising of					
Cash and cash balances		95 618	69 767	95 618	9 006

* The historical cost results are included as supplementary information; the auditors have not expressed an opinion on the historical results.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. Corporate Information

The financial statements of Dairibord Holdings Limited and its subsidiaries (collectively the Group) for the year ended 31 December 2023 were authorised for issue on 26 March 2024 in accordance with a resolution of the directors and signed on their behalf by the Chairman and the Group Chief Executive. Dairibord Holdings Limited is a company incorporated and domiciled in Zimbabwe. The registered office is located at 1225 Rekayi Tangwena Avenue in Harare. The Group's principal activities are the manufacturing, processing, marketing and distribution of milk products foods and beverages.

2. Material Accounting Policies Information

Accounting policies and methods of computation applied in the preparation of these financial results are consistent in all material respects with those applied in prior year.

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). They have been prepared under the assumption the Group operates on a going concern basis. These 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 (IAS 29) - 'Financial Reporting in Hyperinflationary Economies". The group and company financial statements for the year ended 31 December 2023 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 (ZWL) which is the Group's functional and presentation currency.

2.1.1 Hyperinflation

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 utilised the official interbank exchange rates as a basis for estimating the changes in the general purchasing power of 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 historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used, and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyper Inflationary Economies) compliant. The conversion factor for January 2023 was computed from the consumer price index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) as reported on the Reserve Bank of Zimbabwe website. However, the conversion factors for February to December 2023 were estimated by the Directors in line with IAS 29 due to the absence of official government statistics on ZWL inflation during that period. The Directors have utilized the official interbank exchange rates a basis for estimating what the ZWL denominated CPIs were for this period. Caution should be exercised in considering these financial results due to the use of these estimated ZWL consumer price indices for the months of February to December 2023. Below are the indices and adjustment factors used up to December 2023:

Dates	CPI	Adjustment Factor
31 December 2023	105 917.1	1.00
31 December 2022	13 672.9	7.75
31 December 2021	3 977.5	26.63
31 December 2020	2 474.5	42.80
31 December 2019	551.8	192.01
31 December 2018	88.8	1 192.67
31 October 2018	74.6	1 419.99

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.1 Basis of preparation (continued)
2.1.1 Hyperinflation (continued)

i) Comparative financial information

All comparative figures as of and for the period ended 31 December 2023 are restated by applying the change in the index from 31 December 2022 to 31 December 2023 of 7.75.

ii) Hyper-inflation adjustment approach- Statement of profit and loss and other comprehensive income

Revenue and other income/expenses line items were segregated into monthly totals and then the applicable monthly adjustment factor was factored to hyper-inflate these amounts. Unrealised income and expenses were not restated.

Cost of sales in profit or loss for the current year are restated by applying the change in the general price index from the dates when opening inventory and purchases occurred and all product stocks are stated at the lower of the Audited Inflation Adjusted cost and net realizable value which represent the current measuring unit.

Depreciation and amortisation expenses are calculated based on the restated amounts of the related assets and the restated asset amounts are assessed for impairment.

Fair valuation of investment property was determined at year end by professional valuers. The difference between the hyper-inflated carrying amount and the closing fair value amount was accounted for as fair value movement through the Statement of profit or loss.

The current tax expense was not restated but deferred tax expense was re-computed on the restated carrying amounts. The deferred tax expense movement from the hyperinflation is captured through the income tax expense line item in the Statement of Comprehensive Income.

In other comprehensive income, the difference between the hyper-inflated carrying amount and the closing fair value amount of land and buildings measured using the revaluation model was accounted for as the revaluation gain/loss through other comprehensive income.

Net gain or loss arising from the net monetary asset or liability positions are included in the statement of profit or loss.

iii) Hyper-inflation adjustment approach- Statement of financial position

Monetary assets and liabilities such as cash and cash equivalents and trade receivables/payables are not restated because they are already stated in terms of the measuring unit current at the statement of financial position date. Non-monetary assets and liabilities such as right of use assets and property, plant and equipment that are not carried at amounts current at the financial reporting date and components of shareholders' funds are restated by applying the change in index from the date of transaction or, if applicable, from the date of their most recent revaluation to the statement of financial position date 31 December 2023.

Non-monetary assets and liabilities that are carried at amounts that are current at reporting date such as Investment property and property, plant and equipment measured using the revaluation method are reflected at their fair value at reporting date.

iv) Hyper-inflation adjustment approach- Statement of cash flow

The statement of cash flow is prepared based on the restated numbers in the statement of profit or loss and other comprehensive income and the statement of financial position.

Other cash flow amounts were segregated into the respective months in which the cash flows actually occurred, and the applicable monthly adjustment factor used to hyper-inflate the amount.

The monetary gain or loss on cash and cash equivalents and the effect of inflation on operating investing and financing have been presented as one number.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Dairibord Holdings Limited and its subsidiaries as at 31 December 2023. 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.

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 consolidated financial statements 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 noncontrolling 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 change of control, is accounted for as an equity transaction.

2.3 Significant accounting judgements, estimates and assumptions.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about the future developments however may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) 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. Residual values were reassessed during the year and were still in line with those determined last year. Refer Note 2.9 (i) for the useful lives of property, plant and equipment and Note 11 for the carrying amount of property, plant and equipment balances.

ii) Revaluation of land and buildings and investment property

The Group measures freehold land and buildings and investment property in line with the policy disclosed in Note 2.9. In line with the policy, freehold land and buildings and investment property was valued in ZWL by an independent valuer Dawn Property Consultants Limited (Dawn) as at 31 December 2023. In arriving at the fair values of the properties, the implicit investment approach and the comparison method were used. Detailed assumptions used to determine the fair values are provided in Note 11-Property, Plant and Equipment and Note 12- Investment Property.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.3 Significant accounting judgements, estimates and assumptions (continued)
Estimates and assumptions (continued)

iii) 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 indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU 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, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset except for properties previously revalued with the revaluation taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor 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 the statement of profit or loss unless the asset is carried at a revalued amount in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually. Refer to section 2.14 on the impairment of intangible assets.

iv) Allowance for expected credit losses (ECL) of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., the consumer price index for food and non-alcoholic beverages) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.3 Significant accounting judgements, estimates and assumptions (continued)
Estimates and assumptions (continued)

iv) Allowance for expected credit losses (ECL) of trade receivables and other receivables (continued)
For loans to farmers, which constitute a portion of "Other Receivables", the Group applies the general approach where it recognises lifetime Expected Credit Losses where there has been a significant increase in credit risk since initial recognition. Loans to farmers are not contract assets and represent the right of the Group to receive cash repayments for those loan balances extended to farmers. In assessing whether the credit risk on a financial instrument has significantly increased since initial recognition, the Group compares the risk of a default occurring on a financial instrument at the reporting date with the risk of default that was assessed at the date of initial recognition.

In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations. The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. In applying the general approach, historical observed default rates are first determined. Forward looking factors are then incorporated into the historical rates to determine the Probability of Default (PD). As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The information about the ECLs on the Group's trade receivables and the carrying amount of receivables is disclosed in Note 25.1 and 17 respectively.

v) Provision for obsolete stocks
The Group assesses the movement of its inventories to identify slow moving stocks. Raw material items which are no longer used in the manufacture of goods and slow-moving finished goods stocks are provided for as obsolete at the carrying amount of the inventory items. Slow moving stocks are identified based on expiry dates for raw materials and finished goods. In addition, inventory is inspected for physical damage or observable signs of obsolescence during inventory counts.

vi) Functional currency assessment
Significant judgement is required to determine the functional currency. The currency that mainly influences sales prices currency of the country whose competitive forces and regulations mainly determine sales prices currency that mainly influences labour material and other costs are the primary considerations. Other considerations include currency in which funds (financing activities) are generated and the currency in which receipts from operating activities are usually retained and the underlying currency of the major items on the statement of financial position. During the year ended 31 December 2020 the Government of Zimbabwe issued Statutory Instrument 185 of 2020 (S.I 185 of 2020) which re-introduced the US$ as legal currency in Zimbabwe. In the current year, the Group continued to transact in both US$ and Zimbabwean Dollar (ZWL). Although the Group transacted in both Zimbabwean Dollars (ZWL) and the United States Dollar (US$), the majority of the transactions were in ZWL hence management believes that the functional currency of the Group remained the ZWL. Pricing of the Group's products are determined in ZWL and the customers can elect to settle invoices in the currency of their choice (either ZWL or USD. Further, throughout the 2023 financial year, the Group did not renegotiate any contracts from ZWL to USD. Management continues to monitor the key factors that drive the determination of functional currency in accordance with IAS 21.

vii) Foreign exchange rate
Since 1 October 2018 the Group applied the interbank exchange rate to translate foreign currency denominated transactions and balances to ZWL. This includes the period between March and June 2020 when the interbank exchange rate was fixed at 25. In June 2020, the Reserve Bank of Zimbabwe introduced the foreign exchange auction system. The Group participates on the auction system.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.3 Significant accounting judgements, estimates and assumptions (continued)
Estimates and assumptions (continued)
vii) Foreign exchange rate (continued)

The Group also generated foreign currency from export and domestic nostro sales which is used to settle foreign currency denominated liabilities. In 2023, the Group generated most of its foreign currency from domestic nostro sales. The Group also generated some foreign currency from export sales and the auction system. Consequently, the Group applied the Willing Buyer Willing Seller rate, as published by the Reserve Bank of Zimbabwe, as its spot rate plus a 10% premium as permitted by the laws and regulations.

viii) Estimation of Zimbabwe dollar Consumer Price Indices.
The conversion factors have been adopted from the Consumer Price Index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) for the period to January 2023. From February 2023, the government of Zimbabwe through Statutory instrument 27 of 2023, legislated the publication of blended CPI rates which considered general price changes in both the US$ and the ZW$. In terms of the requirements of IAS 29 para 17 "A general price index may not be available for the periods for which the restatement of property, plant and equipment is required by this Standard. In these circumstances, it may be necessary to use an estimate based, for example, on the movements in the exchange rate between the functional currency and a relatively stable foreign currency". The group considered the movement in the RBZ auction market foreign exchange rate for the alternative computation of CPI indices for the period from February 2023 to September 2023, in line with the provisions of IAS 29.

2.4 Foreign currency translation
The financial statements are presented in Zimbabwe Dollars (ZWL) which is also the Group's functional currency. Transactions in foreign currencies are initially recorded by the Group entities at the spot rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates ruling at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss as exchange gains or losses. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gains or losses on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

2.5 Revenue and other income recognition
2.5.1 Revenue and other income recognition - Group
The Group is in the business of selling liquid milks, foods, and beverages. In addition, the Group has a property portfolio which is leased out to third parties. Revenue is recognised in terms of International Financial Reporting Standard 15 -Revenue from Contracts with Customers (IFRS 15) considering whether performance obligations are satisfied at a point in time or over time. Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customer.

At company level the revenue comprises of royalties and management services.

The disclosures of significant accounting judgements estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Dairibord Holdings
More Than Just Milk

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.5 Revenue and other income recognition (continued)
2.5.1 Revenue and other income recognition – Group (continued)

Revenue from contracts with customers
The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Sale of goods
Revenue from sale of goods (liquid milks, foods, and beverages) is recognised at the point in time when control of the asset is transferred to the customer generally on delivery of the goods. The normal credit term is between 14-22 days from delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Volume rebates
The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable

consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Significant financing component
Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Trade receivables
A receivable represents the Group's right to receive an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.8.1- Financial Assets.

2.5.2 Company revenue recognition
Revenue from management fees (rendering of services)
The company recognizes management services within the intersegment revenue. The performance obligation is satisfied over time. This is because the benefits derived from the services are simultaneously received and consumed as they are performed. As the company provides management services to subsidiaries, the services from the technical employees are enjoyed through their service throughout the month. The income will be measured on a time basis where the portion earned as a result of the time lapsed will be recognised as revenue.

Revenue from royalties (rendering of services)
Royalties are charged by the holding company to the subsidiary for its use of the brands and patents which are owned by the former. The subsidiary uses the brands and patents on a daily basis through production and marketing of goods and the holding company invoices for use of its brands monthly. This constitutes a right to access the brands and thus the Holding company recognises revenue as the goods (made using the brands) are sold i.e. monthly.

iii) Performance obligations
Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

Group
Type of product
- Liquid milks
- Foods
- Beverages

Company
Type of product
- Management services
- Royalties

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.6 Taxes
i) Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be received from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. 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.

ii)Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred 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 and associates 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 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 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.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

ii) Value added tax
Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of Value Added Tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)

2.7 Employee benefits
i) Short-term employee benefits
Short-term employee benefits are those expected to be wholly settled within 12 months after the end of the reporting period during which the employee services are rendered but do not include termination benefits. Examples include salaries, wages, bonuses and non-monetary benefits paid to current employees.

The undiscounted amounts of the short-term employee benefits to be paid are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii)Pensions and other post-employment benefits
Retirement benefits are provided for Group employees through independently administered defined contribution funds including the National Social Security Authority Scheme in Zimbabwe. Contributions to the defined contribution fund are recognised in profit or loss as they fall due. The cost of retirement benefits applicable to the National Social Security Authority Scheme and National Social Security Fund is determined by the systematic recognition of legislated contributions.

iii) Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37 Provisions Contingent Liabilities and Contingent Assets. Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting period, the present value of the benefits shall be determined. The discount rate used to calculate the present value shall be determined by reference to market yields on high quality corporate bonds at the end of the reporting period. There were no termination benefits paid during the year.

2.8 Financial instruments
2.8.1 Financial assets
i) Initial recognition and classification
Financial instruments are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement
On initial recognition, financial assets are classified as subsequently measured at amortised cost fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

ii) Classification and subsequent measurement (continued)
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Trade receivables that do not contain a signif-icant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.5.1-Revenue from contracts with customers.

A financial asset is classified as measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI test).

iii) Subsequent measurement
The subsequent measurement of financial assets depends on their classification.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.8 Financial instruments (continued)
2.8.1 Financial assets (continued)

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss
These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income are recognised in profit or loss. The Group has no financial assets held through profit or loss.

iv) Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

v) Allowance for expected credit losses on financial assets held at amortised cost
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables (note 17 and 25)
For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment such as gross domestic product (GDP), inflation and currency dynamics.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Loans to subsidiaries
The Group applies the general approach for its Loans to Subsidiaries where it recognises lifetime Expected Credit Losses where there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has significantly increased since initial recognition, the Group compares the risk of a default occurring on a financial instrument at the reporting date with the risk of default that was assessed at the date of initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.8 Financial instruments (continued)
2.8.1 Financial assets (continued)

Loans to subsidiaries (continued)
The Company considers a financial asset in default when contractual payments are one year past due. However, in certain cases the Group may also consider a financial asset to be in default or underperforming when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The Holding company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. A write-off constitutes a derecognition event. The amounts owed to the holding company by its subsidiaries are usually considered to be performing as the company and its subsidiaries set-off amounts owed between them on a regular basis, thus these amounts are considered to be of trivial risk.

Other receivables
For loans to farmers, which constitute a portion of "Other Receivables", the Group applies the general approach where it recognises lifetime Expected Credit Losses where there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has significantly increased since initial recognition, the Group compares the risk of a default occurring on a financial instrument at the reporting date with the risk of default that was assessed at the date of initial recognition.

In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations. The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. In applying the general approach, historical observed default rates are first determined. Forward looking factors are then incorporated into the historical rates to determine the Probability of Default (PD). As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

2.8.2 Financial liabilities
i) Initial recognition and measurement
Financial liabilities are classified at initial recognition as financial liabilities measured at amortised cost for loans, borrowings and payables.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables net of directly attributable transaction costs. The Group's financial liabilities include interest bearing borrowings trade and other payables and amounts owed to group companies.

ii)Subsequent measurement
For purposes of subsequent measurement financial liabilities are measured at amortised cost (loans and borrowings).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (Continued)
2.8 Financial instruments (continued)
2.8.2 Financial liabilities (continued)

Interest bearing borrowings (note 19)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The interest expense and any foreign exchange gains and losses on the interest-bearing borrowings are recognised in profit or loss. Interest expense is included in finance costs, exchange gains and losses are included in other operating income and other operating expenses respectively.

Trade and other payables (note 18)
Trade and other payables are subsequently measured at amortised cost.

2.9 Property, plant, and equipment
Property includes freehold land and buildings. Property is measured at fair value less subsequent accumulated depreciation and subsequent impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. A revaluation surplus is recorded in other comprehensive income and credited to the revaluation reserve in equity except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. The revaluation reserve is non-distributable until it is realised upon the de-recognition of the asset. The revaluation surplus will be transferred to retained earnings upon the de-recognition of the asset.

When items of property, plant and equipment ("PPE") are revalued, any accumulated depreciation at the date of a revaluation is eliminated against the gross carrying amount of the asset so that the carrying amount after revaluation equals its market value.

Plant, furniture, fittings, equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses, if any, which includes the cost of replacing part of the plant and equipment and capitalised borrowing costs if the recognition criteria are met, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

i) Depreciation
The Group's policy is to depreciate property, plant, and equipment evenly over the expected life of each asset with the exception that no depreciation is charged on land and assets under construction and not yet in use. The expected useful lives of the property, plant and equipment are as follows:
- Buildings - up to 40 years
- Plant and equipment - 3-10 years
- Furniture and fittings 2-10 years

Motor vehicles
- Light - 5 years
- Heavy vehicles and trailers - 8 years

The carrying amounts of property, plant and equipment are reviewed at each reporting date and are assessed for impairment in line with the policy disclosed in "2.11 - impairment of non-financial assets". An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognised. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each financial year end. Adjustments are made prospectively as a change in accounting estimate. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)

2.10 Investment properties
Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

2.11 Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets even if that right is not explicitly specified in an arrangement.

i) Group as a lessee
The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers small items of office furniture and telephones). For these leases the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease and is disclosed in Note 5.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by using the rate implicit in the lease. Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments) less any lease incentives receivable.
- Variable lease payments that depend on an index or rate initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasured the lease liabilities over the reporting period in line with changes in the interest rates charged by the lessors. The right-of-use assets comprise the initial measurement of the corresponding lease liability lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)

2.11 Leases(continued)

ii) Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2.12 Inventories
Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:
- Materials and consumables are valued at the purchase cost on a weighted average basis.
- Finished goods and work in progress are valued at the standard costs for direct materials costs labour and an appropriate portion of manufacturing overheads based on normal operating capacity but excluding borrowings costs. At the point of sale of finished goods, the cost of the stock as valued above is moved from inventory in the statement of financial position to cost of sales in the statement of profit or loss and other comprehensive account.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.13 Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less and bank overdrafts.

2.14 Intangible assets
The Group's intangible assets consist of accounting and auditing software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets excluding capitalised development costs are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Currently the Group's intangible assets consist of assets assessed as finite and are amortised over their useful life of 10 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.15 Fair value measurement
The Group measures non-financial assets such as land and buildings and investment property at fair value at reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability or
- In the absence of a principal market in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies Information (continued)
2.15 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Financial assets in equities listed on the Zimbabwe Stock Exchange are valued by reference to the price as published on the reporting date.

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair value values are disclosed are summarised in the following notes:

- Quantitative disclosures of fair value measurement hierarchy Note 12.2
- Property, plant, and equipment under revaluation model Note 11
- Investment properties Note 12
- Financial instruments (including those carried at amortised cost) Note 23

2.16 Investment in subsidiaries

Investments in subsidiaries in the separate financial statements are initially accounted for at cost which is the consideration paid or transferred as at the date of acquisition. Subsequent to initial recognition, the investments in subsidiaries are accounted for at cost less accumulated impairment losses.

3. Standards And Amendments
3.1 Standards And Amendments Effective For The Year

3.1.1 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

3.1.2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Standards And Amendments (continued)
3.1.2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)

apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

3.2 Standards And Amendments Issued But Not Yet Effective
3.2.1 Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020 the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- ·That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The directors anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

4. Revenue From Contracts With Customers

The Group generates revenue primarily from the sale of liquid milks foods and beverages. Other sources of revenue include rental income from leased investment properties. The Group obtains most of its revenue from the domestic market.

Performance obligations

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

Group

Type of product	Nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms	Revenue recognition policy
• Liquid milks • Foods • Beverages	Customers obtain control of the products (all products) when the goods are delivered to the customer. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. No material discounts are offered for the products. There are no other performance obligations in the customer contracts.	Revenue is recognised when the goods are delivered to the customer. Value added taxation considerations have been documented in note 2.6 above.

Company

Type of product	Nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms	Revenue recognition policy
• Management services • Royalties	Invoices are generated monthly and are usually payable within 30 days.	Revenue is recognised over time as the services are rendered for management fees. The amount for management fees is measured as a percentage of the expenses of the company. For royalties the revenue amount is determined based on the revenue generated by the subsidiary which uses the brand/trademark of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Revenue From Contracts With Customers (continued)
4.1 Disaggregated revenue information

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Type of goods/ services				
Sale of liquid milks	212 910 025	137 517 802	135 884 851	12 959 489
Sale of foods	109 512 097	104 204 814	69 046 907	9 574 497
Sales of beverages	400 806 015	248 640 764	247 466 973	23 042 255
Total revenue from contracts with customers	723 228 137	490 363 380	452 398 731	45 576 241
Investment property rental income	890 272	588 294	541 606	54 937
Total revenue	**724 118 409**	**490 951 674**	**452 940 337**	**45 631 178**

	Group			
Market segment	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Domestic	679 856 811	464 323 007	422 041 824	43 036 513
Export	44 261 498	26 628 667	30 898 513	2 594 665
Total revenue	724 118 409	490 951 674	452 940 337	45 631 178

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Type of goods/ services				
Revenue from management services	3 254 551	2 789 754	2 036 367	268 105
Revenue from royalties	8 337 506	5 490 607	5 190 619	514 738
Total revenue from contracts with customers	**11 592 057**	**8 280 361**	**7 226 986**	**782 843**

	Company			
Market segment	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Domestic	11 592 057	8 280 361	7 226 986	782 843
Total revenue	**11 592 057**	**8 280 361**	**7 226 986**	**782 843**

4.2 Contract liabilities

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Contract liabilities (Note 17.3)	2 729 186	1 920 444	2 729 186	247 911

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Profit For The Year
Profit for the year has been arrived after charging:

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
5.1 Selling and distribution expenses	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Employee benefits	26 227 805	16 835 719	17 123 362	1 525 642
Fuel and hire charges	22 741 481	8 712 242	14 157 872	915 583
Repairs and maintenance	4 895 287	5 097 593	3 156 728	423 041
Merchandising	1 690 145	4 594 152	1 690 145	142 781
Depreciation	2 822 174	1 628 049	250 138	17 007
Advertising and promotions	3 996 723	1 704 789	2 287 571	173 394
Tolls and licences	1 829 867	604 206	1 227 716	96 663
Travel and subsistence	1 378 023	1 051 272	1 378 023	117 372
Consumables	2 473 286	1 194 628	1 658 491	122 304
Utilities	2 539 511	1 260 701	1 549 849	126 263
Other *	1 967 597	6 254 414	1 223 450	943 696
	72 561 899	**48 937 765**	**45 703 345**	**4 603 746**

*Other costs include telephone, printing and stationery, development expenses, distribution losses and crates.

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
5.2 Administration expenses	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Employee benefits	21 370 725	16 912 199	14 628 409	1 677 974
Bank charges	2 708 861	1 470 117	1 470 008	132 732
Repairs and maintenance	744 463	465 380	435 383	41 371
Rent and rates	1 566 305	1 417 355	805 667	132 793
Depreciation	1 183 210	1 835 204	344 175	39 521
Amortisation of intangible assets (Note 14)	22 295	22 764	49	79
Audit fees	1 598 297	1 478 024	1 153 244	152 873
Insurance	1 172 690	839 845	826 177	72 449
Directors' fees (Note 6)	861 632	534 405	521 703	54 097
Loan guarantee	-	193 610	-	7 271
IMTT	5 701 718	7 987 517	3 423 130	767 342
MIS Charges	2 496 816	1 475 587	1 541 283	139 490
Security	4 039 366	2 878 857	2 441 019	265 190
Other**	3 422 997	1 594 442	1 612 340	765 195
	46 889 375	**39 105 306**	**29 202 587**	**4 248 377**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
5.2 Administration expenses	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Employee benefits	3 657 410	5 344 017	2 299 001	562 690
Bank charges	79 325	7 192	47 913	537
Repairs and maintenance	52 094	62 289	28 500	5 564
Depreciation	265 978	135 621	23 537	6 811
Amortisation of intangible assets (Note 14)	18 689	14 678	13	13
Audit fees	416 406	267 493	212 915	25 977
Insurance	38 141	50 506	14 411	3 924
Directors fees (Note 6)	861 632	534 405	521 703	54 097
IMTT	91 991	98 417	58 319	8 925
MIS Charges	79 423	46 126	57 843	4 281
Other**	1 215 658	424 741	846 634	33 354
	6 776 747	**6 985 485**	**4 110 789**	**706 173**

**Other costs relate to sundry items which include refuse collection, telephone charges, printing, recruitment expenses, consumables, hardware maintenance.

Dairibord Holdings More Than Just Milk

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Operating Profit Is Stated After Charging The Following:

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Audit fees	1 598 297	1 478 024	1 153 244	152 873
Depreciation of property, plant and equipment and right of use assets	13 394 959	8 825 142	918 716	161 359
Amortisation of intangible assets	22 294	22 771	49	79
Directors emoluments	**861 632**	**534 405**	**521 702**	**54 097**
-for services as directors	851 897	506 916	519 339	51 143
-salaries and benefits	9 735	18 370	2 363	1 896
-termination benefits	-	9 119	-	1 058
Employee benefits expense	**12 158 448**	**56 138 466**	**7 685 434**	**5 179 723**
-Salaries and wages	11 945 762	54 360 884	7 592 002	5 016 346
- Share incentive expense	-	68 843	-	8 158
-Pension costs	190 405	1 048 917	81 044	93 090
-National Social Security Authority	22 281	659 822	12 388	62 129

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Audit fees	416 406	267 493	212 915	25 977
Depreciation of property, plant and equipment and right of use assets	265 978	286 677	23 513	11 762
Amortisation of intangible assets	18 689	50 451	13	13
Directors emoluments	**861 632**	**534 405**	**521 702**	**54 097**
-for services as directors	851 897	506 916	519 339	51 143
-salaries and benefits	9 735	18 370	2 363	1 896
-termination benefits	-	9 119	-	1 058
Employee benefits expense	**2 452 915**	**3 939 598**	**1 587 753**	**394 379**
-Salaries and wages	2 423 983	3 895 476	1 571 166	390 789
- Share incentive expense	-	6 236	-	644
-Pension costs	26 538	33 948	15 380	2 572
-National Social Security Authority	2 394	3 938	1 207	374

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

7 Finance Income/Costs
7.1 Finance income

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Interest received on loans and short-term deposits	117 654	174 101	46 753	7 492
Total	**117 654**	**174 101**	**46 753**	**7 492**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Interest received on loans and short-term deposits	5 502 124	8 386 221	3 210 374	784 550
Total	**5 502 124**	**8 386 221**	**3 210 374**	**784 550**

Finance income relates to interest on short-term deposits and financial assets measured at amortised cost.

7.2 Finance costs

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Finance costs arising from				
Long term facilities with financial institutions	(3 898 668)	(8 865 193)	(2 367 570)	(734 480)
Short term facilities with financial institutions	(7 904 171)	(3 481 461)	(5 036 039)	(743 147)
Lease liabilities (Note 13.2)	(629 347)	(964 273)	(146 168)	(126 678)
Foreign Exchange losses	(56 695 570)	-	(30 166 293)	-
Total	**(69 127 756)**	**(13 310 927)**	**(37 716 070)**	**(1 604 305)**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Finance costs arising from				
Long term facilities with financial institutions	(1 639 553)	(1 711 549)	(957 760)	(553 264)
Short term facilities with financial institutions	(3 867 726)	(2 272 758)	(2 259 366)	(734 677)
Lease liabilities	-	(62 940)	-	(3 785)
Foreign Exchange losses	(23 124 330)	-	(13 498 439)	-
Total	**(28 631 609)**	**(4 047 247)**	**(16 715 565)**	**(1 291 726)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

8.1 Other income

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000
Scrap Sales	210 333	124 752	145 954	11 740
Profit on sale of PPE items	-	-	209 578	14 103
Profit on sale of investment property	407 101	-	466 012	-
Fair value gain on investment property	2 843 724	3 372 939	8 013 242	679 625
Remeasurement gain on ROU	-	562 017	-	109 681
Gain on derecognition of lease liability	185 653	-	209 437	-
Sundry income	184 254	391 135	143 994	38 210
Total	**3 831 065**	**4 450 843**	**9 188 217**	**853 359**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Profit on sale of PPE items	43 816	91 221	43 816	7 678
Foreign exchange gains-realised	23 030 477	4 448 204	13 442 799	514 753
Foreign exchange gains-unrealised	-	44 279	-	5 716
Sundry income	139	10 781	82	1 329
Total	**23 074 432**	**4 594 485**	**13 486 697**	**529 476**

8.2 Other operating expenses

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Loss on sale of PPE items	(1 362 080)	(9 840)	-	-
Foreign exchange loss-realised	(25 402 346)	(3 077 952)	(18 358 029)	(199 475)
Foreign exchange loss-unrealised	(10 897 352)	(91 912)	(10 897 352)	(11 865)
Total	**(37 661 778)**	**(3 179 704)**	**(29 255 381)**	**(211 340)**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Foreign exchange loss-unrealised	(938 365)	-	(938 365)	-
Total	**(938 365)**	**-**	**(938 365)**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Taxation
9.1 Charge based on income for the year

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Current year charge	**(1 454 267)**	**(4 965 625)**	**(1 454 267)**	**(641 016)**
Deferred Tax charge	8 055 215	(15 028 815)	5 419 433	(96 229)
Taxation	6 600 948	(19 994 440)	3 965 166	(737 245)

9.2 Reconciliation of tax charge

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Tax on profit before tax for the year at 24.72% (incl. Aids Levy)	24.72%	24.72%	24.72%	24.72%
Disallowed expenses*	-147.70%	3.00%	-147.70%	3.00%
Effect of change in tax rate**	1.03%	0.00%	1.03%	0.00%
Other non-taxable items	114.92%	-5.10%	114.92%	-5.10%
Other non-deductible items	-0.36%	2.00%	-0.36%	2.00%
Effective tax rate	**-7.39%**	**24.62%**	**-7.39%**	**24.62%**

*Included in disallowed expenses is IMTT, donations, unrealised foreign exchange losses and other expenses that are prohibited as deductions for tax benefits.
** The corporate tax rate has been increased from 24.72% to 25.75% effective 1 January 2024.

9.3 Deferred tax

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Key Components of deferred tax				
Property, Plant and Equipment	16 752 678	18 920 200	17 883 668	1 529 397
Investment Property	385 400	300 177	385 400	254 128
Right of use asset	-	394 223	-	41 508
Intangible assets	20 742	28 284	31	19
Allowance for credit loss	(183 465)	(47 638)	(216 342)	(6 150)
Lease liability	-	(385 219)	-	(53 943)
Foreign exchange loss - unrealised	(4 072 285)	(32 883)	(4 054 622)	(4 245)
Prepayments	2 534 682	-	-	-
Inventories	3 132 774	3 228 713	-	-
Leave pay, bonuses and other provisions	(1 264 472)	(224 033)	(1 329 504)	(107 719)
Deferred Tax relating to the origination and reversal of temporary differences	**17 306 054**	**22 181 825**	**12 668 631**	**1 652 995**

Reflected in the statement of financial position as follows;

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Deferred tax assets	(38 055)	-	(244 230)	-
Deferred tax liability	17 344 109	22 181 824	12 912 861	1 652 995
Net deferred tax liability/ (asset)	**17 306 054**	**22 181 824**	**12 668 631**	**1 652 995**

9.4 Reconciliation of deferred tax (net)

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Opening balance	**22 181 824**	**1 860 187**	**1 652 994**	**285 605**
(Credit)/Expense for the year	(8 055 215)	15 028 815	(5 419 433)	96 229
Other comprehensive income	3 179 445	5 292 822	16 435 070	1 271 161
Closing balance	**17 306 054**	**22 181 824**	**12 668 631**	**1 652 995**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Taxation (continued)
9.1 Charge based on income for the year

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Current year charge	(805 603)	(267 942)	(805 602)	34 588
Deferred Tax charge	179 557	(383 463)	250 530	16 507
Taxation	**(626 046)**	**(651 405)**	**(555 072)**	**51 095**

9.2 Reconciliation of tax charge

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'00	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Tax on profit before tax for the year at 24.72% (incl. Aids Levy)	24.72%	24.72%	24.72%	24.72%
Disallowed expenses*	-0.73%	14.34%	-0.73%	14.34%
Effect of change in tax rate**	1.03%	0.00%	1.03%	0.00%
Other non-taxable items	-0.34%	-4.01%	-0.34%	-4.01%
Other non-deductible items	0.00%	16.57%	0.00%	16.57%
Effective tax rate	**24.68%**	**51.62%**	**24.68%**	**51.62%**

*Included in disallowed expenses is IMTT, donations and other expenses that are prohibited as deductions for tax benefits.
** The corporate tax rate has been increased from 24.72% to 25.75% effective 1 January 2024.

9.3 Deferred tax

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'00	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Key Components of deferred tax				
Property, Plant and Equipment	198 687	259 324	16 828	21 530
Intangible assets	19 233	208	10	6
Foreign exchange loss - unrealised	(241 629)	(10 946)	(239 950)	(1 413)
Prepayments	(31)	-	-	-
Leave pay, bonuses and other provisions	(14 315)	(107 084)	(21 119)	(13 823)
Deferred Tax relating to the origination and reversal of temporary differences	**(38 055)**	**141 502**	**(244 231)**	**6 300**

Reflected in the statement of financial position as follows;

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Deferred tax assets	(38 055)	-	(244 230)	-
Deferred tax liability	-	141 502	-	6 300
Net deferred tax (asset)/liability	**(38 055)**	**141 502**	**(244 230)**	**6 300**

9.4 Reconciliation of deferred tax (net)

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Opening balance	141 502	(241 961)	6 300	(10 207)
Expense/(credit) for the year	(179 557)	383 463	(250 530)	16 507
Closing balance	**(38 055)**	**141 502**	**(244 230)**	**6 300**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Investment In Subsidiaries

		Audited Inflation Adjusted		*Unaudited Historical Cost	
Company	**Principal activity**	**31-Dec-23 ZWL$'000**	**31-Dec-22 ZWL$'000**	**31-Dec-23 ZWL$'000**	**31-Dec-22 ZWL$'000**
Dairibord Zimbabwe (Private) Limited (100 % owned)	Manufacture and distribution of milks, foods and beverages for local and export markets.	36 255 091	36 255 091	25 532	25 532
Goldblum Investments Private Limited (100% owned)	Property holding and leasing	16 278 817	16 278 817	11 464	11 464
Chatmoss Enterprises Private Limited (100% owned)	Property holding and leasing	5 787 476	5 787 476	4 076	4 076
Qualinnex Investments (Private) Limited (100% owned)	Property holding and leasing	3 037 977	3 037 977	2 139	2 139
Slimline Investments Private Limited (100% owned)	Property holding and leasing	4 817 087	4 817 087	3 392	3 392
Lyons Zimbabwe (Private) Limited (100% owned)	Dormant	-	-	-	-
Lyons Africa (Private) Limited (100% owned)	Dormant	-	-	-	-
NFB Logistics (Private) Limited (100% owned)	Dormant	-	-	-	-
		66 176 448	**66 176 448**	**46 603**	**46 603**

The subsidiaries of the company were tested for impairment in the current year, and it was concluded that no impairment is required.

11. Property, Plant And Equipment
11.1 Group - Audited Inflation Adjusted

Audited Inflation Adjusted	Freehold Land and Buildings ZWL$'000	Leasehold improvements ZWL$'000	Plant and equipment ZWL$'000	Motor Vehicles ZWL$'000	Office Furniture & Computer Equipment ZWL$'000	Total ZWL$'000
At cost/valuation						
At 01 January 2022	**40 222 993**	**-**	**101 179 434**	**11 958 436**	**2 677 084**	**156 037 947**
Additions	-	353 797	10 611 713	2 553 233	513 235	14 031 978
Disposals	-	-	-	(1 663 690)	(28 841)	(1 692 531)
Revaluation	44 508 170	-	-	-	-	44 508 170
At 31 December 2022	**84 731 163**	**353 797**	**111 791 147**	**12 847 979**	**3 161 478**	**212 885 564**
Additions	-	-	4 356 633	3 800 110	548 504	8 705 247
Disposals	(4 494 505)	(353 797)	(726 255)	(2 367 481)	(729 843)	(8 671 881)
Transfer from leases	-	-	-	688 506	-	688 506
Revaluation	31 671 342	-	-	-	-	31 671 342
At 31 December 2023	**111 908 000**	**-**	**115 421 525**	**14 969 114**	**2 980 139**	**245 278 778**
Accumulated depreciation and impairment At 01 January 2022	**(2 977 111)**	**-**	**(53 729 417)**	**(7 596 760)**	**(2 174 159)**	**(66 477 447)**
Charge for the year	(1 080 817)	(29 483)	(6 322 969)	(571 451)	(229 144)	(8 233 864)
Disposals	-	-	-	715 291	8 394	723 685
Revaluation	4 057 928	-	-	-	-	4 057 928
At 31 December 2022	**-**	**(29 483)**	**(60 052 386)**	**(7 452 920)**	**(2 394 909)**	**(69 929 698)**
Charge for the year	(1 921 716)	(64 863)	(9 165 686)	(1 080 551)	(371 348)	(12 604 164)
Disposals	1 102	94 346	726 255	1 145 304	729 843	2 696 850
Revaluation	1 920 614	-	-	-	-	1 920 614
At 31 December 2023	**-**	**-**	**(68 491 817)**	**(7 388 167)**	**(2 036 414)**	**(77 916 398)**
Carrying Amount						
At 31 December 2023	**111 908 000**	**-**	**46 929 708**	**7 580 947**	**943 725**	**167 362 380**
At 31 December 2022	**84 731 163**	**324 314**	**51 738 761**	**5 395 059**	**766 569**	**142 955 866**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. Property, Plant And Equipment (continued)

11.1 Company - Audited Inflation Adjusted

Audited Inflation Adjusted	Motor Vehicles ZWL$'000	Office Furniture & Computer Equipment ZWL$'000	Total ZWL$'000
At cost/valuation			
At 01 January 2022	**805 503**	**723 865**	**1 529 368**
Additions	889 604	23 382	912 986
Disposals	(361 372)	(21 507)	(382 879)
At 31 December 2022	**1 333 735**	**725 740**	**2 059 475**
Additions	-	43 966	43 966
Disposals	(45 248)	(3 588)	(48 836)
At 31 December 2023	**1 288 487**	**766 118**	**2 054 605**
Accumulated depreciation and impairment			
At 01 January 2022	**(431 925)**	**(702 831)**	**(1 134 756)**
Charge for the year	(118 067)	(17 556)	(135 623)
Disposals	226 300	3 018	229 318
At 31 December 2022	**(323 692)**	**(717 369)**	**(1 041 061)**
Charge for the year	(251 904)	(14 074)	(265 978)
Disposals	45 248	3 588	48 836
At 31 December 2023	**(530 348)**	**(727 855)**	**(1 258 203)**
Carrying Amount			
At 31 December 2023	**758 139**	**38 263**	**796 402**
At 31 December 2022	**1 010 043**	**8 371**	**1 018 414**

11.1 Group - *Unaudited Historical Cost

	Land and Buildings ZWL$'000	Leasehold improvements ZWL$'000	Plant and Machinery ZWL$'000	Motor Vehicles ZWL$'000	Office Furniture & Computer Equipment ZWL$'000	Total ZWL$'000
At cost/valuation						
At 01 January 2022	**1 432 436**	**-**	**332 215**	**13 192**	**26 583**	**1 804 426**
Additions	-	41 040	1 226 856	223 918	56 036	1 547 850
Disposals	-	-	-	(838)	(306)	(1 144)
Revaluation	9 505 564	-	-	-	-	9 505 564
At 31 December 2022	**10 938 000**	**41 040**	**1 559 071**	**236 272**	**82 313**	**12 856 696**
Additions	-	-	2 705 067	3 368 700	370 806	6 444 573
Disposals	(4 225 833)	(41 040)	(511)	(1 667)	(14)	(4 269 065)
Revaluation	105 195 833	-	-	-	-	105 195 833
Transfer from Leases	-	-	-	45 609	-	45 609
At 31 December 2023	**111 908 000**	**-**	**4 263 627**	**3 648 914**	**453 105**	**120 273 646**
Accumulated Depreciation						
At 01 January 2022	**(33 158)**	**-**	**(50 023)**	**(5 400)**	**(6 010)**	**(94 591)**
Charge for the year	(35 511)	(3 420)	(56 045)	(30 155)	(7 669)	(132 800)
Disposals	-	-	-	4 305	2 317	6 622
Revaluation	68 669	-	-	-	-	68 669
At 31 December 2022	**-**	**(3 420)**	**(106 068)**	**(31 250)**	**(11 362)**	**(152 100)**
Charge for the year	(235 175)	(7 524)	(314 902)	(208 127)	(62 619)	(828 347)
Disposals	1 036	10 944	511	807	14	13 312
Revaluation	234 139	-	-	-	-	234 139
At 31 December 2023	**-**	**-**	**(420 459)**	**(238 570)**	**(73 967)**	**(732 996)**
Carrying Amount						
At 31 December 2023	**111 908 000**	**-**	**3 843 168**	**3 410 344**	**379 138**	**119 540 650**
At 31 December 2022	**10 938 000**	**37 620**	**1 453 003**	**205 022**	**70 951**	**12 704 596**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. Property, Plant And Equipment (continued)

11.1 Company – *Unaudited Historical Cost

Historical ZWL$	Motor Vehicles ZWL$'000	Office Furniture & Computer Equipment ZWL$'000	Total ZWL$'000
At cost/valuation			
At 01 January 2022	**2 529**	**1 005**	**3 534**
Additions	97 685	2 538	100 223
Disposals	(835)	(197)	(1 032)
Revaluation	-	-	-
At 31 December 2022	**99 379**	**3 346**	**102 725**
Additions	-	18 610	18 610
Disposals	(32)	(14)	(46)
Revaluation	-	-	-
At 31 December 2023	**99 347**	**21 942**	**121 289**
Accumulated Depreciation			**-**
At 01 January 2022	**(941)**	**(678)**	**(1 619)**
Charge for the year	(8 459)	(416)	(8 875)
Disposals	1 181	1 649	2 830
Revaluation	-	-	-
At 31 December 2022	**(8 219)**	**555**	**(7 664)**
Charge for the year	(19 624)	(3 890)	(23 514)
Disposals	32	14	46
Revaluation	-	-	-
At 31 December 2023	**(27 811)**	**(3 321)**	**(31 132)**
Carrying Amount			
At 31 December 2023	**71 536**	**18 621**	**90 157**
At 31 December 2022	**91 160**	**3 901**	**95 061**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

11 Property, Plant, And Equipment (continued)
11.2 Property revaluation

The fair value of properties was determined by an external independent property valuer Dawn Property Consultancy (Private) Limited (Dawn) as at 31 December 2023. The valuer has appropriate and recognised professional qualifications and experience in the location and category of the properties valued. The independent valuer performs an independent valuation of the Group's property portfolio on a regular basis.

The fair value measurement for the properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique. In arriving at the fair values of the properties the implicit investment approach based on the capitalisation of income was applied. This method is based on the principle that rents and capital values are inter-related. Hence given the income produced by a property its capital value can be estimated. The valuer used comparable rentals inferred from offices and industrials within the locality of the property based on use location size and quality of finishes. These rentals were then annualised, and a capitalisation factor was then applied to give a market value of the property also inferring on comparable premises which are in the same category as regards the building elements.

Details of the Group's land and buildings and information about the fair value hierarchy as at 31 December 2023

Fair value hierarchy: 2023

	Level 1 ZWL$'000	Level 2 ZWL$'000	Level 3 ZWL$'000	Fair Value at 31 December 2023 ZWL$'000
Land and buildings	-	-	111 908 000	111 908 000

Fair value hierarchy: 2022

	Level 1 ZWL$'000	Level 2 ZWL$'000	Level 3 ZWL$'000	Fair Value at 31 December 2022 ZWL$'000
Land and buildings	-	-	10 938 000	10 938 000

Key inputs for the valuation are denominated in ZWL.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

11 Property, Plant And Equipment (continued)
11.2 Property revaluation (continued)

The following significant unobservable inputs were applied on the main space. These inputs have been segmented by location and nature of the property.

Significant unobservable data (ZWL 2023)	Harare	Bulawayo	Gweru	Mutare	Masvingo
Industrial office rental (rental per square meter)	ZW$20 750.00 -ZW$27 000.00	ZW$3 750.00 - ZW$22 500.00	ZW$36 000	ZW$7 500.00 - ZWL 22 500.00	ZW$9 000.00 -ZW$24 750.00
Factory/workshop (rental per square meter)	ZW$22 500.00-ZW$27 000.00	ZW$3 750.00 - ZW$18 750.00	ZW$27 000	ZW$800.00 - ZW$2,200.00	ZW$9 000.00 -ZW$18 000.00
Yard (rental per square meter)	2 675.00 – 9 000.00	3 750.00	4 500.00	7 500.00	9 000.00
Capitalisation rate (%)	11.00% - 12.00%	13.50% - 14.50%	13.00% - 14.50%	14%	13.00% - 14.00%

Significant unobservable data (ZWL 2022)	Harare	Bulawayo	Gweru	Mutare	Masvingo
Industrial office rental	ZWL2 000.00 – ZWL2 400.00	ZWL1 600.00 – ZWL2 400.00	ZWL3 200.00	ZWL2 400.00	ZWL1 600.00 – ZWL2 200.00
(Rental per square meter)					
Factory/workshop	ZWL1 200.00 – ZWL2 400.00	ZWL1 000.00 -ZWL 2 200.00	ZWL2 800.00	ZWL800.00 – ZWL2 200.00	ZWL1 000.00 – ZWL2 200.00
(Rental per square meter)					
Yard (rental per square meter)	120.00 – 145.00	20.00	40.00	20.00	40.00 – 60.00
Capitalisation rate (%)	11.00% - 12.00%	13.00% - 14.50%	13.00% - 14.50%	14%	13.00% - 14.00%

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy
Below is a sensitivity analysis demonstrating how the revalued amounts of property, plant and equipment would change with the movement in inputs

	Capitalisation rate		Rental	
	1%	-1%	10%	-10%
Change in fair value	(2 084 000)	(563 000)	(477 000)	(2 296 000)

If land and buildings were measured using cost model. The carrying amount would be ZWL6 511 416 (2022: ZWL6 752 579).

Property mortgaged against borrowings:
Property valued at ZW$100 bn (2022: ZW$7.15 bn) is mortgaged against the interest-bearing borrowings disclosed in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Investment Property
12.1 Reconciliation of carrying amounts

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	ZWL'000	ZWL'000	ZWL'000	ZWL'000
Balance at 1 January	**6 003 534**	**2 630 595**	**775 000**	**95 375**
Disposals	(987 258)	-	(928 242)	-
Fair value adjustment	2 843 724	3 372 939	8 013 242	679 625
Balance at 31 December	**7 860 000**	**6 003 534**	**7 860 000**	**775 000**

Investment property comprises of a number of commercial properties that are leased to third parties. As at 31 December 2023 the Group's investment property portfolio comprised of 10 commercial properties (2023: 10 commercial properties) all within the country.

12.2 Measurement of fair values

The fair value of investment properties was determined by an external independent property valuer Dawn Property Consultancy (Private) Limited (Dawn) as at 31 December 2023. The valuer has appropriate and recognised professional qualifications and experience in the location and category of the properties valued. The independent valuer performs an independent valuation of the Group's property portfolio on a regular basis.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique. In arriving at the fair values of the properties the implicit investment approach based on the capitalisation of income was applied. This method is based on the principle that rents and capital values are inter-related. Hence given the income produced by a property its capital value can be estimated. The valuer used comparable rentals inferred from offices and industrials within the locality of the property based on use location size and quality of finishes. These rentals were then annualised, and a capitalisation factor was then applied to give a market value of the property also inferring on comparable premises which are in the same category as regards the building elements.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2023

Fair value hierarchy: 2023

	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	Fair Value at 31 December 2023 ZWL'000
Land and buildings	-	-	7,860,000	7,860,000

Fair value hierarchy: 2022

	Level 1 ZWL'000	Level 2 ZWL'000	Level 3 ZWL'000	Fair Value at 31 December 2022 ZWL'000
Land and buildings	-	-	6,003,534	6,003,534

Key inputs for the valuation are denominated in ZWL.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy
Below is a sensitivity analysis indicating how fair values of investment property would change with movements in the inputs used.

	Capitalisation rate		Rental	
	1%	-1%	10%	-10%
Change in fair value	(520 000)	540 000	550 000	(630 000)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Investment Property (continued)
12.2 Measurement of fair values (continued)

Significant unobservable data (ZWL 2023)	Harare	Bulawayo	Gweru	Mutare	Masvingo
Industrial office rental (rental per square meter)	ZW$20 750.00 - ZW$27 000.00	ZW$3 750.00 - ZW$22 500.00	ZW$36 000	ZW$7 500.00 - ZWL 22 500.00	ZW$9 000.00 -ZW$24 750.00
Factory/workshop (rental per square meter)	ZW$22 500.00 - ZW$27 000.00	ZW$3 750.00 - ZW$18 750.00	ZW$27 000	ZW$800.00 - ZW$2,200.00	ZW$9 000.00 -ZW$18 000.00
Yard (rental per square meter)	2 675.00 – 9 000.00	3 750.00	4 500.00	7 500.00	9 000.00
Capitalisation rate (%)	11.00% - 12.00%	13.50% - 14.50%	13.00% - 14.50%	14%	13.00% - 14.00%

Significant unobservable data (ZWL 2022)	Harare	Bulawayo	Gweru	Mutare	Masvingo
Industrial office rental	ZWL2 000.00 – ZWL2 400.00	ZWL1 600.00 – ZWL2 400.00	ZWL3 200.00	ZWL2 400.00	ZWL1 600.00 – ZWL2 200.00
(Rental per square meter)					
Factory/workshop	ZWL1 200.00 – ZWL2 400.00	ZWL1 000.00 -ZWL 2 200.00	ZWL2 800.00	ZWL800.00 – ZWL2 200.00	ZWL1 000.00 – ZWL2 200.00
(Rental per square meter)					
Yard (rental per square meter)	120.00 – 145.00	20.00	40.00	20.00	40.00 – 60.00
Capitalisation rate (%)	11.00% - 12.00%	13.00% - 14.50%	13.00% - 14.50%	14%	13.00% - 14.00%

12.3 Amounts recognised in profit or loss relating to investment property

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Rental income from leasing	890 272	588 294	541 606	54 937
Operating costs	(351 509)	(28 991)	(291 248)	(3 742)
Net income	**538 763**	**559 303**	**250 358**	**51 195**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Right Of Use Assets And Lease Liabilities
Right of use asset relates to 9 motor vehicles acquired through a lease arrangement from a local financial institution. The leases bore interest at 80% (2022: 140%) and were payable over 3 years. The reduction in the interest rates charged caused a lease modification adjustment to both the lease liabilities and the related Right of Use Assets. The obligations under the leases were fully discharged on 29 December 2023 resulting in the derecognition of both the lease liabilities and related right of use assets.

13.1 Right of use assets

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000
Opening balance	**1 727 353**	**1 147 758**	**167 913**	**29 552**
Additions	-	648 009	-	45 657
Disposals	-	(465 751)	-	(12 830)
Depreciation	(790 794)	(591 277)	(90 370)	(28 560)
Modification	(165 178)	426 597	(28 342)	24 413
Derecognized	(82 875)	-	(3 592)	-
Gain on remeasurement	-	562 017	-	109 681
Transferred to PPE	(688 506)	-	(45 609)	-
Closing balance	**-**	**1 727 353**	**-**	**167 913**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Opening balance	**-**	**616 805**	**-**	**15 717**
Disposals	-	(465 751)	-	(12 830)
Depreciation	-	(151 054)	-	(2 887)
Closing balance	**-**	**-**	**-**	**-**

13.2 Lease liability

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Balance at 1 January	**1 690 405**	**622 346**	**218 215**	**23 371**
Acquired	-	1 500 486	-	184 588
Finance cost (Note 7.2)	629 347	964 273	146 168	126 678
Lease repayments	(1 000 157)	(1 193 101)	(371 682)	(162 924)
Inflation effect	(1 521 912)	(319 755)	-	-
Foreign exchange losses	605 887	-	249 118	-
Derecognized	(238 392)	-	(213 478)	-
Modification	(165 178)	116 157	(28 341)	46 502
Balance at 31 December	**-**	**1 690 406**	**-**	**218 215**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Balance at 1 January	**-**	**355 979**	**-**	**12 932**
Acquired	-	-	-	-
Interest	-	62 940	-	3 785
Lease repayments	-	(113 875)	-	(16 717)
Inflation effect	-	(305 044)	-	-
Balance at 31 December	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Right Of Use Assets And Lease Liabilities (continued)
13.3 Classification of lease liability

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000
Short term (0-12 Months)	-	386 515	-	49 895
Long term (1-3 years)	-	1 303 890	-	168 320
	-	**1 690 405**	**-**	**218 215**
Maturity Analysis				
Year 1	-	2 252 042	-	290 718
Year 2	-	2 112 096	-	272 652
Year 3	-	1 157 130	-	149 375
	-	5 521 268	-	712 745
Less Unearned interest	-	(3 830 863)	-	(494 530)
	-	**1 690 405**	**-**	**218 215**

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
The following are the amounts recognised in profit or loss				
Depreciation expense of right of use assets	790 794	465 751	90 370	12 830
Interest expense on lease liabilities	629 347	1 500 486	146 168	184 588
Total amount recognised in profit or loss	**1 420 141**	**1 966 237**	**236 538**	**197 418**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
The following are the amounts recognised in profit or loss				
Depreciation expense of right of use assets	-	465 751	-	12 830
Interest expense on lease liabilities	-	62 940	-	3 785
Total amount recognised in profit or loss	**-**	**528 691**	**-**	**16 615**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Intangible Assets

	Group	Company
Audited Inflation Adjusted	Software License ZWL$'000	Software License ZWL$'000
Cost		
At 01 January 2022	**1 619 817**	**186 891**
Additions	5 535	-
At 31 December 2022	**1 625 352**	**186 891**
At 31 December 2023	**1 625 352**	**186 891**
Amortisation and Impairment		
At 01 January 2022	(1 502 384)	(78 831)
Amortisation	(22 764)	(14 678)
At 31 December 2022	**(1 525 148)**	**(93 509)**
Amortisation	(22 295)	(18 689)
At 31 December 2023	**(1 547 443)**	**(112 198)**
Carrying Amount at 31 December 2023	**77 909**	**74 693**
Carrying Amount at 31 December 2022	**100 204**	**93 382**

The intangible assets consist of accounting, business intelligence and auditing software.

	Group	Company
***Unaudited Historical Cost**	Software License ZWL'000	Software License ZWL'000
Cost		
At 01 January 2022	**1 171**	**139**
Additions	249	-
At 31 December 2022	**1 420**	**139**
At 31 December 2023	**1 420**	**139**
Amortisation and Impairment		
At 01 January 2022	**(1 052)**	**(74)**
Amortisation	(79)	(13)
At 31 December 2022	**(1 131)**	**(87)**
Amortisation	(49)	(13)
At 31 December 2023	**(1 180)**	**(100)**
Carrying Amount at 31 December 2023	**240**	**39**
Carrying Amount at 31 December 2022	**289**	**52**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Loans Receivable

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Loans receivable				
Long term loan receivable	8 280 191	8 039 540	8 280 191	1 037 829
Short term loan receivable	19 527 987	10 653 501	19 527 987	1 375 267
	27 808 178	**18 693 041**	**27 808 178**	**2 413 096**

The long-term loans receivable in the Company relate to loans that were issued to a subsidiary at an all-in cost of 80% are repayable by September 2026. The loan receivables are measured at amortised cost. The holding company secures loans from financial institutions for on-lending to subsidiaries at market related interest rates with no finance cost premium added to the loans. Dairibord Zimbabwe (Pvt) Ltd is the main operating subsidiary and based on its performance a good payment history, there was no need to impair the receivable in the holding company's books. Additionally, the loans to the subsidiary are performing and have not increased in risk since inception.

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Balance at 1 January	**18 693 041**	**11 420 402**	**2 413 097**	**428 865**
Amounts issued to subsidiaries	45 310 915	31 995 748	26 342 874	2 745 680
Amounts repaid by subsidiaries	(31 445 177)	(9 963 083)	(20 252 185)	(761 449)
Effects of exchange rate movements	19 304 392	-	19 304 392	-
Inflation effect	(24 054 993)	(14 760 026)	-	-
Balance at 31 December	**27 808 178**	**18 693 041**	**27 808 178**	**2 413 096**

16. Inventories

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Packaging and raw materials	47 763 271	40 148 924	40 142 303	5 089 623
Spares and general consumables	10 791 840	19 291 081	6 259 535	900 470
Finished goods	13 901 756	7 679 627	13 888 914	988 352
Total Inventories at lower of cost and net realizable value	**72 456 867**	**67 119 632**	**60 290 752**	**6 978 445**

During 2023 ZWL451 033 174 403 (2022: ZWL341 852 437 658) was recognised as inventories consumed. The provision for the obsolete stock as at year end was ZWL$95 816 736 (2022: ZWL nil). The nature of cost of sales transactions that was recognised as inventories consumed include finished goods, raw materials, packaging materials and production overheads.

Dairibord Holdings
More Than Just Milk

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

17. Trade And Other Receivables

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Local trade receivables	40 227 485	23 174 899	40 227 485	2 991 662
Foreign trade receivables	810 064	1 135 334	810 064	146 561
Other receivables	5 913 676	16 924 898	5 913 676	2 184 846
Allowance for credit losses (trade and other receivables)	(845 976)	(192 710)	(845 976)	(24 877)
Total	**46 105 249**	**41 042 421**	**46 105 249**	**5 298 192**

17.1 Movement in the allowance for credit losses

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Balance at the beginning of the year	192 710	323 204	24 877	12 137
Adjustment for effects of IAS29	(167 833)	(229 183)	-	-
Impairment losses recognized on receivables	821 099	98 689	821 099	12 740
Balance at end of the year	**845 976**	**192 710**	**845 976**	**24 877**

The determination of allowance for credit losses is explained under note 25. Other receivables balance mainly consists of milk producer loans (240m) and Value Added Tax (VAT) refundable (3.1bn).

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Other receivables	12 456	2 809	12 456	363
Total	**12 456**	**2 809**	**12 456**	**363**

17.2 Prepayments

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Prepaid operating expenses	26 556 787	4 587 797	17 242 941	544 751
Prepaid property, plant and equipment	2 253 425	790 674	1 723 608	97 123
	28 810 212	**5 378 471**	**18 966 549**	**641 874**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Prepayment to suppliers	101 552	85 594	101 430	10 625
	101 552	**85 594**	**101 430**	**10 625**

At the end of 2023 prepayments related to payments in advance made to suppliers of goods and services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

17. Trade And Other Receivables (continued)
17.3 Contract Liabilities

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Short term advances for goods	2 729 186	1 920 444	2 729 186	247 911
	2 729 186	**1 920 444**	**2 729 186**	**247 911**

The Group received customer deposits for goods at year end. The balances of deposits are short-term in nature as at the end of the year and are shown in the table above.

Contract Liabilities movement

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000	31-Dec-23 ZWL'000	31-Dec-22 ZWL'000
Amounts included in contract liabilities at the beginning of the year	1 920 444	1 714 392	247 911	82 410
Performance obligations satisfied in current year	(1 920 444)	(1 714 392)	(247 911)	(82 410)
Performance obligations added during the year	2 729 186	1 920 444	2 729 186	247 911
Performance obligations outstanding at year end	**2 729 186**	**1 920 444**	**2 729 186**	**247 911**

18. Trade, Other Payables And Provisions

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Trade payables	89 544 789	71 682 982	89 544 789	9 253 602
Payroll accruals	3 412 814	2 729 630	3 412 814	352 370
Employee bonus accrual	-	2 141 192	-	276 408
VAT & VAT withholding tax payable	2 367 907	2 322 446	2 367 907	299 806
Leave accrual	909 493	963 755	909 493	124 412
Utilities accruals	999 535	881 239	999 535	113 760
Audit fee accrual	1 135 275	268 711	1 135 275	34 688
Interest accrued	156 126	186 247	156 126	24 043
Other payables	218 240	3 463 098	218 240	447 054
	98 744 179	**84 639 300**	**98 744 179**	**10 926 143**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Payroll accruals	763 331	367 770	763 331	47 476
Employee bonus accrual	-	352 100	-	45 453
VAT & VAT withholding tax payable	4 631	6 368	4 631	822
Leave accrual	811	907 042	811	117 091
Utilities accruals	204 085	-	204 085	-
Audit fee accrual	54 783	107 933	54 783	13 933
Interest accrued	156 126	186 247	156 126	24 043
Other payables	101 430	180 574	101 430	23 309
	1 285 197	**2 108 034**	**1 285 197**	**272 127**

Trade and other payables are non-interest bearing and are normally settled within 14-30 days. Other payables comprise of sundry suppliers who provide goods and services that do not directly affect the operations of the business. The company does not have any trade payables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

19. Financial Liabilities: Interest Bearing Loans And Borrowings

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Short term borrowings				
Bank loan	24 853 586	14 760 196	24 853 586	1 905 403
Total short-term borrowings	**24 853 586**	**14 760 196**	**24 853 586**	**1 905 403**
Non-current borrowings				
Bank loan	11 354 740	8 536 221	11 354 740	1 101 946
Total non-current borrowings	**11 354 740**	**8 536 221**	**11 354 740**	**1 101 946**
Total borrowings	**36 208 326**	**23 296 417**	**36 208 326**	**3 007 349**
Maturity profile of borrowings				
Due within one year				
0-3 months	16 787 987	12 635 621	16 787 987	1 631 140
3-6 months	-	777 644	-	100 387
6-12 months	8 065 599	1 346 930	8 065 599	173 876
Total due within one year	**24 853 586**	**14 760 195**	**24 853 586**	**1 905 403**
Due after one year				
1-5 years	11 354 740	8 536 221	11 354 740	1 101 946
Total due after one year	**11 354 740**	**8 536 221**	**11 354 740**	**1 101 946**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Short term borrowings				
Bank loan	19 527 987	11 818 176	19 527 987	1 525 615
Total short-term borrowings	**19 527 987**	**11 818 176**	**19 527 987**	**1 525 615**
Non-current borrowings				
Bank loan	8 278 036	6 858 173	8 278 036	885 326
Total non-current borrowings	**8 278 036**	**6 858 173**	**8 278 036**	**885 326**
Total borrowings	**27 806 023**	**18 676 349**	**27 806 023**	**2 410 942**
Maturity profile of borrowings				
0-3 months	16 787 987	9 287 381	16 787 987	1 198 914
3-6 months	-	777 644	-	100 386
6-12 months	2 740 000	1 753 151	2 740 000	226 315
Total due within one year	**19 527 987**	**11 818 176**	**19 527 987**	**1 525 615**
Due after one year				
1-5 years	8 278 036	6 858 173	8 278 036	885 326
Total due after one year	**8 278 036**	**6 858 173**	**8 278 036**	**885 326**

Unutilised facilities

As at 31 December 2023, the Group had unutilised overdraft facilities worth ZWL365 million (2022: ZWL nil) with local financial institutions. Interest rates range between 8% - 12% for US$ loans and 75%-80% for ZWL loans.

Borrowing powers

The directors may borrow any sum of money not exceeding the aggregate of twice the issued and paid-up share capital of the company and the aggregate of the amounts standing to the credit of all the reserve accounts and share premium account

Bank Loans

The loans were obtained to fund working capital and are repayable in monthly instalments. The loans have a tenure ranging between 3 – 60 months and bear interest at 75-80% for ZWL loans and 8-12% for USD loans .

The loans are secured against properties worth ZWL100 billion.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

19. Financial Liabilities: Interest Bearing Loans And Borrowings (continued)

Interest bearing borrowings listing:

	Date secured	Facility	Type	Amount	Annualised Interest Rate	December 2023 Balance ZWL$'000	Security
ZWL$'000		POSB	OVERDRAFT (not utilised)	300 000	80%	-	None
		CABS	OVERDRAFT (not utilised)	65 000	80%	-	None
		FIRSTCAPITAL	OVERDRAFT	1 000 000	80%	307 299	None
		STANCHART	OVERDRAFT	1000 000	80%	648 074	None
	30/10/2023	CABS	SHORT TERM LOAN	2 215 000	80%	1 040 000	None
	8/12/2023	STANCHART	SHORT TERM LOAN	3 969 000	80%	1 700 000	None
	19/10/2023	ECOBANK	SHORT TERM LOAN	2 000 000	75%	1 419 167	None
	1/12/2023	STANBIC	SHORT TERM LOAN	2 980 548	75%	546 680	None
	7/9/2023	STANCHART	LONG TERM LOAN	4 200 000	80%	4 004 731	Land and buildings
						9 665 951	
US$'000	16/11/2023	STANCHART	SHORT TERM LOAN	2 500	8%	2 500	Land and buildings
	14/12/2023	STEWARD	SHORT TERM LOAN	500	11%	500	Land and buildings
	25/7/2022	CABS	LONG TERM LOAN	1 000	12%	636	Land and buildings
						3 636	
ZAR'000	31/8/2020	TETRAPAK	LONG TERM LOAN	18 737	8%	**11 618**	None

The facilities are subject to financial covenants which are tested semi-annually on 30 June and 31 December each year. The covenants measure the group's gearing ratios and net debt to equity as calculated in note 23.6. The group complied with these covenants in 2023 and 2022.

20. Cash and Bank Balances

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Cash at bank and on hand (ZWL)	974 703	9 800 238	974 703	1 265 119
Foreign cash at bank (other than USD)	1 086	4 379 897	1 086	565 404
Cash at bank and on hand (USD)	10 116 223	13 397	10 116 223	1 729
Total Cash and Cash equivalents	**11 092 012**	**14 193 532**	**11 092 012**	**1 832 252**
Bank Overdraft	(956 644)	-	(956 644)	-
Net cash and Cash Equivalents	**10 135 368**	**14 193 532**	**10 135 368**	**1 832 252**

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Cash at bank and on hand (ZWL)	95 618	69 767	95 618	9 006
Cash at bank and on hand (other)	-	-	-	-
Total Cash and Cash equivalents	**95 618**	**69 767**	**95 618**	**9 006**
Bank Overdraft	-	-	-	-
Net cash and Cash Equivalents	**95 618**	**69 767**	**95 618**	**9 006**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

21. Related Party Disclosures

21.1 The consolidated financial statements include the financial statements of Dairibord Holdings Limited, the parent company and its subsidiaries listed in the following table:

Name	Country of Incorporation	Nature of relationship	% equity Interest 2023	% equity Interest 2022
NFB Logistics (Private) Limited (dormant)	Zimbabwe	Subsidiary	100	100
Dairibord Zimbabwe (Private) Limited	Zimbabwe	Subsidiary	100	100
Lyons Africa (Private) Limited (dormant)	Zimbabwe	Subsidiary	100	100
Lyons Zimbabwe (Private) Limited (dormant)	Zimbabwe	Subsidiary	100	100
Goldblum Investments Private Limited	Zimbabwe	Subsidiary	100	100
Slimline Investments Private Limited	Zimbabwe	Subsidiary	100	100
Chatmoss Enterprises Private Limited	Zimbabwe	Subsidiary	100	100
Qualinnex Investments (Private) Limited	Zimbabwe	Subsidiary	100	100

21.2 Companies controlled by non-executive directors

Tavistock Estates	Zimbabwe	Tavistock Estates is controlled by a non-executive director
Corporate Excellence	Zimbabwe	A non-executive director of the company has an interest in Corporate Excellence

Dairibord Holdings head office.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

21. Related Party Disclosures (continued)

21.2 Related party transactions and balances

Group	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-22 ZWL$'000
Transactions				
Revenue/Inflows				
Interest income on loans to Tavistock	16 133	10 102	8 572	525
Purchases/outflows				
Milk purchases from Tavistock Estates*	52 484 548	69 752 748	42 194 435	6 614 509
Consultancy services offered by Corporate Excellence	-	17 063	-	675

*The milk purchases from Tavistock are on terms similar to other farmers.

Group	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-22 ZWL$'000
Balances				
Loan to Tavistock Estates	-	680 276	-	87 817

Company	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-22 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-22 ZWL$'000
Transactions				
Revenue/Inflows				
Interest income on loans to subsidiaries	3 502 304	8 367 409	2 490 875	782 121
Management fees received from subsidiaries	2 214 725	2 789 754	1 647 612	268 105
Royalties received from subsidiaries	6 727 413	5 490 607	5 190 619	514 738
Loans repaid by subsidiaries	31 445 177	9 963 083	20 252 185	761 449

Company	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	Audited Inflation Adjusted 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000	*Unaudited Historical Cost 31-Dec-23 ZWL$'000
Purchases/outflows				
Consultancy services offered by Corporate Excellence (a company in which one company director has an interest)	-	17 063	-	675
Loans issued to subsidiaries	45 310 915	31 995 748	26 342 874	2 745 680
Loans receivable from subsidiaries (Note 15)	27 808 178	18 693 041	27 808 178	2 413 097
Amounts owed by related parties	2 539 156	1 559 008	2 539 156	201 253
Amounts owed to related parties	-	33 719	-	4 353

The royalties were generated from use of the company's brands and trademarks by Dairibord Zimbabwe (Private) Limited, the main operating subsidiary.

Management fees were received from Dairibord Zimbabwe (Private) Limited

Loans issued and repaid relate to Dairibord Zimbabwe (Private) Limited, including the related interest income. 'Refer to Note 15 for details pertaining to loans receivable from subsidiaries.

The amounts owed by or to related parties relate to transactions between the company and the property companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

21. Related Party Disclosures (continued)
21.3 Key management personnel transactions

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
Compensation	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Short term employee benefits	11 945 762	9 724 421	7 592 002	909 509
Pension contributions	212 686	163 092	93 432	10 251
Total compensation paid	12 158 448	9 887 513	7 685 434	919 760

	Company			
	Audited Inflation Adjusted		Historical unaudited *	
Compensation	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Short term employee benefits	2 423 983	3 087 008	1 571 166	301 110
Pension contributions	26 538	31 732	15 380	2 107
Total compensation paid	2 450 521	3 118 740	1 586 546	303 217

22. Reconciliation Of Authorised And Issued Share Capital

	Group			
	Audited Inflation Adjusted		Historical Unaudited *	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Authorized share capital				
Number of ordinary shares at the beginning of the year	425 000	425 000	425 000	425 000
Number of ordinary shares at the end of the year	425 000	425 000	425 000	425 000
Nominal value per share (ZWL)	0.1420	0.1420	0.0001	0.0001
Total value of shares (ZWL)	**60 350**	**60 350**	**42**	**42**
Unissued shares under the control of the directors	66 999	66 999	66 999	66 999
Reconciliation of the number of shares in issue				
Issued number of shares at the beginning of the year	358 001	358 001	358 001	358 001
Number of shares in issue at the end of the year	**358 001**	**358 001**	**358 001**	**358 001**
Issued and fully paid number of shares				
Number of ordinary shares	358 001	358 001	358 001	358 001
Nominal value per share (ZWL)	0.1420	0.1420	0.0001	0.0001
Total value of shares (ZWL)	**50 836**	**50 836**	**36**	**36**

	Company			
	Audited Inflation Adjusted		Historical Unaudited *	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Authorized share capital				
Number of ordinary shares at the beginning of the year	425 000	425 000	425 000	425 000
Number of ordinary shares at the end of the year	425 000	425 000	425 000	425 000
Nominal value per share (ZWL)	0.1420	0.1420	0.0001	0.0001
Total value of shares (ZWL)	**60 350**	**60 350**	**42**	**42**
Unissued shares under the control of the directors	66 999	66 999	66 999	66 999
Reconciliation of the number of shares in issue				
Issued number of shares at the beginning of the year	358 001	358 001	358 001	358 001
Number of shares in issue at the end of the year	**358 001**	**358 001**	**358 001**	**358 001**
Issued and fully paid number of shares				
Number of ordinary shares	358 001	358 001	358 001	358 001
Nominal value per share (ZWL)	0.1420	0.1420	0.0001	0.0001
Total value of shares (ZWL)	**50 836**	**50 836**	**36**	**36**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies

The Group's principal financial liabilities comprise trade payables and interest-bearing borrowings, including the lease liability. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. These risks are managed as follows:

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and loan notes) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

23.1 Trade and other receivables
Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed through extensive credit verification procedures and individual credit limits are defined in accordance with this assessment. Customers with outstanding balances are regularly monitored.

An impairment analysis is performed at each reporting date using a simplified approach to calculate the expected credit loss. A provision matrix is used to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. general trade receivables and farmers' loans). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17.

The security held by the Group which include brick and mortar, bank guarantees, and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. There was no change in the Group's policy on collateral and there is no financial instrument for which the Group did not recognise a loss allowance due to collateral.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset disclosed in note 17. For debtors past due, the Group considers whether the asset is secured or not and where the asset is secured, and the security is considered adequate to cover the carrying amount of the debt, the specific asset is not impaired. The Group evaluates the concentration of credit risk as low since the balances are widely spread. The significant decrease in expected credit loss rates from prior years is as a result of an assessment of historical performance of debtors and a reduction in the amount of debtors that have resulted in a default event.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)
23.1 Trade and other receivables (continued)

December-23	Current	30-60 days	61-90 days	90-120 days	> 120 days	Total
Expected credit loss rate	0.10%	0.69%	11.97%	46.21%	100.00%	
Total gross carrying amounts of trade receivables	36 355 768	3 925 124	1 215 779	339 901	11 042	**41 847 614**
Expected credit loss	36 675	27 098	145 531	157 082	11 042	**377 428**
December-22						
Expected credit loss rate	0.11%	0.26%	0.25%	0%	100.00%	**0.18%**
Total gross carrying amounts of trade receivables	22 045 641	2 075 535	174 961	-	14 096	**24 310 233**
Expected credit loss	24 528	5 438	430	-	14 096	**44 492**

Other receivables
Loans to farmers, constitute the "Other Receivables" portion of the Trade and Other Receivables balance, the Group applies the general approach where it recognises lifetime Expected Credit Losses where there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has significantly increased since initial recognition, the Group compares the risk of a default occurring on a financial instrument at the reporting date with the risk of default that was assessed at the date of initial recognition.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to applicant credit risk management. Credit limits are established for all farmers and staff based on internal rating criteria. Credit quality of the farmers is assessed through extensive credit verification procedures and individual facility limits are defined in accordance with this assessment. The farmers are required to insure the animals and other assets pledged as security with the Group registered as the loss payee. Farmers in terms of contract supply the company with milk for the duration of the loan period and repayments are made through deductions from amounts payable for milk delivered. Farmers with outstanding balances are regularly monitored. Farmers balances were assessed for expected credit losses and were deemed to be low risk given the amounts are deductible upon the farmers delivering their produce and these amounts are insured, with the group as the payee.

Set out below is the information about the credit risk exposure on the Group's loans and other receivables using a provision matrix.

31 December 2023	Current	30-60 days	61-90 days	91-120 days	> 120 days	Total
Expected credit loss rate	0.25%	8.63%	13.57%	0.00%	8.76%	
Total gross carrying amounts of other receivables	567 097	846	1 002	-	5 344 730	**5 913 675**
Expected credit loss	167	73	136	-	468 172	**468 548**
31 December 2022						
Expected credit loss rate	2.98%	0%	0%	0%	0.60%	**0.88%**
Total gross carrying amounts of other receivables	1 952 948	-	-	-	14 971 950	**16 924 898**
Expected credit loss	58 228	-	-	-	89 989	**148 217**

Set out below is the classification of the other receivables under the general approach.

	Performing	Non-performing	Credit-Impaired	Total
2023	5 913 675	-	-	**5 913 675**
2022	16 924 898	-	-	**16 924 898**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)
23.1 Trade and other receivables (continued)

Significant increase in credit risk
The Group monitors all financial assets and contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased. The historic data indicates a significant reduction in the defaults at 120 days and above due to better collection strategies.

Cash balances
The Group only deposits cash with financial institutions with high credit ratings. The maximum exposure to risk is equal to the carrying amount of cash and bank balances as disclosed in note 20. No ECL was recognised on cash and cash equivalents as it was not considered material.

Financial guarantees
The loan balances outstanding as at 31 December 2023 for farmers and car loans were ZWL83 984 335 (2022: ZWL58 247 838) and ZWL432 275 141 (2022: ZWL17 533 986) respectively. In 2022, the Group used to guarantee loans issued by Stanbic Bank Zimbabwe Limited to the Group's farmers and staff. The Group's maximum exposure to credit risk in those years was a result of these guarantees and was equal to the loan balances outstanding as at 31 December 2022. The Group did not issue any guarantees in the current year.

Loans receivables and amounts owed by group companies
The Company obtains loans from local banks on behalf of its main operating subsidiary, Dairibord Zimbabwe (Private) Limited. The Company therefore has a receivable from Dairibord Zimbabwe (Private) Limited and a corresponding liability owing to the bank. In determining ECL on loans receivables and amounts owed by group companies the Company follows the approach used by the Group for other receivables as detailed above. The credit risk of the subsidiary to which the amounts were advanced is considered to be low. As a result, no ECL was recognised as it was considered to be insignificant. The maximum exposure to credit risk is equal to the carrying amounts reflected in notes 15, 17 and 21.

Write off policy
The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. A write-off constitutes a derecognition event.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)

23.2 Liquidity risk

The Group consistently monitors its risk to a shortage of funds. This requires that the Group considers the maturity of both its financial investments and financial assets e.g. accounts receivables, other financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and debentures.

The table below summaries the maturity profile of the Group and Company's financial liabilities as at 31 December 2023 and 31 December 2022 based on contractual undiscounted payments:

Group

Liabilities	On demand ZWL$'000	0 to 3 months ZWL$'000	3 to 12 months ZWL$'000	1 to 5 years ZWL$'000	5 years ZWL$'000	Total ZWL$'000
31 December 2023						
Year ended 31 December 2023						
Interest bearing borrowings	-	17 543 447	9 517 407	15 442 446	-	42 503 300
Trade and other payables	-	98 744 180	-	-	-	98 744 180
Bank Overdraft	1 020 420	-	-	-	-	1 020 420
	1 020 420	**116 287 627**	**9 517 407**	**15 442 446**	**-**	**142 267 900**
31 December 2022						
Interest bearing borrowings	-	1 631 140	274 263	1 101 946	-	3 007 349
Trade and other payables	-	10 926 141	-	-	-	10 926 141
Lease liabilities	-	72 679	218 038	422 026	-	712 743
	-	**12 629 960**	**492 301**	**1 523 972**	**-**	**14 646 233**

Company

Liabilities	On demand ZWL$'000	0 to 3 months ZWL$'000	3 to 12 months ZWL$'000	1 to 5 years ZWL$'000	5 years ZWL$'000	Total ZWL$'000
Year ended 31 December 2023						
Interest bearing borrowings	-	17 543 447	-	11 258 129	-	28 801 576
Trade and other payables	-	1 285 198	-	-	-	1 285 198
Amounts owed to group companies	-	-	-	-	-	-
	-	**18 828 645**	**-**	**11 258 129**	**-**	**30 086 774**
Year ended 31 December 2022						
Interest bearing borrowings	-	1 198 914	-	885 326	-	2 084 240
Trade and other payables	-	272 128	-	-	-	272 128
Amounts owed to group companies	-	4 327	-	-	-	4 327
Lease liabilities	-	-	-	-	-	-
	-	**1 475 369**	**-**	**885 326**	**-**	**2 360 695**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)

23.3 Changes in liabilities arising from financing activities

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	2023 ZWL$'000	2022 ZWL$'000	2023 ZWL$'000	2022 ZWL$'000
Changes in liabilities arising from financing activities				
Balance as at 1 January	**23 296 417**	**16 156 399**	**3 007 349**	**459 764**
Interest bearing borrowings	23 296 417	15 844 947	3 007 349	448 068
Interest accrued	-	311 451		11 696
New loans	44 640 086	27 416 233	26 339 667	3 539 179
Loan repayments	(32 523 714)	(14 360 065)	(22 812 123)	(1 853 750)
Interest expense	69 127 756	13 310 927	37 716 070	1 604 305
Interest paid	(67 172 301)	(13 310 927)	(7 549 777)	(860 544)
Exchange differences	(56 695 570)	6 024 554	(492 860)	118 395
Inflation effect	55 535 651	(11 940 703)	-	-
Balance as at 31 December	**36 208 326**	**23 296 417**	**36 208 326**	**3 007 349**
Interest bearing borrowings	36 208 326	23 296 417	36 208 326	3 007 349

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	2023 ZWL$'000	2022 ZWL$'000	2023 ZWL$'000	2022 ZWL$'000
Changes in liabilities arising from financing activities				
Balance as at 1 January	**18 676 349**	**11 611 531**	**2 410 942**	**434 621**
Interest bearing borrowings	18 676 349	11 300 080	2 410 942	422 926
Interest accrued	-	311 451	-	11 696
New loans	45 342 663	21 491 906	26 369 861	2 774 404
Loan repayments	(31 445 190)	(10 053 944)	(20 252 187)	(1 297 870)
Interest expense	28 631 609	4 047 247	16 715 565	1 291 726
Interest paid	(27 699 763)	(6 073 475)	(3 217 126)	(784 029)
Exchange differences	(13 498 439)	4 363 978	(49 833 078)	(7 911)
Inflation effect	7 798 794	(6 710 895)	-	-
Balance as at 31 December	**27 806 024**	**18 676 349**	**27 806 023**	**2 410 942**
Interest bearing borrowings	27 806 023	18 676 349	27 806 023	2 410 942

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)
23.4. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates as well as the availability of foreign currency in the market. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (given the Group's foreign obligations arising from the import bill). The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or procuring goods from the local market. The Group's exposure to the risk of unavailability of foreign currency relates primarily to challenges in accessing the foreign currency to settle foreign currency denominated liabilities and when available, the price at which the foreign currency will be purchased at in RTGS currency which can result in significant exchange losses. The Group's foreign currency liabilities as at 31 December 2023 stand at US$10.3million (2022: US$2.8million).

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables and borrowings are denominated. As at 31 December 2023 the Group's exposure was due to cash and bank balances, prepayments, trade receivables and trade payables. The company's exposure is limited to cash and bank balances.

The following table demonstrates the sensitivity to a reasonable possible change in the US$ exchange rate. The sensitivity analysis in the following sections relate to the position as at 31 December in 2023 and 2022. The sensitivity analysis has been prepared on the basis that the amount of the net foreign asset/liability will increase or decrease in response to fluctuations in exchange rate, all things being constant. In determining the percentage change, we considered exchange rate fluctuations for the year ended December 2023, including post year end movements.

	Group			Company		
	Change in rates	Effect on profit before tax	Effect on equity equity	Change in rates	Effect on profit before tax	Effect on equity equity
2023	+10%	(355 524)	(267 639)	+10%	1 203	905
	-10%	355 524	267 639	-10%	984	741
2022	+10%	150 759	113 491	+10%	156 675	117 945
	-10%	(150 759)	(113 491)	-10%	(156 675)	(117 945)

23.5. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2023, the Group's exposure to the risk of changes in market interest rates was indeterminable due to the hyperinflationary environment that affects the interest rates applicable to the group's borrowings. This is indicated in the fluctuation of interest rates between 40% - 140% that the Group has experienced over the past year. During the year, the interest rates on the Group's lease arrangements decreased from 140% to 80% which resulted in decreases in both the lease liability and the Right of Use Asset by ZWL$165 178 000 (Historical ZWL$28 341 000) as per Note 13.2.

The Group's policy for managing interest rate risk is to keep most of its borrowings at fixed rates of interests. As at 31 December 2023, all the Group's loans were at interest rates in line with monetary policy pronouncements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)
23.6. Capital Management

The primary objective of the company's capital management is to ensure that the company maintains a healthy capital ratio in order to support the business and maximize shareholder value.

The group manages its capital structure and makes adjustments 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 year ended 31 December 2023.
The Group monitors capital using a gearing ratio, which is calculated as historical interest-bearing borrowings less cash and bank balances divided by equity plus interest bearing borrowings. The gearing ratio should not exceed 30%. The Group also monitors capital using net debt divided by total capital plus net debt. The Group's policy is to keep the net debt ratio below 50%. The net debt is calculated as the sum of historical interest-bearing loans and borrowings, bank overdrafts and trade and other payables, less cash and cash equivalents.

The Company monitors capital using a gearing ratio, which is historical interest-bearing borrowings less cash and bank balances and loans receivable divided by equity plus interest bearing borrowings. The Group's policy is to keep the gearing below 50%. The net debt is calculated as the sum of interest-bearing loans and borrowings, bank overdrafts and trade and other payables, less cash and cash equivalents and loans receivable.

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Computation of gearing				
Interest bearing borrowings (Note 19)	36 208 326	23 296 417	36 208 326	3 007 349
Lease liability	-	1 690 405	-	218 215
Less cash and short-term deposits (Note 20)	(10 135 368)	(14 193 532)	(10 135 368)	(1 832 252)
Net interest-bearing borrowings	26 072 958	(10 793 291)	26 072 958	1 393 313
Equity	179 613 743	143 152 178	114 341 989	12 134 183
Interest bearing borrowings & equity	205 686 701	153 945 469	140 414 947	13 527 496
Gearing	**13%**	**7%**	**19%**	**10%**
Computation of net debt to debt plus equity				
Interest bearing borrowings (Note 19)	36 208 326	23 296 417	36 208 326	3 007 349
Lease liability	-	1 690 405	-	218 215
Trade and other payables (Note 18)	89 544 789	71 682 982	89 544 789	9 253 602
Contract liabilities	2 729 186	1 920 444	2 729 186	247 911
Less cash and short-term deposits (Note 20)	(10 135 368)	(14 193 532)	(10 135 368)	(1 832 252)
Net Debt	118 346 932	84 396 717	118 346 932	10 894 826
Equity	179 613 743	143 152 178	114 341 989	12 134 183
Capital and debt	**297 960 675**	**27 548 895**	**232 688 921**	**23 029 009**
Net debt to equity	**40%**	**37%**	**51%**	**47%**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

23. Financial Risk Management Objectives And Policies (continued)

23.6. Capital Management(continued)

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Computation of gearing				
Interest bearing borrowings (Note 19)	27 806 024	18 676 349	27 806 024	2 410 942
Less cash and short-term deposits (Note 20)	(95 618)	(69 767)	(95 618)	(9 006)
Less loans receivable (Note 15)	(27 808 178)	(18 693 041)	(27 808 178)	(2 413 097)
Net interest bearing borrowings	(97 773)	(86 459)	(97 773)	(11 161)
Equity	68 020 775	66 641 884	1 317 763	69 819
Interest bearing borrowings and equity	**67 923 002**	**66 555 425**	**1 219 990**	**58 658**
Gearing	**0%**	**0%**	**-8%**	**-19%**
Computation of net debt to debt plus equity				
Interest bearing borrowings (Note 19)	27 806 024	18 676 349	27 806 024	2 410 942
Lease liability	19 527 987	11 818 176	19 527 987	1 525 616
Trade and other payables (Note 18)	1 285 198	2 108 034	1 285 198	272 128
Amounts owed to group companies (Note 29)	4 327	-	4 327	-
Less cash and short-term deposits (Note 20)	(95 618)	(69 767)	(95 618)	(9 006)
Less loans receivable (Note 16)	(27 808 178)	(18 693 041)	(27 808 178)	(2 413 097)
Net Debt	**20 719 739**	**13 839 751**	**20 719 739**	**1 786 582**
Equity	68 020 775	66 641 884	1 317 763	69 819
Capital and debt	**88 740 514**	**80 481 635**	**22 037 502**	**1 856 401**
Net debt to equity	**23%**	**17%**	**94%**	**96%**

24. Capital Commitments

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Authorized and contracted	9 743 137	578 946	7 048 293	74 736
Authorized but not yet contracted	5 628 554	15 310 275	5 628 554	1 976 413
Total	**15 371 691**	**15 889 221**	**12 676 847**	**2 051 149**

The capital commitments relate to capital expenditure and will be financed from the Group's own resources and borrowings.

The company has no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

25. Earnings Per Share And Headline Earnings Per Share

25.1 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 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 information below was used to calculate earnings per share

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Weighted average number of ordinary shares in issue				
For the purpose of basic earnings per share	358 000 858	358 000 858	358 000 858	358 000 858
For the purposes of diluted earnings per share	358 000 858	358 000 858	358 000 858	358 000 858
Profit for the year used in the calculation of				
Basic and diluted earnings per share	6 897 113 241	13 591 120 908	13 570 904 336	2 015 922 252
Basic earnings per share (ZWL$)				
Basic earnings per share	19.27	37.96	37.91	5.63
Diluted earnings per share (ZWL$)				
Diluted earnings per share	19.27	37.96	37.91	5.63

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

25. Earnings Per Share And Headline Earnings Per Share (continued)
25.2 Headline Earnings Per Share

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. The Group has presented HEPs in line with the guidance issued by South Africa Institute of Chartered Accountants, ("SAICA") Circular 1/21 in the absence of similar guidance on the local market.

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

	Group			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Profit attributable to ordinary equity holders of the parent for basic earnings	**6 897 113**	**13 591 121**	**13 570 904**	**2 015 922**
Loss/(Profit) on disposal of property, plant and equipment	1 362 080	(141 207)	(209 578)	(14 103)
Profit on disposal of investment property	(407 101)	-	(466 012)	-
Profit on disposal of scrap	(210 333)	(124 752)	(145 954)	(11 740)
Lease remeasurement gain	-	(562 017)	-	(109 681)
Fair value adjustment on investment property	(2 843 724)	(3 372 939)	(8 013 242)	(679 625)
Tax effect	518 892	1 038 466	2 183 959	201 505
Profit attributable to ordinary equity holders of the parent for Headline earnings	**5 316 927**	**10 428 673**	**6 920 078**	**1 402 278**
	31-Dec-23 No.	31-Dec-22 No.	31-Dec-23 No.	31-Dec-22 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	358 000 858	358 000 858	358 000 858	358 000 858
Weighted average number of ordinary shares for diluted earnings per share	358 000 858	358 000 858	358 000 858	358 000 858
HEPS	**14.85**	**29.13**	**19.33**	**3.92**

26. Segment Information

The Group has three operating segments which are listed below. The segments are identified based on their products and services.

Manufacturing and distribution (Zimbabwe) - manufacture and marketing of milks, foods, and beverages.
Properties - leasing of properties
Corporate - management and corporate services

The manufacturing segment is the main operating segment of the Group, generating almost all of the Group's revenue and cash flows.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's Chief Executive Officer is the Chief Operating Decision Maker.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

26. Segment Information (continued)

	Manufacturing and distribution (Zimbabwe)	Properties	Corporate	Adjustments and eliminations	Group
Audited Inflation Adjusted	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000	ZWL$'000
Year ended 31 December 2023					
Revenue					
Revenue from contracts with external customers	723 228 137	-	-	-	**723 228 137**
Revenue from contracts with internal customers	22 135	-	-	(22 135)	**-**
Revenue from management services and royalties	-	-	11 592 057	(11 592 057)	**-**
Rental income -internal customers	-	928 543	-	(928 543)	**-**
Rental income -external customers	-	890 272	-	-	**890 272**
Total revenue	**723 250 272**	**1 818 815**	**11 592 057**	**(12 542 736)**	**724 118 409**
Results					
Depreciation and amortisation	(10 590 384)	(1 925 995)	(284 667)	(616 207)	**(13 417 254)**
Operating profit before finance income and costs	65 587 572	33 225 628	25 982 479	(55 489 411)	**69 306 268**
Finance income	117 654	-	5 502 124	(5 502 124)	**117 654**
Finance costs	(46 229 501)	-	(28 631 609)	5 733 354	**(69 127 756)**
Segment (loss)/profit before tax	19 475 724	33 225 628	2 852 994	(55 258 181)	**296 165**
Income tax	3 190 721	(172 960)	(626 045)	4 209 231	**6 600 948**
Segment assets	297 302 825	120 190 482	97 604 503	(179 489 096)	**335 608 715**
Segment liabilities	(240 546 615)	472 855	(29 583 729)	113 662 518	**(155 994 971)**
Capital expenditure	688 506	-	-	-	**688 506**
Year ended 31 December 2022					
Revenue					
Revenue from contracts with external customers	490 363 380	-	-	-	**490 363 380**
Revenue from contracts with internal customers	10 724	-	-	(10 724)	**-**
Revenue from management services and royalties	-	-	8 280 361	(8 280 361)	**-**
Rental income -internal customers	-	1 127 275	-	(1 127 275)	**-**
Rental income -external customers	-	588 294	-	-	**588 294**
Total revenue	**490 374 104**	**1 715 569**	**8 280 361**	**(9 418 360)**	**490 951 674**
Results					
Depreciation and amortisation	(6 999 610)	(1 569)	(150 301)	(1 696 434)	**(8 847 913)**
Operating profit	25 434 904	922 253	(3 188 428)	23 553 658	**46 722 387**
Finance income	120 196	-	(8 386 221)	8 440 126	**174 101**
Finance costs	12 322 987	-	4 047 247	(29 681 161)	**(13 310 927)**
Segment profit/(loss) before tax	**13 232 113**	**3 866 674**	**1 150 545**	**15 336 229**	**33 585 561**
Income tax	(18 947 607)	(2 903 318)	(651 405)	2 507 889	**(19 994 440)**
Segment assets	148 199 656	92 465 227	278 521 014	(240 664 882)	**278 521 014**
Segment liabilities	138 418 444	4 831 069	21 056 580	(28 937 259)	**135 368 835**
Capital expenditure	13 118 993	-	912 986	-	**14 031 979**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

26. Segment Information (continued)

*Unaudited Historical Cost	Manufacturing and distribution (Zimbabwe) ZWL$'000	Properties ZWL$'000	Corporate ZWL$'000	Adjustments and eliminations ZWL$'000	Group ZWL'000
Year ended 31 December 2023					
Revenue					
Revenue from contracts with external customers	452 398 731	-	-	-	**452 398 731**
Revenue from contracts with internal customers	18 826	-	-	(18 826)	**-**
Revenue from management services and royalties	-	-	7 226 986	(7 226 986)	**-**
Rental income -internal customers	-	759 881	-	(759 881)	**-**
Rental income -external customers	-	541 606	-	-	**541 606**
Total revenue	**452,417,557**	**1,301,487**	**7,226,986**	**(8,005,693)**	**452,940,338**
Results					
Depreciation and amortisation	(917 473)	(241 337)	(23 537)	263 582	**(918 765)**
Operating profit	18 838 233	115 114 141	15 664 529	(102 107 708)	**47 509 195**
Finance income	46 753	-	3 210 374	(3 210 374)	**46 753**
Finance costs	(24 915 873)	-	(16 715 565)	3 915 368	**(37 716 070)**
Segment (loss)/profit before tax	(6 030 887)	115 114 141	2 159 338	(101 402 714)	**9 839 878**
Income tax	3 591 585	(150 052)	(564 079)	1 095 251	**3 972 705**
Segment assets	227 733 504	120 188 089	28 389 705	(110 405 586)	**265 905 713**
Segment liabilities	228 090 556	(5 872 934)	(27 082 628)	(43 590 517)	**151 544 477**
Capital expenditure	4 702 355	-	18 610	-	**4 720 964**
Year ended 31 December 2022					
Revenue					
Revenue from contracts with external customers	45 576 241	-	-	-	**45 576 241**
Revenue from contracts with internal customers	1 384	-	-	(1 384)	**-**
Revenue from management services and royalties	-	-	782 843	(782 843)	**-**
Rental income -internal customers	-	80 128	-	(80 128)	**-**
Rental income -external customers	-	54 937	-	-	**54 937**
Total revenue	**45,577,625**	**135,066**	**782,843**	**(864,356)**	**45,631,178**
Results					
Depreciation and amortisation	88 480	109	11 775	61 075	**161 439**
Operating profit	4 173 468	106 112	606 146	(535 746)	**4 349 980**
Finance income	15 516	-	784 550	(792 574)	**7 492**
Finance costs	1 590 782	-	1 291 726	(1 278 203)	**1 604 305**
Segment profit before tax	**1 709 423**	**109 864**	**98 969**	**834 911**	**2 753 167**
Income tax	867 395	(152 050)	51 095	(29 195)	**737 244**
Segment assets	17 186 766	11 936 395	2 776 033	(3 500 634)	**28 398 561**
Segment liabilities	15 202 221	280 674	2 706 208	(1 924 724)	**16 264 378**
Capital expenditure	1 447 627	-	100 223	-	**1 547 850**

The transactions between operating segments are at arm's length.
The adjustments and eliminations columns relate to inter-segments transactions and balances which are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

27. Pension And Retirement Plans

27.1. Defined contribution funds

All employees of the Group are eligible to be members of defined contributions funds.

27.2. National Social Security Authority Scheme

This is a scheme established under the National Social Security Authority Act (1989). Contributions per employee is 4.5% per month up to a maximum pensionable salary of ZWL500 966. This scheme is a defined contribution scheme from the Group's perspective.

27.3 Pension costs charged to profit and loss during the year

	Audited Inflation Adjusted		*Unaudited Historical Cost	
	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000	31-Dec-23 ZWL$'000	31-Dec-22 ZWL$'000
Group				
National Social Security Authority Scheme - Zimbabwe	22 281	659 822	12 388	62 129
Defined contribution funds	190 405	1 048 917	81 044	93 090
	212 686	**1 708 739**	**93 432**	**155 219**
Company				
National Social Security Authority Scheme - Zimbabwe	2 394	3 938	1 207	374
Defined contribution funds	26 538	33 948	15 380	2 572
	28 932	**37 886**	**16 587**	**2 946**

28. Group Companies

The following balances arise from normal trading activities:

28.1. Amounts owed by group companies

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	2023 ZWL$'000	2022 ZWL$'000	2023 ZWL$'000	2022 ZWL$'000
Goldblum Investments (Private) Limited	15 172	117,530	15 172	15 172
Qualinnex Investments (Private) Limited	5 271	40,836	5 271	5 271
	20 443	**158,366**	**20 443**	**20 443**

The amounts owed by group companies have no fixed repayment terms and are interest free. The intercompany receivables and payables have been assessed as low credit risk as these have been performing and the group companies have a strong financial position.

28.2. Amounts owed to group companies

	Company			
	Audited Inflation Adjusted		*Unaudited Historical Cost	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Chatmoss Enterprises (Private) Limited	2 033	15 746	2 033	2 033
Slimline Investments (Private) Limited	2 294	17 770	2 294	2 294
	4 327	**33 516**	**4 327**	**4 327**

These amounts relate to property rentals received by the holding company on behalf of the property companies. The amounts are interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2023

29. Events After The Reporting Period

(a) Introduction of Beverages Sugar Content Special Surtax and Value Added Tax amendments on Milk and Maheu.

Effective 1 January 2024, the Ministry of Finance introduced a tax on every gram of added sugar contained in beverages. This was introduced by way of Statutory Instrument 249 of 2023 which imposed a surtax of US$0.002 per gram of sugar, a charge later revised to US$0.001 per gram. The business effected amendments to its operating model in response to these legal pronouncements. Demand for the company's products remains very strong, outstripping supply. The directors are confident that the sugar tax will have no material impact on the trading volumes of the business in 2024.

Effective 1 January 2024, Milk was designated as an exempt supply for the purposes of VAT and Maheu became a standard rated product. The business effected amendments to its operating model in response to these legal pronouncements. Demand for the Company's products remains very strong and the directors are confident that there will be minimal impact on the trading volumes of the business in the foreseeable future.

(b) Establishment of Dairibord South Africa (Proprietary) Limited.

On 5 February 2024, a subsidiary of Dairibord Holdings Limited, being Dairibord South Africa (Proprietary) Limited was successfully registered in South Africa. The entity has commenced research and development into producing some of the flagship products for sale in the South African market and into the region. Product trials are underway and commercial runs are expected from April 2024 onwards.

(c) Planned disposal of 25 properties to finance the re-tooling agenda.

In January 2024, the Group issued mandates to 4 registered estate agents to facilitate the disposal of 25 of its properties which had been evaluated as excess to property requirements. The proceeds from the sale of these properties are meant to be utilized to finance planned capital expenditure that will see an upsurge in production and sales volumes. The total value of the 25 properties at the date of the last valuation is US$4.12 million. As at the date of this report, one property has since been sold (Stand 335 Chiredzi) which had a book value of ZWL$850,000,000 and was sold for a total of ZWL$712,000,000 hence realizing a loss of ZWL$138,000,000. Subsequent to year end, the assets designated for disposal were classified as Non-Current Assets Held For Sale in line with the requirements of International Financial Reporting Standard 5. The assets held for disposal do not qualify for classification as a discontinued operation.

30. Going Concern

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

08

ANNEXURE

Dairibord Holdings More Than Just Milk

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE	OMISSION		
			PART	REASON	EXPLANATION
Material Topics					
200 series (Economic topics)					
GRI 2: General Disclosures 2021					
	2-1 Organizational details	Cover 9,73			
	2-2 Entities included in the organization's sustainability reporting	9			
	2-3 Reporting period, frequency and contact point	5			
	2-4 Restatements of information	5			
	2-5 External assurance	5			
	2-6 Activities, value chain and other business relationships	10-13			
	2-7 Employees	60-65			
	2-8 Workers who are not employees	60			
	2-9 Governance structure and composition	28-32			
	2-13 Delegation of responsibility for managing impacts	31-33			
	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people:	33			
	b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	31			
	2-14 Role of the highest governance body in sustainability reporting	38			
	2-15 Conflicts of interest a). Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: 1. cross-board membership; i. cross-shareholding with suppliers and other stakeholders; ii. existence of controlling shareholders; iii. related parties, their relationships, transactions, and outstanding balances.	31			
	2-16 Communication of critical concerns	40			
	2-17 Collective knowledge of the highest governance body	28-29			
	2-18 Evaluation of the performance of the highest governance body.				
	1. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; 2. report whether the evaluations are independent or not, and the frequency of the evaluations; 3. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	32			
	2-19 Remuneration policies	32			
	2-20 Process to determine remuneration	32 and 64			

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	2-21 Annual total compensation ratio	82	
	2-22 Statement on sustainable development strategy	38	
	2-23 Policy commitments	49,52, 58	
	2-24 Embedding policy commitments	49,52, 58	
	2-25 Processes to remediate negative impacts	68	
	2-26 Mechanisms for seeking advice and raising concerns	42	
	2-27 Compliance with laws and regulations	34,68	
	2-28 Membership associations	14	
	2-29 Approach to stakeholder engagement	42	
	2-30 Collective bargaining agreements	64	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40-41	
	3-2 List of material topics	41	
	3-3 Management of material topics	40	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18	
	201-3 Defined benefit plan obligations and other retirement plans	80-84 96	
	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.	N/A	The company does not have any defined benefit plans. We have defined contribution plans which do not result in actuarial liabilities.
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	66-67	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	47	
GRI 207: Tax 2019	207-1 Approach to tax	68-69	
	207-4 Country-by-country reporting	N/A	Entity operates in Zimbabwe
GRI 301: Materials 2016	301-1 Materials used by weight or volume	56-57	
	301-2 Recycled input materials used	58	
	301-3 Reclaimed products and their packaging materials	57	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	54-55	
	302-2 Energy consumption outside of the organization	54	
	302-3 Energy intensity	54	
	302-4 Reduction of energy consumption	54	
	302-5 Reductions in energy requirements of products and services	55	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	56	
	303-2 Management of water discharge-related impacts	56	
	a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:		
	i. how standards for facilities operating in locations with no local discharge requirements were determined;		
	ii. any internally developed water quality standards or guidelines;		

GRI CONTENT INDEX

	iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered.		
	303-3 Water withdrawal	56	
	a). Total water withdrawal from all areas in megalitres, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water.		
	b. Total water withdrawal from all areas with water stress in megalitres, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.		
	c. A breakdown of total water with-drawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:		
	i. Freshwater (≤1,000 mg/L Total Dissolved Solids);		
	ii. Other water (>1,000 mg/L Total Dissolved Solids).		
	d. Any contextual information necessary to understand how the data have been compiled, such as any standards, meth-odologies, and assumptions used.		
	Compilation requirements		
	2.1 When compiling the information spec-ified in Disclosure 303-3, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.		
	303-4 Water discharge		
	a. Total water discharge to all areas in megalitres, and a breakdown of this to-tal by the following types of destination, inapplicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organiza-tions, if applicable.		
	b. A breakdown of total water dis-charge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dis-solved Solids).		
	c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dis-solved Solids).		

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	d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits.		
	e. Any contextual information necessary to understand how the data have been compiled, such as any standards, meth-odologies, and assumptions used.		
	2.3 When compiling the information spec-ified in Disclosure 303-4, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.		
	303-5 Water consumption	56	
	a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, meth-odologies, and assumptions used, including whether the information is calculated, estimated, modelled, or sourced from di-rect measurements, and the approach taken for this, such as the use of any sector-specific factors.		
GRI 305: Emissions 2016	**305-1 Direct (Scope 1) GHG emissions**		
	a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.	58-59	
	b. Gases included in the calculation; whether CO2 , CH4 , N2 O, HFCs, PFCs, SF6 , NF3 , or all.	58-59	
	c. Biogenic CO2 emissions in metric tons of CO2 equivalent.	58-59	
	d. Base year for the calculation, if appli-cable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	58-59	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	58-59	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	58-59	
	g. Standards, methodologies, assump-tions, and/or calculation tools used.	58-59	
	305-2 Energy indirect (Scope 2) GHG emissions	58-59	
	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.	58-59	
	b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tonsofCO2 equivalent.	58-59	
	c. If available, the gases included in the calculation; whether CO2 , CH4 , N2 O, HFCs, PFCs, SF6 , NF3 , or all.	58-59	

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	d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	58-59	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	58-59	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	58-59	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	58-59	
	2.3 When compiling the information specified in Disclosure 305-2, the reporting organization shall:		
	2.3.1 exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;		
	2.3.2 exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;		
	Compilation requirements		
	2.3.3 account and report energy indirect (Scope 2) GHG emissions based on the location- based method, if it has operations in markets without product or supplier-specific data;		
-	2.3.4 account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments		
	305-3 Other indirect (Scope 3) GHG emissions		
	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent.	58-59	
	b. If available, the gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 , NF_3 , or all.	58-59	
	c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent.	58-59	
	d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	58-59	
	e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	58-59	
	f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	58-59	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	58-59	
	Compilation requirements		
	2.5 When compiling the information specified in Disclosure 305-3, the reporting organization shall:		
	2.5.1 exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;		

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	2.5.2 exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;		
	2.5.3 report biogenic emissions of CO_2 from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (suchasCH4 andN2O),andbiogenicemissionsofCO2 thatoccurinthelife cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).		
	305-4 GHG emissions intensity		
	a. GHG emissions intensity ratio for the organization.	58-59	
	b. Organization-specific metric (the denominator) chosen to calculate the ratio.	58-59	
	c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/ or other indirect (Scope 3).	58-59	
	d. Gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 , NF_3 , or all.	58-59	
	2.7 When compiling the information specified in Disclosure 305-4, the reporting organization shall: 2.7.1 calculate the ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator); 2.7.2 if reporting an intensity ratio for other indirect (Scope 3) GHG emissions, report this intensity ratio separately from the intensity ratios for direct (Scope 1) and energy indirect (Scope 2) emissions.	58-59	
	305-5 Reduction of GHG emissions		
	a). GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent.	58-59	
	b). Gases included in the calculation; whether CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 , NF_3 , or all.	58-59	
	c). Base year or baseline, including the rationale for choosing it.	58-59	
	d). Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	58-59	
	e. Standards, methodologies, assumptions, and/or calculation tools used.	58-59	
	305-6 Emissions of ozone-depleting substances (ODS)		
	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	58-59	
	b. Substances included in the calculation.	58-59	
	c. Source of the emission factors used.	58-59	
	d. Standards, methodologies, assumptions, and/or calculation tools used.	58-59	
	2.11 When compiling the information specified in Disclosure 305-6, the reporting organization shall:		

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	2.11.1 calculate the production of ODS as the amount of ODS produced, minus the amount destroyed by approved technologies, and minus the amount entirely used as feedstock in the manufacture of other chemicals;		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations	58-59	
	b. Source of the emission factors used.	58-59	
	c. Standards, methodologies, assumptions, and/or calculation tools used.	58-59	
	2.13 When compiling the information specified in Disclosure 305-7, the reporting organization shall select one of the following approaches for calculating significant air emissions:	58-59	
	2.13.1 Direct measurement of emissions (such as online analyzers);		
	2.13.2 Calculation based on site-specific data;		
	2.13.3 Calculation based on published emission factors;		
	2.13.4 Estimation. If estimations are used due to a lack of default figures, the		
	organization shall indicate the basis on which figures were estimated.		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	a. For the organization's significant actual and potential waste-related impacts, a description of: i. ii. the inputs, activities, and outputs that lead or could lead to these impacts; whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.	58-59	
	306-2 Management of significant waste-related impacts		
	a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.	58-59	
	b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.	58-59	
	c. The processes used to collect and monitor waste-related data.	58-59	
	306-3 Waste generated		
	a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.	58-59	

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	b. Contextual information necessary to understand the data and how the data has been compiled.	58-59	
	Compilation requirements		
	2.1 When compiling the information specified in Disclosure 306-3-a, the reporting organization shall:	58-59	
	2.1.1 exclude effluent, unless required by national legislation to be reported under total waste;		
	2.1.2 use 1000 kilograms as the measure for a metric ton.		
	306-4 Waste diverted from disposal		
	a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.	58-59	
	b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations.	58-59	
	c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations.	58-59	
	d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: i. onsite; ii. offsite.	58-59	
	e. Contextual information necessary to understand the data and how the data has been compiled.	58-59	
	Compilation requirements		
	2.2 When compiling the information specified in Disclosure 306-4, the reporting organization shall:		
	2.2.1 exclude effluent, unless required by national legislation to be reported under total waste;		
	2.2.2 use 1000 kilograms as the measure for a metric ton.		
	306-5 Waste directed to disposal		
	a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.	58-59	
	b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations.	58-59	
	c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations.	58-59	

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	d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal: i. onsite; ii. offsite.	58-59	
	e. Contextual information necessary to understand the data and how the data has been compiled.	58-59	
	Compilation requirements		
	2.4 When compiling the information specified in Disclosure 306-5, the reporting organization shall:		
	2.4.1 exclude effluent, unless required by national legislation to be reported under total waste;		
	2.4.2 use 1000 kilograms as the measure for a metric ton.		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60-64	
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	64	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	63	
	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender;		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	61-63	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	66- 67	
	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:		
	i. social impact assessments, including gender impact assessments, based on participatory processes;		
	ii. environmental impact assessments and ongoing monitoring;		
	iii. public disclosure of results of environmental and social impact assessments;		
	iv. local community development programs based on local communities' needs;		
	v. stakeholder engagement plans based on stakeholder mapping;		
	vi. broad based local community consultation committees and processes that include		
	vulnerable groups;		
	vii. works councils, occupational health and safety committees and other worker		
	representation bodies to deal with impacts;		
	viii. formal local community grievance processes.		

SHAREHOLDER ANALYSIS

DAIRIBORD HOLDINGS LIMITED: ANALYSIS BY VOLUME AS AT : 31-December-2023

Range	Shares	Shares %	Shareholders	Shareholders %
1-5000	3,877,118	1.08	5,337	92.22
5001-10000	800,874	0.22	110	1.90
10001-25000	1,930,325	0.54	112	1.94
25001-50000	2,812,167	0.79	75	1.30
50001-100000	3,746,425	1.05	52	0.90
100001-200000	4,368,650	1.22	29	0.50
200001-500000	8,544,807	2.39	29	0.50
500001-1000000	10,309,574	2.88	14	0.24
1000001 and Above	321,610,918	89.84	29	0.50
Totals	**358,000,858**	**100.00**	**5,787**	**100.00**

DAIRIBORD HOLDINGS LIMITED: ANALYSIS BY INDUSTRY AS AT : 31-December-2023

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	204,688,505	57.18	309	5.34
LOCAL NOMINEE	80,595,938	22.51	110	1.90
PENSION FUNDS	34,311,773	9.58	75	1.30
LOCAL INDIVIDUAL RESIDENT	24,902,198	6.96	5,040	87.09
NEW NON RESIDENT	11,934,801	3.33	30	0.52
INSURANCE COMPANIES	460,076	0.13	08	0.14
TRUSTS	351,297	0.10	20	0.35
OTHER INVESTMENTS & TRUST	269,214	0.08	48	0.83
DECEASED ESTATES	198,645	0.06	121	2.09
FOREIGN COMPANIES	134,953	0.04	02	0.03
BANKS	87,757	0.02	03	0.05
CHARITABLE	37,827	0.01	09	0.16
FOREIGN INDIVIDUAL RESIDENT	14,930	0.00	06	0.10
FOREIGN NOMINEE	6,465	0.00	01	0.02
FUND MANAGERS	4,479	0.00	04	0.07
LOCAL COMPANIES CORPORATE	2,000	0.00	01	0.02
Totals	**358,000,858**	**100.00**	**5,787**	**100.00**

DAIRIBORD HOLDINGS LIMITED TOP 20 : SCHEDULE AS AT : 31-December-2023

Rank	Names	Country	Industry	Shares	Percentage
1	STANBIC NOMINEES [PVT] LTD	ZIM	LN	91,991,174	25.70
2	MEGA MARKET (PVT) LTD	ZIM	LC	79,831,053	22.30
3	OLD MUTUAL LIFE ASS CO ZIM LTD	ZIM	LC	44,540,271	12.44
4	SERRAPIN INVESTMENTS (PVT) LTD	ZIM	LC	43,206,644	12.07
5	MINING INDUSTRY PENSION FUND	ZIM	PF	17,667,266	4.93
6	DZL HOLDINGS EMPLOYEE SHARE TR	ZIM	LC	10,020,500	2.80
7	ANTONY MANDIWANZA	ZIM	LR	8,413,693	2.35
8	SCB NOMINEES ZW0000009790	MAU	LN	7,733,396	2.16
9	LALIBELA LIMITED	BEL	NNR	6,289,796	1.76
10	HIPPO VALLEY ESTATES PF-IMARA	ZIM	PF	2,801,977	0.78
11	GROUP FIVE COMPANIES P/L	ZIM	LC	2,600,000	0.73
12	MERCY NDORO	ZIM	LR	2,573,205	0.72
13	SIBUSISIWE. CHINDOVE	ZIM	LR	2,275,224	0.64
14	BERNARD CHAKEREDZA	ZIM	LR	1,932,789	0.54
15	MUTARE MART	ZIM	LC	1,599,500	0.45
16	DEMIVEL INVESTMENTS (PVT) LTD	ZIM	LC	1,576,503	0.44
17	NATIONAL FOODS P F-IMARA	ZIM	PF	1,428,063	0.40
18	AMZIM PENSION FUND - IMARA	ZIM	PF	1,330,173	0.37
19	PHARMACEUTICALS AND CHEM D PL	ZIM	LC	1,301,006	0.36
20	PUBLIC SERVICE PFUND-SMARTVEST	ZIM	PF	1,215,600	0.34
	Selected Shares			**330,327,833**	**92.27**
	Non - Selected Shares			**27,673,025**	**7.73**
	Issued Shares			**358,000,858**	**100.00**

NOTICE TO SHAREHOLDERS

AGM Notice to Shareholders
Notice is hereby given that the twenty-ninth Annual General Meeting (AGM) of Members of Dairibord Holdings Limited will be held virtually at https://escrowagm.com/eagmZim/Login.aspx on 10 July 2024 at 12:00 hours for the purpose of transacting the following business:

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements for the year ended 31 December 2023 together with reports of the Directors and Auditors thereon. The full annual report will be available on the Company website, www.dairibord.com

2. Election of Directors:

In terms of the Articles of Association of the Company:

2.1 Mr. J. Sachikonye retires by rotation and being eligible, offers himself for re-election.
Josphat is a Chartered Management Accountant who holds a Bachelor of Accountancy Honours Degree (University of Zimbabwe), a Master of Business Leadership (UNISA) and various other executive leadership qualifications.

2.2 Mrs. R.P Kupara retires by rotation and being eligible, offers herself for re-election.
A Chartered Accountant by profession, Rachel is a non-executive director of British American Tobacco, Zimbabwe Insurance Brokers, First Mutual Wealth Management and Chairperson of Financial Securities Exchange.

2.3 Mrs. G.K Mashonganyika who was appointed non-executive director of the Company with effect from 1 January 2024 retires from office, and being eligible, offers herself for re-election.
Gertrude holds an Honours Degree in Business Studies (University of Zimbabwe) and a Master of Business Administration (University of Gloucestershire UK). She is a member of the Institute of Business Advisors of Southern Africa (IBASA). She has 20 years' experience in business strategy, marketing, and supply chain management.

3. To approve the remuneration of directors for the year ended 31 December 2023.

4. External Auditors

4.1. To approve Messrs Deloitte & Touche's remuneration for the past year.
4.2. To appoint Messrs Axcentium as the auditors of the Company until the conclusion of the next Annual General Meeting.

Background to resolution 4.2
The Deloitte & Touche Zimbabwe country practice will exit the Deloitte Africa and Deloitte network by 31 October 2024. Post exit, the current partners of Deloitte & Touche Zimbabwe will take over the Zimbabwe country practice under the name Axcentium and will continue to serve the former Deloitte & Touche clients.
Deloitte & Touche Zimbabwe have been the auditors of the Company for the last three years since the 2021 financial year.

Special Business

5. As a special resolution: Share Buy Back.

"That the company as duly authorised by Article 6 of its Articles of Association and section 129 of the Companies and Other Business Entities Act (Chapter 24:31), may undertake the purchase of its ordinary shares in such manner or on such terms as the directors may from time to time determine, provided that:

a) Acquisitions shall be of ordinary shares which, in aggregate in any financial year, shall not exceed 10% (ten percent) of the Company's issued share capital.
b) The price at which such ordinary shares may be acquired will not be more than 5% (five percent) above and 5% (five percent) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange, as determined over the 5 (five) business days immediately preceding the date of the purchase of such ordinary shares by the Company.
c) The authority shall expire on 10 July 2025 or the next Annual General Meeting, whichever is sooner.

After considering the effect of the repurchase of the shares, the Directors are confident that:

a) The Company will be able to pay debts for the period of 12 months after the date of the notice of the Annual General Meeting.
b) The assets of the Company will be in excess of its liabilities.
c) The share capital and reserves of the Company are adequate for a period of 12 months after the date of the notice of the Annual General Meeting.
d) The Company will have adequate working capital for the period of 12 months after the date of the notice of the Annual General Meeting.

6. Any other business

To transact any other business competent to be dealt with and disposed of at an Annual General Meeting.

Notes

1. In terms of the Companies and Other Business Entities Act (Chapter 24:31) 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/her stead. A proxy need not be a member of the Company.

   In terms of the Company's Articles of Association, instruments of proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting. A proxy form is enclosed in the Annual Report for the convenience of any shareholder who may not be able to attend.

2. Members are requested to advise the Transfer Secretaries in writing of any changes of email address, postal address and banking details.

3. Meeting details:
   Members are hereby advised to update their records with the Transfer Secretaries; Corpserve Registrars (Pvt) Ltd, 2nd Floor, ZB Centre, Cnr 1st Street and Kwame Nkrumah Avenue, Harare. You can use their telephone number +263 242 751559-61 for assistance with the online AGM processes.

Board Order of the Board

M Karimupfumbi
Company Secretary
18 June 2024

SHAREHOLDER CALENDER

2023 Annual Report published	June 2024
Twenty Ninth Annual General Meeting	July 2024
Interim report for 6 months to 30 June 2024 and dividend announcement	September 2024
Financial year end	December 2024
Publication of the results for the 12 months ending 31 December 2024 and dividend announcement	March 2025

NOTES

Dairibord Holdings

More Than Just Milk

ANNUAL REPORT 2023

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