Delta Corporation
LIMITED

2015
ANNUAL REPORT

the future is in our brands

Value Statements

OUR VISION

To be the most admired Beverages Business in Zimbabwe.

OUR MISSION STATEMENT

To grow the value of the business in real terms on a sustainable basis through owning and nurturing brands that are the first choice of the consumer.

OUR STRATEGIC PRIORITIES

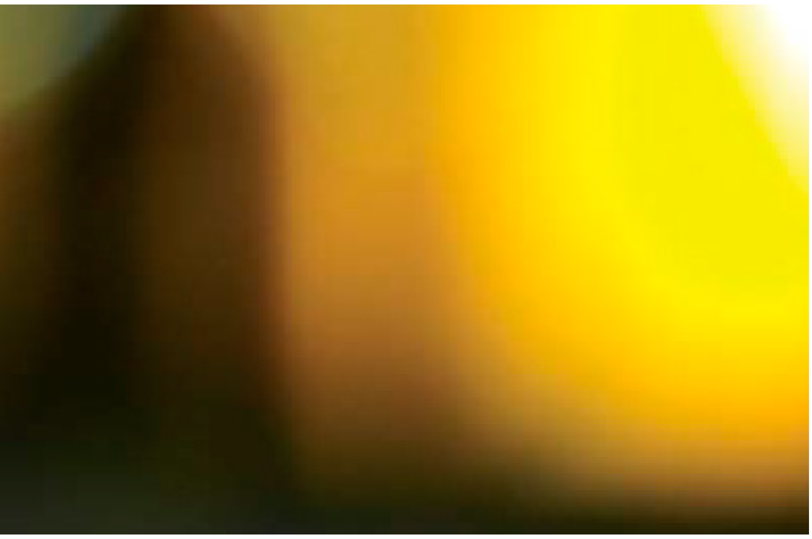
- Creating a balanced portfolio of businesses
- Building and nurturing strong brand portfolios that earn the support and affection of our customers and consumers
- Growing the profitability of the business on a sustainable basis
- Building and sustaining alliances with business partners

OUR BUSINESS ETHOS

Delta employees will be guided by the following business ethos:

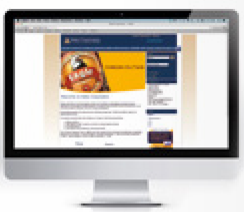
- A desire to serve consumers and customers with passion
- A culture driven by the desire to improve and to excel in all we do
- A bias towards action
- A belief that the destiny of the Company is in our hands.

"If it is to be, it is up to us."



CONTENTS

Delta Corporation Limited is an integrated beverage company with a diverse portfolio of local and international brands in lager beer, traditional beer, soft drinks and other non-alcoholic beverages.



To view the Online Annual Report, please visit our website at www.delta.co.zw

Value Statements

OUR PEOPLE ARE OUR ENDURING ADVANTAGE

- The calibre and commitment of our people set us apart
- We value and encourage diversity
- We select and develop people for the long term
- Performance is what counts
- Health and Safety issues receive priority attention

ACCOUNTABILITY IS CLEAR AND PERSONAL

- We favour decentralized management and a practical maximum of local autonomy
- Goals and objectives are aligned and clearly articulated
- We prize both intellectual rigour and passion for our work
- We are honest about performance
- We require and enable self-management

WE WORK AND WIN IN TEAMS

- We actively develop and share knowledge within the Group
- We consciously balance local and group interests
- We foster trust and integrity in internal relationships
- We encourage camaraderie and a sense of fun

WE UNDERSTAND AND RESPECT OUR CUSTOMERS AND CONSUMERS

- We are endlessly concerned with our customers' needs and perceptions
- We build lasting relationships, based on trust
- We aspire to offer the preferred choices of product and service
- We innovate and lead in a changing world

OUR REPUTATION IS INDIVISIBLE

- Our reputation relies on the actions and statements of every employee
- We build our reputation for the long term
- We are fair and ethical in all our dealings
- We benefit the local communities in which we operate
- We endeavour to conduct our business in an environmentally sustainable manner

Company Profile

Delta Corporation Limited is principally an integrated beverage company with a diverse portfolio of local and international brands in lager beer, traditional beer, Coca-Cola franchised sparkling and alternative non-alcoholic beverages. It has investments in associate companies whose activities are in cordials, juice drinks, wines and spirits.

The company is listed on the Zimbabwe Stock Exchange and was first listed in 1946 as Rhodesia Breweries Limited. Its origins, however, date back to 1898 when the country's first brewery was established in Cameroon Street, (Salisbury) Harare, from where the brewing industry developed into a major industrial and commercial operation.

By 1950, the company had built the Sable Brewery in Bulawayo, producing pale ale, milk stout and Sable Lager. Over the years the company continued to expand its portfolio of businesses and diversified its brewing base. In 1978 the name was changed to Delta Corporation Limited and the company assumed the mantle of a holding company for a broad range of interests serving the mass consumer market. These included lager and sorghum beer brewing, bottling of carbonated and non-carbonated soft drinks, supermarket and furniture retailing, tourism and hotels and various agro-industrial operations.

The hotel, supermarket and furniture retailing businesses were demerged from the Group in 2001 and 2002 resulting in the Group focusing on the core beverages sectors. Some supply chain related investments remained part of the Group until 2014 when the plastic packaging entity, MegaPak, was demerged. The company has a minority shareholding in the now consolidated packaging group, NamPak Zimbabwe Limited.

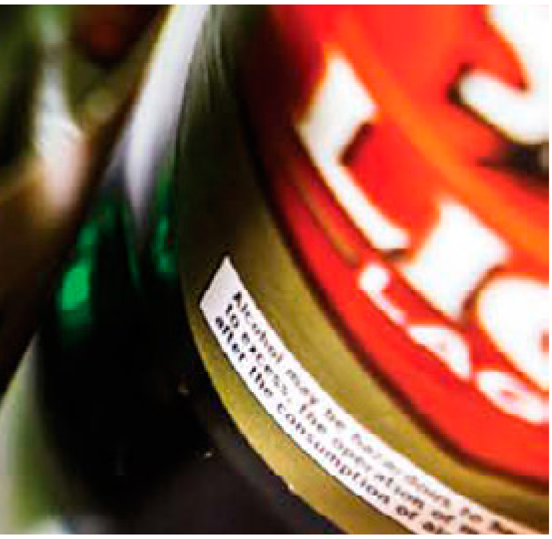
Financial Highlights

for the year ended 31 March

	2015	2014	2013	2012	2011
GROUP SUMMARY (US$000)					
Revenue*	**576 552**	602 224	631 276	554 767	408 001
Earnings before interest, tax depreciation and armotisation*	**143 168**	158 704	161 519	118 660	81 720
Profit after tax	**92 800**	107 193	104 123	75 206	54 114
Attributable earnings	**91 943**	105 664	102 472	73 747	53 012
Net funds/(borrowings)	**63 611**	15 196	(3 517)	(25 803)	(19 016)
Total assets	**663 665**	619 886	561 938	467 146	347 107
Market capitalisation	**1 304 697**	1 427 799	1 406 314	810 632	827 128

* The 2015 and 2014 figures exclude discontinued operations

	2015	2014	2013	2012	2011
SHARE PERFORMANCE (US CENTS)					
Earnings per share					
Attributable earnings basis	**7,44**	8,55	8,49	6,22	4,50
Cash equivalent earnings basis	**10,13**	11,48	11,19	9,25	5,91
Cash flow per share	**11,25**	12,20	13,46	10,04	7,63
Dividends per share	**3,65**	3,55	3,40	2,08	1,50
Net asset value per share	**36,96**	32,87	28,21	22,25	17,66
Market price per share	**105,00**	115,00	115,00	68,00	70,00
FINANCIAL STATISTICS (%)					
Return on equity	**20,14**	25,63	30,09	27,94	25,05
Operating margin (operating income to net sales)	**22,08**	25,02	24,73	20,48	19,53



Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) was down 10% on prior year versus a 14% decline in operating income reflecting a focus on fixed cost management. Finance income has benefited from the net cash holding position throughout the year.

CASH GENERATED FROM OPERATIONS

US$7million

Cash generated from operations is down US$7 million on prior year due to lower profitability and reduced creditors.

OPERATING INCOME DECREASED

14%

Operating Income is down 14% reflecting the changed sales mix in favour of lower priced products and the impact of price reductions.

Revenue is down 4% on prior year reflecting the effects of lower sales value and volume in both lager beer and sparkling beverages. This was mitigated by a significant increase in Sorghum beer due to the increased contribution of higher value Chibuku Super.

Chairman's Statement

SORGHUM BEER

50% contribution
brand attainment

Sorghum beer is up 8% on prior year driven by Chibuku Super innovation and investment. The supply of Chibuku Super improved in the last quarter of the year with the brand attaining a 50% contribution by March 2015.

CAPITAL EXPENDITURE

US$41,5million

FINAL DIVIDEND

US2,30cents

OVERVIEW

The slowdown in the economy resulted in a very difficult trading year. Consumer spend declined significantly.

The company continued to focus on taking measures to capture value and retain consumers in its portfolio of beverages while expanding and maintaining its facilities for future recovery. The weakening regional currencies made this more challenging.

VOLUME AND OPERATIONS REPORT

Lager Beer

Lager beer volume was down 17% on prior year. The rate of decline decelerated in the last half of the year following price reductions that improved the affordability of our brands. The excise duty rate reduction from 45% to 40% ad valorem effected on 1 January 2015 supported our initiatives on affordability. We remain engaged with the fiscal authorities on the need to continually review excise duty to regional benchmarks in order to restore competitiveness.

Sparkling and Non Alcoholic Beverages

The soft drinks volume comprising both sparkling and alternative beverages is down 6% on prior year. Price adjustments were effected in the last quarter of the year in some brands and packs aimed at improving affordability and competitiveness.

Chairman's Statement (continued)

LAGER BEER VOLUME

17% decline

Lager beer volume was down 17% on prior year. The rate of decline decelerated in the last half of the year following price reductions that improved the affordability of our brands.

The maheu and dairy mix beverages are up 11% for the year. This category is expected to benefit from the additional productive capacity commissioned in October 2014, the refreshed Shumba Maheu packaging and the continued roll out of additional flavours.

Sorghum Beer

Sorghum beer is up 8% on prior year driven by Chibuku Super innovation and investment. The supply of Chibuku Super improved in the last quarter of the year with the brand attaining a 50% contribution by March 2015. The new Chibuku Super production facility in Bulawayo is scheduled for commissioning by July 2015, which will assist in closing the supply gaps.

FINANCIAL RESULTS

Revenue is down 4% on prior year reflecting the effects of lower sales value and volume in both lager beer and sparkling beverages. This was mitigated by a significant increase in Sorghum beer due to the increased contribution of higher value Chibuku Super.

Operating Income is down 14% reflecting the changed sales mix in favour of lower priced products and the impact of price reductions. Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) was down 10% on prior year versus a 14% decline in operating income reflecting a focus on fixed cost management. Finance income has benefited from the net cash holding position throughout the year. Our associates, African Distillers Limited and Schweppes Zimbabwe Limited have registered good profitability growth in the current year.

Cash generated from operations is down US$7 million on prior year due to lower profitability and reduced creditors. Capital expenditure amounted to US$41,5 million.

MEGAPAK DEMERGER

MegaPak was demerged effective 1 October 2014 resulting in the company assuming a 21% shareholding in NamPak Zimbabwe. The financial statements show separately the discontinued operations.

OUTLOOK

The difficult economic conditions are forecast to continue. The company remains focused on delivering value to its stakeholders by optimising its operations and product innovations.

DIVIDEND

The Board has approved a final dividend of US2,30 cents per share to be paid to shareholders on 10 June 2015. This brings the total dividend for the year to US3,65 cents, a 3% increase over prior year.

APPRECIATION

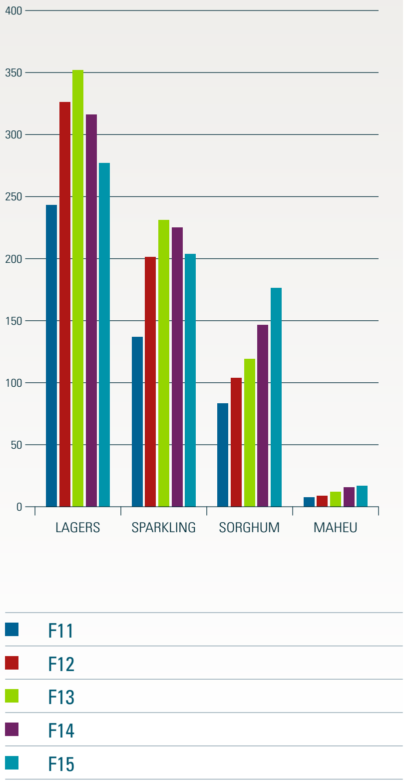
I wish to thank all the employees, management, fellow Directors and stakeholders for producing commendable results under the circumstances.

For and on behalf of the Board

C F Dube
Chairman
8 MAY 2015

Review of Operations

Beverages Gross Revenue Performance ($million)



BEVERAGES BUSINESS - OVERVIEW

The year was characterised by declining disposable incomes arising from the pervasive slowdown in economic activity which drove the consumer towards lower priced alternative products.

In the alcoholic beverages sector, the consumption shifted from mainstream lager beer to sorghum beer and spirits whilst consumers shifted from main brand sparkling beverages towards value packs and brands, cordials and other ready to drink nectars. There was a noticeable increase in imported beverages which was spurred by the depreciation of regional currencies against the dollar.

The bond coins that were introduced at the end of the 2014 calendar year have allowed retailers to set prices more precisely and avoid the inflationary rounding up of prices.

The company also intensified its campaign to persuade the retail partners to charge recommended retail prices to reduce the burden on the stressed consumer.

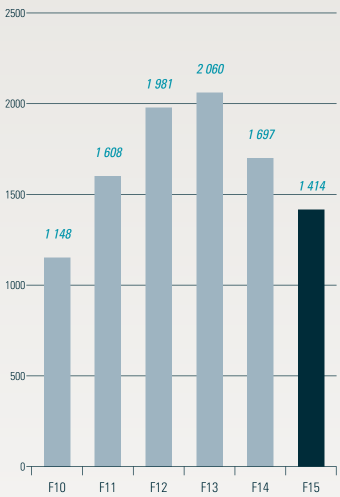
The operating environment has become more competitive which has resulted in the company upscaling its go to market activities with a key focus in meeting customer expectations on delivery times, refrigeration and display equipment and general market execution.

The company is a member of the Zimbabwe Association of Alcoholic Beverage Manufacturers whose mandate is to promote responsible retailing, consumption and manufacturing of alcohol. There are also collaborative efforts with the Liquor Licensing Board to get traders to renew licences and operate within the terms of their particular licence particularly with respect to trading hours and reducing inconvenience to the public through entertainment activities.

Review of Operations (continued)

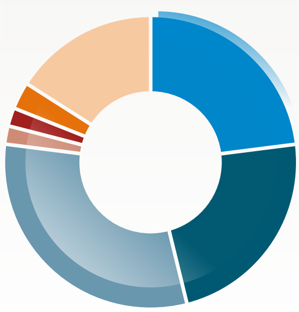
Review of Operations (continued)

LAGER BEER VOLUME (000HL)



LAGER BEER TRADE CHANNEL CONTRIBUTIONS

1,4m hectolitres



Bar	23%
Bottle Store	23%
General Dealer	31%
Hotel	2%
Other	2%
Restaurant	3%
Supermarket	16%

LAGER BEER BUSINESS

Lager beer volume at 1,4 million hectolitres was 17% below prior year reflecting yet another difficult trading period. The company implemented some targeted reductions in wholesale and recommended retail prices to stem the decline. A further price roll back was implemented in January 2015 following the reversal of the excise duty increase of 2013 that had triggered the negative volume performance. It is early days to forecast whether the volume will respond to these price interventions.

It is evident that the lager beer category has lost consumers who are migrating to other value for money alcoholic beverage categories in opaque beer and more affordable spirits.

The management structures continue to be refined with a focus to market execution and customer service. The manufacturing platform remains stable and is therefore geared to respond to any upturn in demand. There are ongoing initiatives to reduce the costs of manufacturing and distribution that will allow the business to optimise pricing for the benefit of the consumer.

Castle Lager, our flagship brand continues to sponsor the Premier Soccer League (PSL) and has an ongoing partnership with FC Barcelona (FCB) which saw FC Barcelona coaches successfully holding coaching clinics with their Zimbabwean counterparts. This further amplified the association of Castle Lager and soccer. In addition the brand is the title sponsor of the Castle Tankard which is Africa's first ever sponsored horse racing competition which is running its 53rd Edition in May 2015.

Golden Pilsener remains the leading premium beer and further cemented its quality credentials by being awarded a second Monde Selection Gold Award for international quality.

Review of Operations (continued)

All brewing operations ceased for a day in Cameroon Street in February 1962 when the prime minister of the Federation opened the new Southerton Brewery on a 30 acre site. The £2 million brewery bottled 150 000 bottles per day and employed 480 staff.

This is attributable to the astute brewing skills of our brew masters as they strive to produce high quality beers. The brand continued to sponsor The Zimbabwe Open Golf tournament which attracts players from across Africa and is associated with Harare International Festival of the Arts (HIFA).

Other brand sponsorships continued with the Carling Black Label National Pool tournament, the Lion Lager Beer Festival whilst Zambezi Lager remains the official beer for Kariba Invitational Tiger Fishing Tournament.

We launched a delectable new flavoured beer called Flying Fish in October 2014 and it quickly carved a significant niche for itself as evidenced by its sizable market share.

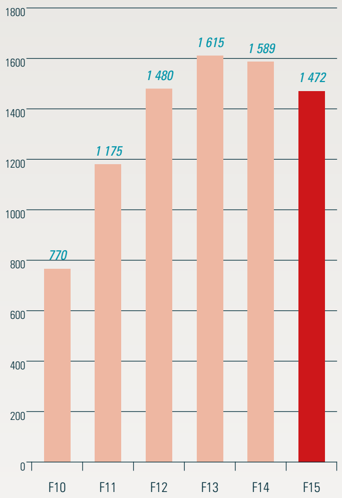
Review of Operations (continued)

SPARKLING BEVERAGES BUSINESS

Sparkling beverage volume for the year at 1,5 million hectolitres was 7% below prior year. This outturn was achieved against increasing headwinds in the economy, which were characterised by increased availability of imports of both our franchise brands and other emerging value brands particularly in PET packs. This was spurred by the depreciation of the Rand and the quest by some traders from the region to access the US Dollar currency.

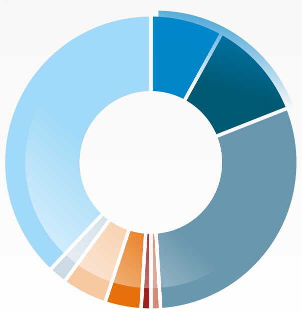
The business has invested in additional capacity notably the fully integrated PET plant at Graniteside and the upgrading of the returnable glass packaging lines. This has allowed the extension of the PET packs to cover the Spar-letta and Schweppes flavours.

SPARKLING BEVERAGES VOLUME (000 HL)



SPARKLING BEVERAGES TRADE CHANNEL CONTRIBUTIONS

1,5m hectolitres



Bar	8%
Bottle Store	11%
General Dealer	30%
Hotel	1%
Other	1%
Petroleum Food Mart	4%
Quick Serve Restaurant	5%
Restaurant	2%
Supermarket	38%

Review of Operations (continued)

Coca-Cola's iconic contour bottle celebrates its 100th anniversary having been launched back in 1915. This is the most successful package design in the world.

We have continued to invest in cold drink infrastructure for both the formal and informal sectors. Our brands stand out distinctly in the market due to the focused market execution and uprated store and other display signage. The engagements with the consumer continued through promotions of specific brands and packs. The consumer has benefited from the passing on of the value chain savings through reductions in prices of cans and PET packs.

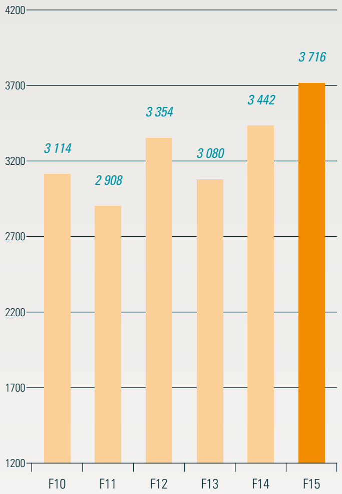
The various brands continued to support consumer activities such as the Copa Coca-Cola Schools soccer, HIFA, sports and musical events.

The business continues to leverage its association with The Coca-Cola company in areas of training, market development programs, productivity improvements and implementation of best practice in distribution, workplace safety and consumer marketing.

'The first bottling factory premises were established on Telford Road in 1948, and expanded to the Hatfield Road (Seke Rd) site in 1951, covering the site now known as Coke Corner, a well-known city landmark'.

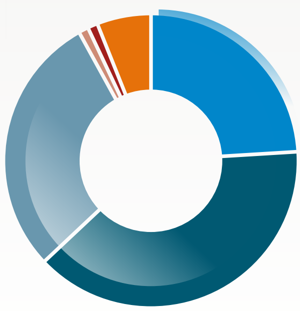
Review of Operations (continued)

SORGHUM BEER VOLUME (000HL)



SORGHUM BEER TRADE CHANNELS CONTRIBUTIONS

8% increase



Bar/Beer Hall	24%
Bottle Store	39%
General Dealer	29%
Hotel	1%
Other	1%
Supermarket	6%

SORGHUM BEER BUSINESS

Sorghum beer volume grew by 8% on prior year fuelled by the national roll-out of the Chibuku Super brand. The category continues to capture some of the mainstream drinkers that are falling off from lager beer and other high priced alcoholic beverages. The advent of Chibuku Super which has a longer shelf life and is available in the more convenient PET pack has allowed the product to be accessible in more channels and to be distributed across the country. Chibuku Super contributed 29% of the current year volume and had achieved a 50% share by March 2015.

The business is being reorganised to take into account the ability for large scale operations in both Chibuku Super and the Scud facilities. The Scud production centres have been reduced hence only five of the original fourteen conventional breweries remain operational.

The Fairbridge Brewery was temporarily closed in July 2014 to allow its conversion, at a cost of $17 million, to a modern facility which will produce both Scud and Chibuku Super.

The Chibuku Trophy was revived as the Chibuku Super Cup during the year with FC Platinum becoming the inaugural winners of the coveted cup. The sponsorship of the Chibuku Road-to-Fame and Neshamwari Dance Festivals continue to promote and support the Arts. Chibuku Road to Fame remains a platform that is pivotal in identifying grass root musical talent. The other consumer promotions cemented the Chibuku brand's connection with consumers. The company is working collaboratively with the Liquor Licensing Board to compel alcoholic beverages traders to renew liquor licenses.

'The red and blue shake shake pack introduced in 1969 had become a ubiquitous sight in the country. The change came in 1991 when the shortages of foreign currency forced the business to find an alternative to this pack and the draught. The Scud, named after the infamous missiles in the Gulf War, was a revolutionary brown returnable plastic bottle which was affordable and offered convenience to the drinker'.

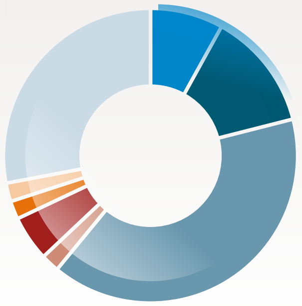
In 1971 Heinrich's Chibuku invested in a new factory at Seke, Chitungwiza, which opened the new market into urban Harare. This factory has become the birthplace of the transformation of the business through the advent of Chibuku Super.

Review of Operations (continued)

Review of Operations (continued)

ALTERNATIVE BEVERAGES TRADE CHANNEL SALES % CONTRIBUTION

11% growth
above prior year



Bar	8%
Bottle Store	13%
General Dealer	40%
Other	2%
Petroleum Food Mart	5%
Quick Serve Restaurant	2%
Restaurant	2%
Supermarket	28%

ALTERNATIVE BEVERAGES BUSINESS

Alternative Beverages volumes continued on a growth trajectory to close the year 11% above prior year. The growth was however dampened somewhat by a lacklustre SuperSip performance due to some issues with shelf life stability.

The plant is being upgraded through the installation of a homogeniser, foil applicator and milk processing plant particularly to improve product smoothness and shelf life.

New packaging was introduced for Shumba Maheu which now distinguishes this product line from the numerous other brands available in the market.

A number of additional flavour variants were also added which have increased the appeal to our diverse customers. We continued to excite the market with our brands through partnering with the media and hosting consumer awareness programs at the Harare Agricultural Show and Zimbabwe International Trade Fair (ZITF).

Review of Operations (continued)

Review of Operations (continued)

The forklifts running costs are being optimised by switching from liquid petroleum gas to diesel fuel as well as use of double pallet handlers.

TRANSPORT SERVICES OPERATION

The Transport Services Division was set up to provide suitably designed and adequately maintained vehicles to the Beverages Divisions.

The company operates an internal fleet comprising 223 prime mover vehicles and 443 trailers, primarily for secondary distribution, which allows the company to deliver its products directly to over 20 000 customers. The primary freighting from the production centres is largely contracted to third party operators. The fleet travelled some 10 million kilometres during the year. The investments in the year related to the purchase of 10 super link trailers and 3 freight haulers which are part of the programme to build some capacity for primary freighting.

The Division has achieved notable improvements in vehicle productivity and fuel economy although there are challenges arising from the deteriorating road conditions particularly with regards to tyre damages.

The company operates a complement of 102 forklift trucks. There are ongoing initiatives to improve warehouse operations focusing on driver performance, load configurations, pallet stacking heights and product placements for optimum order picking. The forklifts running costs are being optimised by switching from liquid petroleum gas to diesel fuel as well as use of double pallet handlers.

With a total of over 200 delivery vehicles plying our roads each day, it is imperative for the company to uprate driver safety. We have recently revamped the safety awareness under the Respect the Road campaign, whose components include modules on respecting other road users particularly pedestrians, driver positive attitudes and vehicle condition. We also work collaboratively with the Traffic Safety Council in furtherance of programmes to reduce drinking and driving and on defensive driving. Our drivers continue to participate in the annual driving competitions within the company and against other fleet operators.

Review of Operations (continued)

MALTINGS

The contracted hectarage was reduced to only 3 000 for the 2014 winter season due to the high levels of carry-over stocks. The yields improved from 6,01 to 6,25 tonnes per hectare due to the selection of high performing growers and some stability in the supply of electricity and irrigation water. The 2014 intake of 18 740 tonnes has contributed to a build-up in stocks at a time when demand for lager beer was declining under the weight of high excise duties and resultant high retail prices. Consequently, the 2015 winter barley contracts were cancelled due to the excess stock position. We hope that the recent review of beer prices and the reduction of excise duty will result in the recovery of beer volumes and drive the malt up take. There is dialogue with the farmers to ensure that the barley value chains are optimised to allow the resumption of exports. We hope that the farmers retain skills so that they maintain the momentum on yield growth when the barley contracts are resumed in 2016.

The export of malt to regional markets remained depressed due to the high barley producer prices which make the final malt price unviable. The potential customers are landing malt from overseas sources at competitive prices.

The existing malting capacity at Kwekwe continues to be utilised for the toll malting arrangement with Zambian Breweries with a total of 6 400 tonnes of malt processed during the year.

The sorghum malting operation at Aspindale in Harare continues to benefit from the increase in throughput driven by the upsurge in the sorghum beer volumes. Some of the output is also being sold to the various players in the Maheu category. Sufficient quantities of both low tannin sorghum and red malting sorghum were received in the 2014 season.

The 2014/15 summer season was affected by a mid-season dry spell which will impact on yields and total output particularly from the communal farming sectors. The sorghum contracts prioritise the communal sector which accounts for 60% of the hectarage. This is a key pillar of the company's sustainable development initiatives.

Research and development work on both barley and sorghum varieties is continuing. A new sorghum variety, Rakodzi is now undergoing full scale brewing trials whilst two varieties are undergoing purity tests. This work allows the continual development of varieties with improved agronomic and brewing performance.

The first modern malthouse was built at Cameroon Street in 1932 following years of research and partnerships with local farmers to achieve self-sustenance in barley supply. A new malt facility was commissioned at Kwekwe in 1976 with the Breweries assisting farmers in developing irrigation infrastructure and funding the winter cropping. The sorghum malting plant at Aspindale was purchased in 2010.

Review of Operations: Associates

SCHWEPPES ZIMBABWE LIMITED

Schweppes Zimbabwe Limited is a manufacturer and distributor of non-carbonated still beverages under licence from The Coca-Cola company. The product portfolio currently includes cordials, fruit juices, bottled water and flavoured drinks.

The beverage volumes for the twelve months to March 2015 were 5% above prior year on an undiluted basis. This was achieved in an environment of escalating competition from lower priced imports of cordials and nectars which benefited from the depreciation of the regional currencies. The volume growth was on the back of keener retail price points implemented over the last two years. The juice drink products under the Minute Maid brand are now well entrenched in the market with market shares of over 30%.

The still water category was under severe pressure from the multitude of competitors. The Brand remains the market leader in the country and will benefit from additional investments in capacity earmarked for 2015.

The business acquired the entire shareholding in Beitbridge Juice company (BBJ), an entity that was hitherto the main supplier of juice concentrates. There are ongoing initiatives to improve the operations of this unit for it to be re-certified as a supplier of juice concentrates for both the local market and exports. There are also plans to upscale the ready to drink cordial brands that are under BBJ and to empower local communities in the Beitbridge area through some out-grower arrangements.

The business continues to invest in the market place with a significant deployment of cold drink equipment to support the still water and the ready to drink product offerings. The route to market has been revamped to focus on direct deliveries to retail customers.

There was a notable improvement in the financial performance during the year driven by the revenue growth, reductions in costs of key inputs and optimisation of the route to market. The factory operations recorded improvements in capacity utilisation, efficiencies and process waste. The after tax share of profits from this associate entity amounted to US$2,4 million for the year to March 2015 (2014: US$1,8million).

Review of Operations: Associates (continued)

AFRICAN DISTILLERS LIMITED

African Distillers Limited is a public quoted company whose core business is the manufacture, distribution and marketing of branded wines, spirits, liqueurs and ciders for the Zimbabwean market and for export.

The associate company registered growth in both volumes and revenues, despite the intensifying competition from house brands, imports and new entrants particularly in the white spirits category. Volumes for the nine months to March 2015 are 20% up on prior year whilst revenue grew by 11% driven by the locally produced products. A new plant was commissioned during the year which allowed the local production of the Savanna range of ciders under licence from partners Distell.

This has been a successful venture as it allowed the significant reduction on retail prices to competitive levels.

The company reported a profit after tax of US$1,9 million for the six months to December 2014 and continues to pay dividends. The business is now geared to exploit volume opportunities as the consumer searches for value particularly in the spirits segments.

Review of Operations: Associates (continued)

NAMPAK ZIMBABWE

The Group demerged its plastic packaging subsidiary, MegaPak, which was merged with the other entities in which joint venture partner, NamPak of South Africa, had interests.

A new entity NamPak Zimbabwe was created which took over the stock exchange listing of Hunyani Holdings with Delta taking a 21% shareholding.

NamPak Zimbabwe now comprises MegaPak, Hunyani and CarnaudMetalbox (CMB) whose activities are summarised below:

Entity	Line of Business
MegaPak	Manufacture of injected and moulded primary and secondary plastic and PET packaging products
Hunyani	Manufacture of paper, printing and packaging products
CarnaudMetalbox	Manufacture of metal aerosol cans, crowns and plastic bottles

There is currently a process of identifying the synergies amongst the entities particularly the integration of the plastic businesses under MegaPak and CMB. The new business was incorporated in October 2014 and hence had very minimal financial contribution to the Group in the current year.

MegaPak continued to expand its capacity to supply PET preforms to the soft drinks and sorghum beer businesses and LDPE bottles into the alternative beverages segments.

Review of Operations: Associates (continued)

Report of the Directors

for the year ended 31 March

The Directors present their 68th Annual Report together with the Audited Financial Statements of the Group for the year ended 31 March 2015.

YEAR'S RESULTS

The year's results are presented in United States Dollars which is the functional currency applicable to the Group.

	US$ 000
Earnings attributable to Shareholders	91 943
Transfer from share option reserve	1 320
	93 263
Less Dividends	
Interim $0.0135 per share paid December 2014	16 681
Final $0.023 per share payable June 2015	28 440
Share Buy Back/(net of cancellation)	2 515
Add	
Distributable Reserves at the beginning of the year	333 447
Distributable Reserves at the end of the year (net of proposed dividends)	379 074

Report of the Directors (continued)

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure (inclusive of returnable containers) for the year to 31 March 2015 totalled US$41,5 million. The capital expenditure for the year to 31 March 2016 is planned at US$45 million.

INVESTMENTS

The company's effective shareholding in African Distillers Limited is 31,28% and that in Schweppes Zimbabwe Limited is 49%. The company acquired an effective 21.46% shareholding in NamPak Zimbabwe in a transaction involving the demerger of MegaPak Zimbabwe.

SHARE CAPITAL

The authorised share capital of the company remains at US$14,0 million comprising 1 400 000 000 ordinary share of US$0,01 (one cent) each. The issued share capital has increased by the allotment of 4 836 320 ordinary shares in accordance with the share option schemes, of which 3 832 360 ordinary shares were released from those held as treasury stock. The ordinary shares in issue are 1 242 568 675. The company held a total of 6 063 054 of its own shares as treasury stock.

Accordingly, the issued share capital is now US$44,6 million comprising nominal capital of US$12,4 million and share premium of US$32,2 million. The number of shares currently under option is 26 037 900.

The company has registered for its shares to be traded on the new electronic platform managed by Chengetedzai Security Depository, hence shareholders can opt to maintain their shares in dematerialised form through a nominated Custodian.

DIVIDENDS

The Board declared an interim dividend of US1,35 cents per share and a final dividend of US2,30 cents per share. This brings the total dividend in respect of the year ended 31 March 2015 to US3,65 cents per share.

RESERVES

The movements in the reserves of the Group and the company are shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Group and company Statements of Changes in Equity and in the Notes to the Financial Statements.

DIRECTORS

There were no changes to the board of directors since the last annual general meeting.

Prof H C Sadza and Messrs S J Hammond and T N Sibanda are due to retire by rotation. Being eligible, they will offer themselves for re-election.

No Director had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses. Mr C F Dube is a senior partner at Dube, Manikai and Hwacha Legal Practitioners, a firm that provides legal services to the Group. The beneficial interests of the directors in the shares of the company are shown in note 18 of the financial statements.

AUDITORS

Members will be asked to appoint Deloitte & Touche as Auditors for the company for the ensuing year.

ANNUAL GENERAL MEETING

The 68th Annual General Meeting of the company will be held at 12:30 hours on Friday 31 July 2015 at the Registered Office of the company at Sable House, Borrowdale, Harare.

BY ORDER OF THE BOARD

C F DUBE
Chairman

P GOWERO
Chief Executive

A MAKAMURE
Company Secretary

8 May 2015

Corporate Governance

THE DELTA CODE

Delta personnel are committed to a long-published code of ethics. This incorporates the company's operating, financial and behavioural policies in a set of integrated values, including the ethical standards required of members of the Delta family in the interface with one another and with all stakeholders. There are detailed policies and procedures in place across the Group covering the regulation and reporting of transactions in securities of Group companies by directors and officers. The Code is applicable to the company and its subsidiaries.

STAKEHOLDERS

For many years Delta has formalised its stakeholder philosophy and introduced structures of corporate governance to manage the interface with the various stakeholder groups. Delta has in place throughout the company, responsive systems of governance and practice which the Board and management regard as entirely appropriate and in accordance with the code of Corporate Practices and Conduct contained in the Cadbury and King Reports on Corporate Governance.

Delta applies various participative practices in its relationships with non-management employees, primarily in respect of operating matters and plans, on the basis of mutual information sharing.

DIRECTORATE

The Board of Directors of Delta is constituted with an equitable ratio of executive to non-executive directors and meets at least quarterly. A non-executive director chairs the Delta Board. Short biographies of each of the directors are on page 91. The Board governs through clearly mandated board committees, which have specific written terms of reference. Committee chairmen report orally on the proceedings of their committees at the next meeting of the Board.

DIRECTORS' INTERESTS

Each year Directors of the company are required to submit in writing whether they have any material interest in any contract of significance with the company or any of its subsidiaries which could have given rise to a related conflict of interest. No such conflicts were reported this year.

THE AUDIT COMMITTEE

The Audit Committee of the Board deals, inter alia, with compliance, internal control and risk management. It is regulated by specific terms of reference, is chaired by a non-executive director, has a majority of non-executive directors and incorporates the Chief Executive Officer as the only executive member. It meets at least twice a year with the company's external auditors to discuss accounting, auditing, internal control, financial reporting and risk management matters. The external and internal auditors have unrestricted access to the Audit Committee.

THE REMUNERATION COMMITTEE

Delta's Remuneration Committee is constituted and chaired by non-executive directors, save for the membership of the Chief Executive Officer. It acts in accordance with the Board's written terms of reference and is responsible for the assessment and approval of the Group's remuneration strategy and to review the short-term and long-term remuneration of executive directors and senior executives.

THE NOMINATION COMMITTEE

The Nomination Committee is the committee of the Board whose main focus is to consider the composition of the Board and its committees, the retirement, appointment and replacement of directors, and makes appropriate recommendations to the Board. It comprises the Chairman, non-executive directors and the Chief Executive Officer.

Corporate Governance (continued)

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The focus of risk management in Delta is on identifying, assessing, managing and monitoring all known forms of risk across the company. An appropriate risk analysis framework is used to identify the major risks which the company must manage in serving its stakeholders.

The environment in which the company operates is subject to such levels of change that regular reassessment of risk is necessary to protect the company.

In view of this, each part of the business has developed detailed contingency action plans to minimise the lead-time necessary to adapt to changes in circumstances. These plans are then updated whenever a change is noted or anticipated.

The management of risk and loss control is decentralised, but in compliance with company policies on risk, the process is reviewed centrally on a quarterly basis and is supervised by the Audit Committee.

DIRECTORS' ATTENDANCE OF MEETINGS

(From 1 April 2014 to 31 March 2015)

NAME OF DIRECTOR	Main Board/AGM		Audit Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Mr P Gowero	5	5	2	2	3	3
Mr M J Bowman	4*	5	—	—	—	—
Mr C F Dube	5	5	2	2	3	3
Mr S J Hammond	4	5	—	—	2	3
Mr J A Kirby	4	5	2	2	3	3
Mr L E M Ngwerume	3	5	—	—	—	—
Prof H C Sadza	4	5	—	—	—	—
Mr T N Sibanda	3	5	2	2	—	—
Mr M M Valela	5	5	—	—	—	—

* Mr M J Bowman was represented by an alternate director at two meetings

Directors' Responsibility for Financial Reporting

Delta's Directors are required by the Companies Act to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the company and the Group at the end of the financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed, suitable accounting policies have been used, and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the International Financial Reporting Standards and best practice.

The Directors have reviewed the Group's budget and cash flow forecast for the year to 31 March 2016. On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the directors are satisfied that Delta is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The company's external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 32.

The Board recognises and acknowledges its responsibility for the system of internal financial control. Delta's policy on business conduct, which covers ethical behaviour, compliance with legislation and sound accounting practice, underpins the company's internal financial control process. The control system includes written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility for operating the system is delegated to the executive directors who confirm that they have reviewed its effectiveness. They consider that it is appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal financial control system is monitored through management reviews, representation letters on compliance signed by the senior executive responsible for each major entity and a comprehensive program of internal audits. In addition, the company's external auditors review and test appropriate aspects of the internal financial control systems during the course of their statutory examinations of the company and the underlying subsidiaries.

The company's Audit Committee has met with the external auditors to discuss their report on the results of their work which include assessments of the relative strengths and weaknesses of key control areas. While in a group of the size, complexity and diversity of Delta, it is to be expected that occasional breakdowns in established control procedures may occur, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

The financial statements for the year ended 31 March 2015, which appear on pages 33 to 78 were approved by the Board of Directors on 8 May 2015 and are signed on its behalf by the Chief Executive Officer and Executive Director - Finance.

C F DUBE
CHAIRMAN

P GOWERO
CHIEF EXECUTIVE OFFICER

Annual Financial Statements

for the year ended 31 March

Our priorities include the building and nurturing of strong brand portfolio that earn the support and attention of our customers and consumers.

Independent Auditor's Report

To the Members of Delta Corporation Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Delta Corporation Limited (the company) and its subsidiaries (the Group) on pages 33 to 78, which comprise the consolidated and company statement of financial position as at 31 March 2015, the consolidated and company statement of profit or loss and other comprehensive income, the consolidated and company statement of changes in equity and the consolidated and company statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and Statutory Instruments (SI 33/99 and SI 62/96). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion the financial statements present fairly, in all material respects, the financial position of Delta Corporation Limited (the company) and its subsidiaries (the Group) as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and statutory instruments (SI 33/99 and SI 62/96).

Deloitte & Touche

Deloitte & Touche
Zimbabwe
8 May 2015

Deloitte.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March

	Notes	2015 US$ 000	2014 US$ 000
CONTINUING OPERATIONS			
REVENUE	8	576 552	602 224
NET OPERATING COSTS	9.1	(465 416)	(472 421)
OPERATING INCOME		111 136	129 803
Finance cost		(5 378)	(5 122)
Finance income		12 740	9 331
Share of profit of associates	13	3 265	2 283
Profit before tax		121 763	136 295
Taxation	11	(29 809)	(32 222)
PROFIT FROM CONTINUING OPERATIONS		91 954	104 073
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	27	846	3 120
Profit for the year		92 800	107 193
Other comprehensive income for the year		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		92 800	107 193
Profit for the year from continuing and discontinued operations attributable to:			
Owners of the parent		91 943	105 664
Non-controlling interest		857	1 529
		92 800	107 193
Profit for the year from continuing operations attributable to:			
Owners of the parent		91 954	104 073
Non-controlling interest		—	—
		91 954	104 073
Weighted average shares in issue (millions)		1 235,5	1 235,5
EARNINGS PER SHARE (CENTS)			
From continuing and discontinued operations			
Attributable earnings basis		7,44	8,55
Fully diluted basis		7,40	8,49
From continuing operations			
Attributable earnings basis		7,44	8,42
Fully diluted basis		7,40	8,36

Consolidated Statement of Financial Position

at 31 March

	Notes	2015 US$ 000	2014 US$ 000
ASSETS			
Non-current Assets			
Property, plant and equipment	12	341 099	353 209
Investments in associates	13	33 474	21 378
Intangible assets -Trademarks	14	2 914	2 914
Investments and loans	14	9 081	10 936
		386 568	388 437
Current Assets			
Inventories	15	98 262	100 153
Trade and other receivables	16	43 006	41 867
Other assets		2 218	2 940
Cash and cash equivalents		133 611	86 489
		277 097	231 449
Total Assets		663 665	619 886
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		12 366	12 342
Share premium		32 234	28 982
Share options reserve		4 531	3 527
Retained earnings		407 514	361 219
Equity attributed to equity holders of the parent		456 645	406 070
Non-controlling interest		—	8 309
Total shareholders' equity		456 645	414 379
Non-current Liabilities			
Borrowings	19	70 000	—
Deferred tax liabilities	11	41 780	35 769
		111 780	35 769
Current Liabilities			
Borrowings	19	—	71 293
Provisions	20.2	26 205	28 821
Trade and other payables	20.1	60 734	66 858
Current tax liability		8 301	2 766
		95 240	169 738
Total Equity and Liabilities		663 665	619 886
Net asset value per share (Cents)		36,96	32,87

The financial statements were approved by the Board of Directors and authorised for issue on 8 May 2015.

P GOWERO
CHIEF EXECUTIVE OFFICER
8 May 2015

M M VALELA
EXECUTIVE DIRECTOR - FINANCE

Consolidated Statement of Cash Flow

for the year ended 31 March

	Notes	2015 US$ 000	2014 US$ 000
Cash flow from operating activities			
Cash generated from operating activities	21.1	153 347	160 889
Increase in working capital	21.2	(14 326)	(14 873)
Cash generated from operations		139 021	146 016
Finance cost		(5 378)	(5 122)
Finance income		12 740	9 331
Income taxation paid	21.3	(15 825)	(27 868)
Net cash flow from operating activities - continuing operations		130 558	122 357
Net cash flow from operating activities - discontinued operations	27	1 132	6 478
Net cash flow from operating activities		131 690	128 835
Cash flow from investing activities			
Decrease in loans		616	162
Dividend received from associate		450	227
Purchase of shares in associate		(212)	(2 516)
Purchase of property, plant and equipment to expand operations		(19 489)	(25 777)
Purchase of property, plant and equipment to maintain operations		(22 040)	(36 129)
Proceeds from disposal of property, plant and equipment		385	749
Net cash disposed of from discontinued operations	27	(684)	—
Net cash utilised in investing activities - continuing operations		(40 974)	(63 284)
Net cash utilised in investing activities - discontinued operations	27	(934)	(4 369)
Net cash utilised in investing activities		(41 908)	(67 653)
Cash flow from financing activities			
Dividend paid	21.4	(44 453)	(43 264)
Decrease in short-term borrowings	21.6	(68 026)	(5 957)
Increase in long-term borrowings	21.5	70 000	—
Increase in shareholder funding	21.7	3 399	5 075
Share buy back		(2 638)	(4 280)
Net cash utilised in financing activities - continuing operations		(41 718)	(48 426)
Net cash utilised in financing activities - discontinued operations	27	(942)	(1 355)
Net cash utilised in financing activities		(42 660)	(49 781)
Net increase in cash and cash equivalents		47 122	11 401
Cash and cash equivalents at beginning of the year		86 489	75 088
Cash and cash equivalents at end of the year	21.8	133 611	86 489
Cash flow per share (cents)		11,25	12,20

Consolidated Statement of Changes in Equity

for the year ended 31 March

	Notes	Share capital US$ 000	Share premium US$ 000	Share options reserve US$ 000	Retained earnings US$ 000	Attributable to owners of the parent US$ 000	Non controlling interest US$ 000	Total equity US$ 000
At 1 April 2013		12 230	24 049	3 054	301 137	340 470	6 780	347 250
Profit for the year		—	—	—	105 664	105 664	1 529	107 193
Other Comprehensive income for the year, net of tax		—	—	—	—	—	—	—
Total Comprehensive Income for the year		—	—	—	105 664	105 664	1 529	107 193
Transactions with owners:								
Share options exercised		142	4 933	—	—	5 075	—	5 075
Share buy back	17.5	(30)	—	—	(4 250)	(4 280)	—	(4 280)
Transfer from share options reserve		—	—	(1 932)	1 932	—	—	—
Recognition of share based payments		—	—	2 405	—	2 405	—	2 405
Payment of dividends	21.4	—	—	—	(43 264)	(43 264)	—	(43 264)
At 1 April 2014		12 342	28 982	3 527	361 219	406 070	8 309	414 379
Profit for the year		—	—	—	91 943	91 943	857	92 800
Other comprehensive income for the year, net of tax		—	—	—	—	—	—	—
Total Comprehensive Income for the year		—	—	—	91 943	91 943	857	92 800
Transactions with owners:								
Share options exercised		48	3 351	—	—	3 399	—	3 399
Share buy back	17.5	(24)	(99)	—	(2 515)	(2 638)	—	(2 638)
Transfer from share options reserve		—	—	(1 320)	1 320	—	—	—
Recognition of share based payments		—	—	2 324	—	2 324	—	2 324
Payment of dividends	21.4	—	—	—	(44 453)	(44 453)	—	(44 453)
Non-controlling interest dividend declared		—	—	—	—	—	(393)	(393)
Disposal of subsidiary		—	—	—	—	—	(8 773)	(8 773)
At 31 March 2015		12 366	32 234	4 531	407 514	456 645	—	456 645

Notes to the Consolidated Financial Statements

for the year ended 31 March

1. GENERAL INFORMATION

Delta Corporation Limited (the company) is a public limited company which is listed on the Zimbabwean Stock Exchange and incorporated and domiciled in Zimbabwe. The principal activities of the company and its subsidiaries (the Group) include the manufacture and distribution of cold beverages and some value added activities related there to. The addresses of its registered offices and principal place of business are disclosed in the introduction of this annual report.

2. CURRENCY OF ACCOUNT

These financial statements are presented in United States Dollars being the functional and reporting currency of the primary economic environment in which the Group operates.

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) WITH NO MATERIAL EFFECT ON CURRENT YEAR REPORTING

In the current year, the Group adopted the following new and revised IFRSs and annual improvements to IFRSs with no significant impact on the consolidated results or financial position:

- Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and International Accounting Standard (IAS) 27 – Investments in Associates and Joint Ventures: Investment Entities. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements (effective on annual periods beginning on or after 1 January 2014 with earlier application permitted).

- Amendments to IAS 32 – Financial Instruments Presentation: Offsetting Financial Assets and Financial Liabilities. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off and `simultaneous realisation and settlement (effective on annual periods beginning on or after 1 January 2014 with earlier application permitted).

- Amendments to IAS 36 – Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of the CGU (effective on annual periods beginning on or after 1 January 2014).

- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting. These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances (effective on annual periods beginning on or after 1 January 2014).

International Financial Reporting Interpretations Committee (IFRIC) 21 Levies. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government (applicable to annual periods beginning on or after 1 January 2014).

The above standards and interpretations had no material impact on the Group's financial statements in this current period of their initial application.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

3.2 NEW AND REVISED IFRSs IN ISSUE, BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective nor applied by the Group.

- IFRS 9 Financial Instruments. IFRS 9 introduces new requirements for the classification and measurement of financial instruments (effective on annual periods beginning on or after 1 January 2018 with earlier application permitted).

- IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising contracts with customers. IFRS 15 will supercede the current revenue recognition guidance including IAS 18 Revenue (effective on annual periods beginning on or after 1 January 2017 with earlier application permitted).

- Amendments to IFRS 11- Joint Arrangements: Accounting for Acquisitions of interests in Joint Operations. These amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business in IFRS 3 – Business Combinations (effective on annual periods beginning on or after 1 January 2016 with earlier application permitted).

- Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 - Intangible Assets: Clarification of acceptable methods of depreciation and amortisation. Amendments prohibit entities from using a revenue based depreciation method for property, plant and equipment (effective on annual periods beginning on or after 1 January 2016 with earlier application permitted).

- Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture: Bearer Plants effective. Amendments define a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16 instead of IAS 41 (effective periods beginning on or after 1 January 2016 with earlier application permitted).

- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions. Amendment clarifies how an entity should account for contributions made by employees or third parties to defined benefit plans (applicable to annual periods beginning on or after 1 July 2014).

Management have done an initial assessment of these standards on future financial statements and have determined that these will not have a material impact on the financial statements of the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 STATEMENT OF COMPLIANCE

The financial statements of the company and the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared in compliance with the Zimbabwe Companies Act (Chapter 24:03).

4.2 BASIS OF PREPARATION

The financial statements of the company and of the Group are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 BASIS OF CONSOLIDATION

The consolidated financial statements consist of the financial statements of Delta Corporation Limited and subsidiaries controlled by the Group, together with an appropriate share of post acquisition results and reserves of its material associated companies. Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The Group reassesses 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 listed above.

All Group companies' financial years end on 31 March with the exception of three associates, Schweppes Zimbabwe Limited, which has a 31 December year end, AFDIS Holdings Limited which has a 30 June year end and NamPak Zimbabwe Limited, which has a 30 September year end. The results and reserves of subsidiaries and associated companies are included from the effective dates of acquisition up to the effective dates of disposal.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Where the cost of acquisition is below the fair values of the identifiable net assets acquired the gain is credited to profit and loss in the period of acquisition.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders are stated at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Any losses applicable to the non-controlling interests in excess of the non-controlling interest are allocated against the interest of the parent.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions and balances are eliminated on consolidation.

Investment in subsidiaries

These comprise investments in shares that the directors intend to hold on a continuing basis in the company's business. The investments are stated at cost less provisions for impairment. A review for the potential impairment of an investment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable.

4.4 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the company has a long term interest and over which the Group has significant influence. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Investments in associates are carried in the statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Where the cost of acquisition is below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition, the discount on acquisition is credited in profit or loss in the period of acquisition. Where a Group company transacts with an associate of the Group, profits or losses are eliminated to the extent of the Group's interest in the relevant associate. Losses incurred by an associate may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving cessation of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of selling.

4.6 GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a cash generating unit to which goodwill was allocated, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.7 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The Group's financial statements are presented in United States Dollars, which is the Group's functional and presentation currency. Assets and liabilities denominated in foreign currencies are converted to United States Dollars at the rates of exchange ruling at the end of the reporting date. Transactions in other currencies are translated to United States Dollars at rates of exchange ruling at the time of the transactions.

Exchange differences on monetary assets are recognised in profit and loss in the period in which they arise except for:

Exchange differences on foreign borrowings relating to assets under construction for future productive use are included in the cost of the assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

4.8 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is not provided on freehold land and capital projects under development.

Other assets are depreciated on such bases as are deemed appropriate to reduce book values to estimated residual values over their useful lives as follows:-

	Method	Period
Buildings:		
Freehold	Straight line	60 years
Leasehold	Straight line	Over-lease
Plant and Equipment:	Reducing balance and straight line	5-25 years
Vehicles:	Straight line	4-10 years
Returnable Containers:	Straight line	1-4 years

Returnable containers

Returnable containers which comprise bottles and crates are considered to be property, plant and equipment which are sold and re-purchased at their deposit prices at reporting date. Containers on hand are treated as a component of property, plant and equipment. A further asset is shown in property, plant and equipment, together with its matching liability which is shown on the Statement of financial position as container deposits, to reflect the estimated value of the returnable container population in the market and the Group's obligation to re-purchase all bottles and crates which are suitable for re-use. With the exception of returnable plastic bottles which are considered to have a short useful life, the difference between the cost of purchasing new returnable containers and the related current deposit price is included in property, plant and equipment and disclosed as deferred container expenditure. Deferred container expenditure is amortised over four years ("expected useful life of containers") following the year of purchase.

In the event of an increase in deposit prices the deferred container expenditure is reduced by the subsequent increase. Gains arising from the deposit price increase of containers on hand after reducing deferred container expenditure to nil are included in income. Increases in deposit prices of containers in the market are credited to current liabilities which indicate the Group's obligation to purchase the containers at the new deposit price. The value of any returnable containers scrapped is charged to profit or loss.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 INTANGIBLE ASSETS

Intangible assets with an indefinite useful life are carried at cost.

Internally-generated intangible assets:

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The Group's intangibles pertain to trademarks.

4.11 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

Tangible and intangible assets are assessed for potential impairment at each reporting date. If circumstances exist which suggest that there may be impairment, a more detailed exercise is carried out which compares the carrying values of the assets to recoverable value based on the higher of fair value less costs to sell and value in use. Value in use is determined using discounted cash flows budgeted for each cash generating unit. Detailed budgets for the ensuing three years are used and, where necessary, these are extrapolated for future years taking into account known structure changes. Service division assets and cash flows are allocated to operating divisions as appropriate. Discount rates used are the medium term expected pre-tax rates of return. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Impairment losses are recognised as an expense in profit or loss and the carrying value of the asset and its annual depreciation are adjusted accordingly. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, and the gain is recognised in profit or loss. The increased carrying amount is limited to the value which would have been recorded had no impairment loss been recognised in prior years.

Surpluses or deficits arising on the disposal of property, plant and equipment are dealt with in the operating income for the year.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For categories of financial assets such as loans, trade receivables, are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 EMPLOYEE BENEFITS

Short term benefits and long term benefits

A liability is recognised for benefits accruing to employees in respect of wages, salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the service .

Liabilities in respect of short term benefits are measured at the undiscounted amount of the benefits expected to be in exchange for the related services.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Other long-term employee benefits

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Share based payment transactions

The Group issues share options to certain employees. The options are valued at fair value at the date of grant. The fair value determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, and the liability is disclosed in a share options reserve which forms part of equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. The fair value is calculated using the Black-Scholes option pricing model, as adjusted for dividends by Robert Merton. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions as regards closed periods and behavioural considerations. The value transferred to the share options reserve is amortised to retained earnings as the related share options are exercised or forfeited.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

Cash-settled share based payment transactions are measured based on the fair value of the goods or services received unless this cannot be reasonably determined, in which case the transaction is valued based on the fair value of the underlying shares. Where services are rendered over a period, proportional accrual takes place on a straight line basis. The Group re-measures the fair value of the liability at the end of each reporting period and at the date of settlement using the fair value of the underlying shares, with any changes in fair value being recognised in the profit or loss for the period.

4.13 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the following bases:

Merchandise, raw materials and consumable stores are valued at cost on a weighted average cost basis. Manufactured finished products and products in process are valued at raw material cost, plus labour and a portion of manufacturing overhead expenses, where appropriate.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a Group entity becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value which usually approximates cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss'' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and loans) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Available for sale investments (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

AFS financial assets for which fair value can be reliably determined are stated at fair value with the change in value being credited or debited to profit or loss.

Unquoted investments and financial assets regarded as held for trading, but for which fair value cannot be reliably determined, are shown at cost unless the directors are of the opinion that there has been an impairment in value, in which case provision is made and charged to profit or loss. The Group's investments are unquoted AFS investments measured at cost.

Where the Group has financial instruments which have a legally enforceable right of offset and the Group intends to settle them on a net basis or to realise the asset and liability simultaneously, the financial asset and liability and related revenues and expenses are offset and the net amount reported in the statement of financial position and statement of comprehensive income respectively.

Other financial instruments

Other financial instruments, including borrowings and payables, are initially measured at fair value, net of transaction costs. Subsequent measurement is at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. It comprises sales (net of trade discounts), fees and rentals and excludes value added tax. Intra-group revenue which arises in the normal course of business is excluded from Group revenue.

The Group presents revenue gross of excise duties because unlike value added tax, excise is not directly related to the value of sales. It is not generally recognised as a separate item on invoices. The Group therefore considers excise as a cost to the Group and reflects it as a production cost.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group) and the amount of revenue can be measured reliably.

Dividend distributions

Dividend distributions to equity holders are recognised as a liability in the financial statements of the company in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when paid. Dividends declared after balance sheet date are not recognised, as there is no present obligation at the balance sheet date.

4.16 TAXATION

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 TAXATION (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as income or as an expense in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

4.17 RETIREMENT BENEFIT COSTS

Retirement benefits are provided for Group employees through various independently administered defined contribution funds, including the National Social Security Authority. Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group's pension scheme is a defined contribution scheme and the cost of the retirement benefit is determined by the level of contribution made in terms of the rules.

The cost of the retirement benefit applicable to the National Social Security Authority scheme is determined by the systematic recognition of legislated contributions.

4.18 LEASE PAYMENTS

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

4.20 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are 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.

Critical judgements in applying accounting policies

- **Share based payments**

  The assumptions and methodology underlying the valuation of share based payments are fully described in Note 17.

  Fair Value of Share options issued in the current year

  Options were valued using the Black Scholes model. Expected volatility is based on the company's historical share price volatility since dollarisation. Refer to note 17.4.

- **Impairment of financial assets**

  Impairment of financial assets is an area that requires significant judgement. Refer to Note 4.11 for more details.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

- **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 account past experience and technology changes. The useful lives are set out in note 4.9 and no changes to those useful lives have been considered necessary during the year. In the case of plant, the residual value at the end of useful life has been assessed as negligible due to the specialist nature of the plant, technology changes and likely de-commissioning costs. Heavy motor vehicles are considered to have a residual value, at end of useful life, of approximately 20% of their original cost.

- **Containers in the market**
  In determining the quantity of useable containers in the market the population is determined based on the actual purchases of containers for the past five years, which is the estimated normal period of use for each container.

  As explained in note 4.9 the deferred container expenditure is amortised from 1 to 4 years following the year of purchase. The Group recognises write offs for containers in excess of 4 years only to the extent to which the Group has re-purchased and destroyed containers on hand.

- **Fair value measurement and valuation processes for associates acquired**
  On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised immediately in profit or loss. In estimating the fair value of an associate's asset or a liability, the Group uses market-observable data to the extent it is available. Where observable inputs are not available, the Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

4.21 DISCONTINUED OPERATION

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income (OCI) is re-presented as if the operation has been discontinued from the start of the comparative year.

5. DEFINITIONS

5.1 TAXED INTEREST PAYABLE

This is calculated by taxing interest payable at the standard rate of taxation.

5.2 INTEREST COVER (TIMES)

This is the ratio which the aggregate of operating income, non-recurring items and equity accounted earnings bears to interest payable (inclusive of capitalised interest).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

5. DEFINITIONS (continued)

5.3 NET ASSETS

These are equivalent to shareholders' equity.

5.4 PRETAX RETURN ON TOTAL ASSETS

This is calculated by relating to closing total assets, income before tax inclusive of dividend income and equity accounted earnings.

5.5 TAXED OPERATING RETURN

This is calculated by relating to closing total capital employed, income after taxation plus taxed interest payable.

5.6 EARNINGS PER SHARE

Attributable and fully diluted earnings bases

The calculations are based on the earnings attributable to ordinary shareholders. Account is taken of the number of shares in issue for the period during which they have participated in the income of the Group. Dilution arising in respect of share options granted amounts to 0, 51% and 0,79% for 2015 and 2014 respectively.

The weighted number of shares was:

	2015 Number of Shares in millions	2014 Number of Shares in millions
Ordinary shares	1 236	1 236
Share options	6	9
Fully diluted number of shares	1 242	1 245

5.7 CASH FLOW PER SHARE

This focuses on the cash stream actually achieved in the year under review. It is calculated by dividing the cash flow from operations after excluding the proportionate non-controlling interests therein, by the weighted average number of ordinary shares in issue.

5.8 FINANCIAL GEARING RATIO

This represents the ratio of interest bearing debt to total shareholders' funds.

6. COUNTRY OF INCORPORATION AND CURRENCY

All Group companies are incorporated in Zimbabwe. The financial statements are expressed in United States Dollars (US$).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

7. SEGMENTAL REPORTING

The Group restructured the business effective from April 2014 into principally three operating units as a way of improving operational focus. The reporting structure and financial information was realigned to reflect the changes in the internal group structure. The Group executive committee has analysed the business on this basis during the year to March 2015.

In prior years the business was viewed as one single operating division with shared production facilities and combined distribution infrastructure catering for all beverages. Consequently the current year disclosures reflect these distinct operating segments as disclosed below.

Reportable segments	Operations
Lager Beer division	Manufacture and distribution of lager beer (malt and sorghum based clear beers).
Sparkling Beverages division	Manufacture and distribution of carbonated soft drinks and alternative non-alcoholic beverages
Sorghum Beer division	Manufacture and distribution of sorghum based opaque beer.

Other operations include barley and sorghum malting and provision of transport services, which are functional departments for the above mentioned divisions. The plastics packaging manufacturing subsidiary, MegaPak, was disposed of in the current year. None of these segments met the quantitative thresholds for reportable segments in 2015 or 2014.

There are varying levels of integration between the Lagers, Sparkling Beverages and Sorghum segments. This integration includes shared primary and secondary distribution services and facilities. The Group has a centralised treasury function.

Information about reportable segments from continuing operations

Information related to each reportable segment is set out below. Segment operating income is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Reportable Segments

2015 US$'000	Lager Beer	Sparkling Beverages	Sorghum Beer	Total reportable segments	All other segments	Total
External revenue	235 605	186 564	151 504	573 673	21 960	595 633
Inter-segment revenue	—	—	—	—	(19 081)	(19 081)
Segment revenue	235 605	186 564	151 504	573 673	2 879	576 552
Segment operating income	28 136	32 583	41 277	101 996	9 140	111 136
Segment net working capital*	15 203	26 057	15 434	56 694	160 019	216 713
Segment trade and other payables	(29 486)	(14 392)	(5 202)	(49 080)	(15 945)	(65 025)
Segment working capital assets	44 689	40 449	20 636	105 774	175 964	281 738
Segment fixed assets	141 026	109 613	50 180	300 819	40 280	341 099

* Net working capital comprises of cash and cash equivalents, trade and other receivables, trade and other payables and inventories. The operating segment information for the year ended 31 March 2014 has not been presented as the Group was organised differently which makes reclassification into current segments onerous.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

7. SEGMENTAL REPORTING (continued)

Reconciliations of information on reportable segments to IFRS measures (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4. Segment operating income represents segment income before allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

No single customer contributed 10% or more to the Group's or individual segment's revenue.

	2015 US$'000
i) Revenue	
Total revenue for reportable segments	573 673
Revenue for other segments	21 960
Elimination of inter-segment revenue	(19 081)
Consolidated revenue	**576 552**
ii) Operating income	
Total operating income for reportable segments	101 996
Operating income for other segments	9 140
Unallocated amounts	
- Finance income	12 740
- Finance cost	(5 378)
- Share of profit of equity-accounted investees	3 265
Consolidated profit before tax from continuing operations	**121 763**
iii) Assets	
Total working capital assets for reportable segments	105 774
Working capital assets for other segments	175 964
Total property, plant and equipment for reportable segments	300 819
Property, plant and equipment for other segments	40 280
Equity-accounted investees	33 474
Other unallocated amounts	7 354
Consolidated total assets	**663 665**
b) Liabilities	
Total trade and other payables for reportable segments	49 080
Trade and other payables for other segments	15 945
Provisions	26 205
Borrowings	70 000
Deferred tax liabilities	41 780
Other unallocated amounts	4 010
Consolidated total liabilities	**207 020**

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

8. REVENUE

	2015 US$ 000	2014 US$ 000
Gross sales	676 850	704 441
Less VAT and discounts	(100 298)	(102 217)
Revenue	576 552	602 224
Less excise duty & levies (Refer to note 9.1)	(73 152)	(83 338)
Net sales	503 400	518 886

All income has been derived from the sale of goods.

9. OPERATING INCOME

Operating income is arrived at after charging:-

9.1 NET OPERATING COSTS

	2015 US$ 000	2014 US$ 000
Raw materials and consumables used	199 791	195 052
Depreciation expense (note 9.2)	32 032	28 901
Staff costs	87 586	90 079
Excise duties and levies	73 152	83 338
Share option expense	2 324	2 405
Repairs and maintenance	18 095	16 988
Container breakages	5 257	6 678
Selling and marketing expenses	12 356	12 899
Royalties and technical fees	11 344	12 683
Property expenses:- rentals, leases and security	7 868	8 250
Administration and other operating expenses	15 611	15 148
	465 416	472 421

*Container breakages relate to containers that have come to the end of their usefull life.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

9. OPERATING INCOME (continued)

9.2 DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	2015 US$ 000	2014 US$ 000
Buildings	1 714	1 610
Plant and equipment	18 443	15 259
Vehicles	3 801	3 438
Containers (deferred container expenditure)	8 074	8 594
	32 032	28 901

9.3 AUDITORS' REMUNERATION

	2015 US$ 000	2014 US$ 000
Current year audit fees and expenses - Group	367	396
- Company	45	45
	412	441

10. THE GROUP AS A LESSEE

10.1 LEASING ARRANGEMENTS

Operating leases relate mainly to leases of land and buildings with lease terms of between 5 and 10 years. All operating lease contracts over 5 years contain clauses for annual market rental reviews. The Group does not have an option to purchase the leased properties at the expiry of the leased periods.

10.2 NET LEASING EXPENSE

	2015 US$ 000	2014 US$ 000
Lease payments:		
- Minimum lease payments	1 852	2 112

10.3 NET FUTURE OPERATING LEASE COMMITMENTS

	2015 US$ 000	2014 US$ 000
Lease payments:		
- Payable within one year	1 495	1 525
- Payable two to five years	3 790	6 714
	5 285	8 239

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

11. TAXATION

11.1 TAXATION

	2015 US$ 000	2014 US$ 000
Income tax:		
Current tax	21 118	27 000
Withholding tax	917	538
Deferred tax	7 774	4 684
	29 809	32 222

11.2 RECONCILIATION OF RATE OF TAXATION

	2015 %	2014 %
Standard rate	25,75	25,75
Adjusted for:		
Effect of expenses not deductible for tax	0,86	0,62
Effect of income not taxable in determining taxable profit:		
Effects of associate income	(0,69)	(0,43)
Other permanent differences	(1,44)	(2,30)
Effective rate	24,48	23,64

11.3 DEFERRED TAX LIABILITIES

	US$ 000	US$ 000
Balance at beginning of year	35 769	30 740
Disposal of subsidiary	(1 763)	—
Charge to profit or loss for discontinued operations	—	345
Charge to profit or loss for continuing operations	7 774	4 684
Balance at end of year	41 780	35 769
Analysis of balance at end of year		
Property, plant and equipment	41 705	36 004
Other temporary differences	75	(235)
	41 780	35 769

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

12. PROPERTY, PLANT AND EQUIPMENT

	2015 US$ 000	2014 US$ 000
FREEHOLD PROPERTIES		
Cost	110 779	105 734
Accumulated depreciation	(54 364)	(52 901)
	56 415	52 833
PLANT AND EQUIPMENT		
Cost	329 789	344 050
Capital work in progress	32 376	22 005
	362 165	366 055
Accumulated depreciation	(165 315)	(161 411)
	196 850	204 644
VEHICLES		
Cost	56 697	56 704
Accumulated depreciation	(33 396)	(31 432)
	23 301	25 272
CONTAINERS		
Containers on hand	43 243	46 105
Containers in the market	21 290	24 355
	64 533	70 460
Total property, plant and equipment	341 099	353 209

	2015 US$ 000	2014 US$ 000
Movement in net book amount for the year:		
At beginning of the year	353 209	319 241
Disposal of subsidiary	(12 720)	—
Capital expenditure – continuing operations	41 529	61 906
Capital expenditure – discontinued operations	925	4 271
Disposals	(640)	(1 468)
(Decrease)/increase in containers	(7 959)	331
Depreciation for continuing operations	(32 032)	(28 901)
Depreciation for discontinued operations	(1 213)	(2 171)
At end of the year	341 099	353 209

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	2015 US$ 000	2014 US$ 000
Capital expenditure - continuing operations comprised:		
Freehold properties	282	935
Plant and equipment	33 201	38 302
Vehicles	1 368	7 420
Containers	6 678	15 249
	41 529	61 906
Disposals comprised:		
Freehold properties	—	232
Plant and equipment	41	1 058
Vehicles	599	178
	640	1 468

13. INVESTMENTS IN ASSOCIATES

	2015 US$ 000	2014 US$ 000
Shares at cost	14 721	5 439
Post acquisition reserves	18 753	15 939
	33 474	21 378

Analysis of results and statement of financial position of associates.

	2015 US$ 000	2014 US$ 000
AFDIS Holdings Limited (31,28%) (2014: 31,14%)		
Shares at cost	5 121	4 909
Group's share of post-acquisition profits/(losses)	387	(436)
Dividend received from associate	(450)	—
	5 058	4 473
Total assets	21 830	18 105
Total liabilities	(7 731)	(5 530)
Net assets	14 099	12 575
Group's share of net assets of associate	4 410	3 916
Total revenue	36 818	33 105
Total profit for the year	2 644	1 560
Group's share of profit of associate	823	448

The market value of the Group's interest in AFDIS Holdings Limited, the controlling entity of African Distillers Limited which is listed on the Zimbabwe Stock Exchange, was US$16,2 million (2014: US$10,4 million).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

13. INVESTMENTS IN ASSOCIATES (continued)

	2015 US$ 000	2014 US$ 000
Schweppes Zimbabwe Limited (49%) (2014: 49%)		
Shares at cost	530	530
Gain arising on acquisition	9 278	9 278
Group's share of post-acquisition distributable reserves	9 481	7 096
	19 289	16 904
Total assets	77 914	57 898
Total liabilities	(50 926)	(35 165)
Net assets	26 988	22 733
Group's share of net assets of associate	13 224	11 139
Total revenue	97 316	96 057
Total profit for the year	4 867	3 745
Group's share of profits of associate	2 385	1 835

	2015 US$ 000
NamPak Zimbabwe Limited (21.46%) (2014: 0%)	
Shares at cost	9 070
Group's share of post-acquisition distributable reserves	57
	9 127
Total assets	85 912
Total liabilities	(33 080)
Net assets	52 832
Group's share of net assets of associate	11 338
Total revenue for 6 months	45 707
Total profit for 6 months	267
Group's share of profits of associate	57

The market value of the Group's interest in NamPak Zimbabwe Limited which is listed on the Zimbabwe Stock Exchange, was US$7,7 million. The shares have not traded since its listing. This is due to the fact that the entity has a small number of institutional shareholders.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

14. INVESTMENTS, LOANS AND TRADEMARKS

	2015 US$ 000	2014 US$ 000
14.1 INVESTMENTS		
Unlisted - at cost	110	110
14.2 LOANS		
Secured-Related Parties	8 971	10 826
Total loans and investments	9 081	10 936
14.3 TRADEMARKS		
At cost	2 914	2 914

14.4 Included in the Group's secured loans of US$9 million are loans to employees made in terms of a Group housing and vehicle ownership scheme. This includes loans to Directors and key management of the Group amounting to US$6,1 million (2014: US$6,1million). During the year, US$0,9 million was advanced and US$1 million was repaid. Housing loans are secured through mortgage bonds whilst the underlying assets under the car loan scheme are pledged as security. The loans are of various tenure and are in line with the employees' contracts of employment and attract variable interest rates of up to 16% per annum depending on the nature of the loan. The interest rates are reviewed periodically by the Remuneration Committee. None of the loans had been past due or impaired at the end of the reporting period.

The Group holds trademarks for the manufacture of various beverages and for corporate brands. The trademarks are assessed for impairment on an annual basis. No impairment has been recognised in the current year.

15. INVENTORIES

	2015 US$ 000	2014 US$ 000
Consumable stores	24 168	26 768
Finished products	15 944	14 588
Raw materials	55 740	56 316
Work in progress	2 410	2 481
Total	98 262	100 153

The cost of inventories recognised as an expense during the year in respect of continuing operations was US$200 million (2014: US$195 million).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

16. TRADE AND OTHER RECEIVABLES

	2015 US$ 000	2014 US$ 000
Trade receivables	34 457	34 760
Other receivables	12 772	11 038
Allowances for credit losses	(4 223)	(3 931)
Total	43 006	41 867

Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are considered recoverable.

The Group holds collateral on some receivable balances. The estimated value of this collateral is US$13,1 million (2014: US$9,6 million). The Group does not hold other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. The average debtor days are 19 (2014:16)

The Group has recognised an allowance for doubtful debts of US$4,2 million (2014: US$3,9 million) based on the historical past default performance of the counterparty and the analysis of the counterparty's financial position.

Before accepting any new customer the Group uses a credit scoring system to assess the potential customer's credit quality and define the credit limits by customer. Limits and customer performance are reviewed regularly. During the year 76% of receivables are neither past due nor impaired.

Trade receivables disclosed above include amounts (see below for age analysis) that are past due but at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

	2015 US$ 000	2014 US$ 000
Ageing of past due but not impaired		
60-90 days	1 606	1 042
Over 90 days	2 403	2 666
Movement in the allowance of doubtful debts		
Balance at the beginning of the year	3 931	3 812
Impairment losses recognise on receivables	135	42
Amounts written of during the year as uncollectable	175	77
Amounts recovered during the year	(18)	—
Balance at the end of the period	4 223	3 931

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period. The concentration risk is limited due to the fact that the customer base is large and unrelated.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

16. TRADE AND OTHER RECEIVABLES (continued)

	2015 US$ 000	2014 US$ 000
Ageing of impaired trade receivables		
60-90 days	—	—
Over 90 days	4 223	3 931
Total	4 223	3 931

17. SHARE CAPITAL

17.1 AUTHORISED SHARE CAPITAL

Authorised share capital comprises 1 400 000 000 ordinary shares of US$0.01 (one US cent) per share.

17.2 ORDINARY SHARES ISSUED AND FULLY PAID

	2015 Number of shares in millions	2014 Number of shares in millions
At beginning of year	1 234	1 223
Exercise of share options	5	14
Share buy back	(2)	(3)
At end of year	1 237	1 234

17.3 UNISSUED SHARES

Subject to the limitations imposed by the Companies Act (Chapter 24:03), in terms of a special resolution of the company in the General Meeting, the unissued share capital comprising 157 431 325 (2014 – 158 435 285) ordinary shares has been placed at the disposal of the directors for an indefinite period.

17.4 SHARES UNDER OPTION

The directors are empowered to grant share options to certain employees of the Group. These options are exercisable for a period of ten years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day prior to the granting of the options. Each employee share option converts into one ordinary share of Delta Corporation Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The number of shares subject to option is approved by shareholders in a General Meeting, and the number of options granted is calculated in accordance with the performance-based formula approved by the Remuneration Committee. The number of share options are limited in line with the Zimbabwe Stock Exchange (ZSE) regulations.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

17. SHARE CAPITAL (continued)

17.4 SHARES UNDER OPTION (continued)

Details of the share options outstanding during the year are as follows:

Date of Grant	Date of expiry	Subscription Prices US$	Number of Shares 2015 '000	Number of Shares 2014 '000
1 March 2009	1 March 2019	0,150	**520**	560
8 May 2009	8 May 2019	0,150	**165**	210
2 January 2010	2 January 2020	0,505	**56**	56
1 October 2010	1 October 2020	0,500	**—**	—
3 January 2011	3 January 2021	0,636	**1 211**	2 620
1 July 2011	1 July 2021	0,785	**—**	875
3 November 2011	3 November 2021	0,746	**3 380**	5 787
2 August 2012	2 August 2022	0,680	**9 256**	9 316
1 June 2013	1 June 2023	1,450	**5 195**	5 195
1 June 2014	1 June 2024	1,148	**6 255**	—
			26 038	24 619

	2015 '000	2014 '000
Movements in share options during the period:		
Number outstanding at beginning of year	**24 619**	34 107
New options granted during year	**6 255**	5 195
Exercised during year	**(4 836)**	(14 202)
Forfeited during year	**—**	(481)
Outstanding at end of year	**26 038**	24 619

All options expire, if not exercised, ten years after the date of grant.

The weighted average price of exercise of share options and the weighted average stock exchange price on the date of exercise were US$0,71 (2014: US$0,35) and US$1,09 (2014: US$1,32) respectively. No shares were forfeited in 2015 (2014: 0,481 million shares).

Share options granted under the employee share option plan carry no rights to dividends and no voting rights.

In terms of the company share option scheme, options were granted on 1 June 2014. The estimated fair value of the options granted on this date was US$2,6 million. The options granted mature after three years and, accordingly, the fair value will be amortised over that period. The Group recognised total expenses of US$2,3 million (2014: US$2,4 million) in respect of share options in issue.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

17. SHARE CAPITAL (continued)

The fair value of the options granted in the current year was calculated using the Black-Scholes option pricing model as adjusted for dividends by Robert Merton, and the following weighted average assumptions were made.

Date of Issue	JUNE 2014
Grant date share price – US$	1,173
Exercise price	1,148
Expected volatility	31,9%
Dividend yield	2%
Risk-free interest rate	5%

In prior years, expected volatility and dividend yield was determined by reference to an entity in a similar industry (SABMiller) and market due to the circumstances that prevailed in the country. Ordinarily the historical volatility of the company's share over four years and dividend yield realised was the basis of calculation. The expected life was based on experience over a ten year period, but the life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions as regards closed periods and behavioural considerations. The weighted average value took into account an expected 0 % level of forfeiture.

Expected volatility is based on the company's historical share price volatility since dollarisation.

17.5 SHARE BUY BACK

The effect of the cost of the share buy back (treasury shares) has been debited to reserves. The cost of the shares bought back during the year to March 2015 was US$2,6 million (2 381 184 shares, 2014: US$4,3 million – 3 033 254 shares). The company held a total of 6 063 054 of its own shares as treasury stock.

18. DIRECTORS' SHAREHOLDINGS

At 31 March 2015, the Directors held directly and indirectly the following number of shares in the company:

	2015	2014
M Karombo	—	10 000
L E M Ngwerume	7 000	7 000
H C Sadza	764	764
M M Valela	3 663 359	3 663 359
	3 671 123	3 681 123

No changes in Directors' shareholdings have occurred between the financial year end and 8 May 2015, being the date of the last meeting of the directors.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

19. BORROWINGS

	2015 US$ 000	2014 US$ 000
19.1 LONG-TERM BORROWINGS		
Long-term borrowings - Amortised cost	70 000	—
19.2 SHORT-TERM BORROWINGS		
Short-term borrowings - Amortised cost	—	71 293

Long-term borrowings, which are unsecured, form part of the core borrowings of the Group and are renewed on maturity in terms of ongoing facilities negotiated with the relevant financial institutions. In terms of a resolution of the company in a general meeting, borrowings shall not exceed, in aggregate, shareholders' equity, which amounts to US$456,7 million.

The outstanding balances are repayable within thirty-six months.

Short-term borrowings bear interest in accordance with ruling short-term money market rates. An average of 7, 5% per annum was applicable to the outstanding balance (2014: 8% per annum).

20. TRADE, OTHER PAYABLES AND PROVISIONS

20.1 TRADE AND OTHER PAYABLES

	2015 US$ 000	2014 US$ 000
Trade payables	21 526	23 048
Accruals and other payables	39 208	43 810
	60 734	66 858

The average credit period on purchases of certain goods is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The carrying amount of trade and other payables is approximately equal to their fair values.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

20. TRADE, OTHER PAYABLES AND PROVISIONS (continued)

20.2 PROVISIONS

	2015 US$ 000	2014 US$ 000
Employee benefits*	4 915	4 466
Containers in the market**	21 290	24 355
Total	26 205	28 821

	Employee benefits	Containers in the market
Balance at beginning of year	4 466	24 355
Additional provision recognised	449	—
Container market absorption	—	(3 065)
At end of year	4 915	21 290

* The provision for employee benefits represents annual leave entitlements accrued.

** Containers in the market is the estimated value of the returnable containers population in the market and the Group's obligation to re-purchase these containers for re-use. Refer to note 4.9 for further details.

21. CASH FLOW INFORMATION - CONTINUING OPERATIONS

21.1 CASH GENERATED FROM OPERATING ACTIVITIES

	2015 US$ 000	2014 US$ 000
Operating income	111 136	129 803
Depreciation	32 032	28 901
Loss on disposal of property, plant and equipment	255	218
Share option expense	2 324	2 405
Other non cash items	7 600	(438)
	153 347	160 889
21.2 INCREASE IN WORKING CAPITAL		
Increase in inventories	(3 797)	(7 949)
Increase in trade and other receivables	(6 954)	(1 004)
Increase in obligation for containers in the market	(3 065)	113
Decrease in trade and other payables	(510)	(6 033)
	(14 326)	(14 873)

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

21. CASH FLOW INFORMATION - CONTINUING OPERATIONS (continued)

21.3 INCOME TAXATION PAID

	2015 US$ 000	2014 US$ 000
Liability at beginning of year	(2 766)	(2 626)
Current tax (Ref note 11)	(22 035)	(28 008)
Disposal of subsidiary	(108)	—
Prior year tax penalties reversed	783	—
Liability at end of year	8 301	2 766
	(15 825)	(27 868)

21.4 DIVIDEND PAID

	2015 US$ 000	2014 US$ 000
By the company:		
Proposed dividend at the beginning of year	(27 772)	(27 270)
Current year dividends	(45 121)	(43 766)
Proposed dividend at end of year	28 440	27 772
	(44 453)	(43 264)

21.5 MOVEMENTS IN LONG TERM BORROWINGS

	2015 US$ 000	2014 US$ 000
Liability at beginning of year	—	60 000
Amounts advanced/(transfer to short-term loan)	70 000	(60 000)
Balance at end of year	70 000	—

21.6 MOVEMENTS IN SHORT TERM BORROWINGS

	2015 US$ 000	2014 US$ 000
Liability at beginning of year	71 293	18 605
Disposal of subsidiary – MegaPak (Private) Limited	(3 267)	(1 355)
Amounts paid	(68 026)	(5 957)
Transfer from long term borrowings	—	60 000
Balance at end of year	—	71 293

21.7 INCREASE IN SHAREHOLDER FUNDING

	2015 US$ 000	2014 US$ 000
Proceeds of shares issued:		
By the company – share options exercised	3 399	5 075
	3 399	5 075

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

21. CASH FLOW INFORMATION - CONTINUING OPERATIONS (continued)

21.8 CASH AND CASH EQUIVALENTS

	2015 US$ 000	2014 US$ 000
Made up as follows:		
Bank balances and cash	133 611	86 489
	133 611	86 489

22. DIVIDENDS

	2015 US Cents	2014 US Cents	2015 US$ 000	2014 US$ 000
Interim	1,35	1,30	16 681	16 000
Final – proposed	2,30	2,25	28 440	27 772
	3,65	3,55	45 121	43 772

23. RELATED PARTY TRANSACTIONS

23.1 PARTIES WITH SIGNIFICANT INFLUENCE OVER THE GROUP

The entities and individuals known to be significant shareholders (owning more than 5% of a class of equity) of Delta Corporation Limited are shown on page 96 of this report.

SABMiller Group entities are considered to be related parties of the Group by virtue of its 40% equity shareholding. Details of the transactions are shown below.

23.2 RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group companies and other related parties are disclosed below.

	Purchases of goods US$ 000	Royalties, Technical & other fees US$ 000	Rental payments US$ 000	Amounts Owed by Related parties US$ 000	Amounts owed to related parties US$ 000
2015					
SABMiller Companies	45 670	11 344	—	—	(8 983)
Associates	10 131	—	—	—	(2 208)
Delta Pension Fund	—	—	290	2 216	—
	55 801	11 344	290	2 216	(11 191)

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

23. RELATED PARTY TRANSACTIONS (continued)

23.2 RELATED PARTY TRANSACTIONS (continued)

	Purchases of goods US$ 000	Royalties, Technical & other fees US$ 000	Rental payments US$ 000	Amounts Owed by Related parties US$ 000	Amounts owed to related parties US$ 000
2014					
SABMiller Companies	53 018	12 683	—	219	(8 698)
Associates	303	7	—	105	(79)
Delta Pension Fund	—	—	292	—	—
	53 321	12 690	292	324	(8 777)

During the course of the year Dube Manikai and Hwacha, a law firm in which the Group Chairman is a partner, provided legal services to the Group amounting to US$0,1 million.

Transactions with related parties are carried out at arm's length. The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

23.3 REMUNERATION OF DIRECTORS AND OTHER KEY MANAGEMENT

The remuneration of directors and other members of key management during the year was as follows:

	2015 US$ 000	2014 US$ 000
Short-term benefits	3 594	4 977
Post-employment benefits	502	465
Share based payments	1 538	972
	5 634	6 414
Included in the above amounts are the following in respect of directors' emoluments:		
Paid by subsidiaries:		
For services as directors	147	133
For managerial services	1 647	3 702
	1 794	3 835

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

23. RELATED PARTY TRANSACTIONS (continued)

23.4 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name	Country of Incorporation	Principal activity	Effective Interest	
			2015	2014
Delta Beverages (Private) Limited	Zimbabwe	Beverages Manufacture	100%	100%
National Breweries Limited	Zimbabwe	Dormant	100%	100%
Chibuku Breweries Limited	Zimbabwe	Dormant	100%	100%
United Bottlers (Private) Limited	Zimbabwe	Dormant	100%	100%
Bevcool (Private) Limited	Zimbabwe	Dormant	100%	100%
Polycon Converters (Private) Limited	Zimbabwe	Dormant	100%	100%
Matchwell Investments (Private) Limited	Zimbabwe	Dormant	100%	100%
Headend (Private) Limited	Zimbabwe	Dormant	92%	92%
MegaPak Zimbabwe (Private) Limited	Zimbabwe	Plastics Manufacture	0%	51%
Food & Industrial Processors (Private) Limited	Zimbabwe	Starch Distributor	49%	49%
Schweppes Zimbabwe Limited	Zimbabwe	Beverages Manufacture	49%	49%
Afdis Holdings Limited	Zimbabwe	Beverages Manufacture	31%	31%
Mandel Training Centre	Zimbabwe	Training	26%	26%
NamPak Zimbabwe Limited	Zimbabwe	Plastics & Paper Manufacture	21%	0%
PetrecoZim (Private) Limited	Zimbabwe	Plastics Recycling	15%	15%

Food & Industrial is a starch distribution entity and the investment was written off in prior years. The Group does not have significant influence over the investee as they do not participate in the policy making process. The investment has been considered immaterial.

Mandel Training Centre is accounted for as an investment at a cost of US$0,1 million (2014: US$0,1 million). The investment has been considered immaterial to be equity accounted.

PetrecoZim is a PET plastic recycling entity which the Group invested in as part of the post-consumer waste management initiative in line with its sustainable development framework. The Group does not expect to derive any future economic benefits from this investment and does not yield significant influence and as such all contributions towards the investment have been written off and are considered immaterial to the Group.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

24. COMMITMENTS FOR CAPITAL EXPENDITURE

	2015 US$ 000	2014 US$ 000
Contracts and orders placed	12 570	12 135
Authorised by directors but not contracted	32 430	41 955
	45 000	54 090

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

25. PENSION FUNDS

Group operating companies and all employees contribute to one or more of the following independently administered pension funds.

25.1 DELTA GROUP PENSION FUND

All Group employees are members of the Delta Beverages Pension Fund. The funds are independently administered defined contribution funds and are, accordingly, not subject to actuarial valuations.

25.2 NATIONAL SOCIAL SECURITY AUTHORITY SCHEME

This is a defined benefit scheme promulgated under the National Social Security Authority Act 1989. The Group's obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 3% of pensionable emoluments up to a maximum of US$700 per month for each employee.

25.3 PENSION COSTS RECOGNISED AS AN EXPENSE FOR THE YEAR

	2015 US$ 000	2014 US$ 000
Defined contribution funds	4 791	4 414
National Social Security Authority Scheme	1 263	989
	6 054	5 403

26. FINANCIAL RISK MANAGEMENT

26.1 TREASURY RISK MANAGEMENT

The Group Management Committee, consisting of senior executives of the Group, meets on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits is reviewed at quarterly Board meetings.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

26. FINANCIAL RISK MANAGEMENT (continued)

26.2 FOREIGN CURRENCY MANAGEMENT (continued)

Exposure to exchange rate fluctuations and foreign loans is limited by Group treasury policy and is monitored by the Group Management Committee. Operating subsidiaries manage short-term currency exposures relating to trade imports and exports within approved parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period were as follows:

	Liabilities		Assets		Net exposure	
	US$ 000 2015	US$ 000 2014	US$ 000 2015	US$ 000 2014	US$ 000 2015	US$ 000 2014
Euro	(239)	(500)	3 735	—	3 496	(500)
Rand	(37 915)	(14 326)	17 970	7 067	(19 945)	(7 259)

The following table details the Group's sensitivity to a 20,9% and 9,2% increase in the United States Dollar against the Euro and South African Rand respectively. The 20,9% and 9,2% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates. A positive number below indicates an increase in profit where the United States Dollar strengthens or weakens in a favourable manner against the net exposure.

	Euro Impact		Rand Impact	
	US$'000 2015	US$'000 2014	US$'000 2015	US$'000 2014
Profit/(Loss)	(524)	75	4 388	1 579

26.3 INTEREST RISK MANAGEMENT

Group policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts, commercial paper, foreign loans and where appropriate, long- term loans. Approved investment instruments include fixed and call deposits. The risk is limited as there are no variable/floating rate instruments held.

26.4 LIQUIDITY RISK MANAGEMENT

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest rate tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods and fixed interest rates. There are no financial liabilities with floating rates. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. All interest rate cash flows are fixed in nature. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

26. FINANCIAL RISK MANAGEMENT (continued)

26.4 LIQUIDITY RISK MANAGEMENT (continued)

	Weighted average effective interest rate %	0-2 months US$000	2-12 months US$000	12-36 months US$000	Total US$000
31 March 2015					
Fixed interest rate instruments	7,5	—	—	70 000	70 000
Trade and other payables	—	60 734	—	—	60 734
		60 734	—	70 000	130 734

	Weighted average effective interest rate %	0-2 months US$000	2-12 months US$000	12-36 months US$000	Total US$000
31 March 2014					
Fixed interest rate instruments	8	71 293	—	—	71 293
Trade and other payables	—	66 858	—	—	66 858
		138 151	—	—	138 151

The Group has access to financing facilities of which US$10 million were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows.

	2015 US$ 000	2014 US$ 000
FINANCING FACILITIES		
Unsecured bank loan facility, with various maturity dates through to November 2017 and of which:		
Total available	80 000	98 500
Amount used	(70 000)	(71 293)
Amount unused	10 000	27 207

The directors consider that the carrying amounts of financial assets and financial liabilities in the financial statements approximate their fair values.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

26. FINANCIAL RISK MANAGEMENT (continued)

26.5 CREDIT RISK MANAGEMENT

Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments and trade debtors. The Group deposits short-term cash surpluses only with major banks of high credit standing. Trade debtors comprise a large, widespread customer base and Group companies perform on-going credit evaluations of the financial condition of their customers. The Group uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. The Group does not have significant credit risk exposure to any single trade debtor. Concentration of credit risk did not exceed 10% for any counter-party. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies.

26.6 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

26.7 CATEGORIES OF FINANCIAL INSTRUMENTS

	2015 US$ 000	2014 US$ 000
Financial assets		
Cash and bank balances	133 611	86 489
Trade and other receivables	30 234	30 829
Loans	8 971	10 826
Available-for-sale financial assets-(investments)	110	110
Financial liabilities		
Amortised cost:		
Borrowings	70 000	71 293
Trade and other payables	60 734	66 858

26.8 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders. The capital structure of the Group consists of net cash (comprising borrowings as offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group is not subject to any externally imposed capital requirements. The gearing ratio is 15,32 % in current year (2014: 17,20%).

26.9 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

27 DISCONTINUED OPERATION

On 1 October 2014, the Group sold its packaging subsidiary, MegaPak in exchange for shareholding in NamPak Zimbabwe Limited. Management committed to a plan to sell this segment following a strategic decision to place greater focus on the Group's key competencies – i.e. the manufacture and distribution of alcoholic and non-alcoholic beverages products.

The packaging segment was not classified as held for sale or as a discontinued operation in prior year. The comparative consolidated statement of profit or loss and other comprehensive income and statement of cash flows have been restated to show the discontinued operation separately from continuing operations.

Results of discontinued operation

	6 months to Sep 2014 US$ 000	12 months to March 2014 US$ 000
Revenue	21 802	39 880
Expenses	(19 500)	(35 945)
Results from operating activities	2 302	3 935
Income tax	(554)	(815)
Results from operating activities net of tax	1 748	3 120
Gain on sale of discontinued operation	415	—
Restructuring costs	(1 317)	—
Profit from discontinued operations	846	3 120

Cash flows from (used in) discontinued operation

	Sep 2014 US$ 000	March 2014 US$ 000
Net cash generated from operations	1 972	6 478
Restructuring costs	(840)	—
Net cash generated from operating activities	1 132	6 478
Net cash from investing activities	(934)	(4 369)
Net cash from financing activities	(942)	(1 355)
Net cash flow for the year	(744)	754

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March

27 DISCONTINUED OPERATION (continued)

Effect of disposal on the financial position of the Group

	Sep 2014 US$ 000
Property, plant and equipment	12 720
Investments	151
Long term loans	1 097
Total non-current assets	13 968
Inventories	6 305
Trade and other receivables	6 750
Cash and cash equivalents	684
Total current assets	13 739
Total assets	27 707
Long term borrowings	(647)
Deferred tax liabilities	(1 853)
Total non-current liabilities	(2 500)
Short term borrowings	(2 395)
Dividends payable	(800)
Provision for tax	(59)
Trade and other payables	(4 049)
Total current liabilities	(7 303)
Total liabilities	(9 803)
Net assets and liabilities	17 904
Non-controlling interests	(8 773)
Net assets and liabilities (51%)	(9 131)
Consideration received not settled in cash	9 546
Gain on disposal	415
Cash received	—
Cash and cash equivalents disposed of	684
Net cash outflow	(684)

Company Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March

	2015 US$ 000	2014 US$ 000
REVENUE		
Dividend and other income	45 902	44 132
Administrative expenses	(331)	(357)
Profit before tax	45 571	43 775
Taxation	—	—
PROFIT FOR THE YEAR	45 571	43 775
Other comprehensive income for the year	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	45 571	43 775

Income relates to dividends and management fees received from the subsidiary, Delta Beverages (Private) Limited, and dividend received from AFDIS Holdings Limited, an associate of the company. Both entities are related parties.

Administrative expenses relate to expenditure paid for by Delta Beverages (Private) Limited and charged to the company as management fees.

Company Statement of Financial Position

at 31 March

	Notes	2015 US$ 000	2014 US$ 000
ASSETS			
Non-current Assets			
Investments in associated companies	13, E	14 191	4 909
Interest in subsidiaries	A	87	87
		14 278	4 996
Current Assets			
Loans to subsidiaries	B	56 976	62 942
Trade and other receivables	C	44 409	43 102
		101 385	106 044
Total Assets		115 663	111 040
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		12 366	12 342
Share premium		32 234	28 982
Share option reserve		4 531	3 527
Retained earnings		65 587	65 664
Total Equity		114 718	110 515
Current Liabilities			
Trade and other payables	D	945	525
Total Equity and Liabilities		115 663	111 040

The financial statements were approved by the Board and authorised for issue on 8 May 2015.

P GOWERO
CHIEF EXECUTIVE OFFICER

M M VALELA
EXECUTIVE DIRECTOR - FINANCE

A. INTEREST IN SUBSIDIARIES

Details of all subsidiaries are provided in the Group structure included on note 23.4. This is an interest in Delta Beverages (Private) Limited recognised at cost.

B. LOANS TO SUBSIDIARIES

Loans to subsidiaries relate to non-interest bearing loans issued to Delta Beverages (Private) Limited. The loans do not have fixed repayment dates and have nil interest. There are no amounts that are past due or impaired.

C. TRADE AND OTHER RECEIVABLES

Receivables relate to dividends owing from the subsidiary Delta Beverages (Private) Limited as well as dividends paid over to the share transfer secretaries but not yet issued to shareholders. There are no amounts that are past due or impaired.

D. TRADE AND OTHER PAYABLES

Outstanding dividends are those which have been declared but not collected by the shareholders from the share transfer secretaries.

E. ASSOCIATED COMPANIES

Associated companies relate to investment in Afdis Holdings Limited and NamPak Zimbabwe Limited disclosed in note 13. These are recognised at cost.

F. ACCOUNTING POLICIES

The company financial statements have been prepared in accordance with the policies detailed in notes 1 to 4 of this Annual Report.

Company Statement of Changes in Equity

for the year ended 31 March

	Notes	Share capital US$000	Share premium US$000	Share options reserve US$000	Retained earnings US$000	Total equity US$000
At 1 April 2013		12 230	24 049	3 054	67 471	106 804
Profit for the year		—	—	—	43 775	43 775
Other Comprehensive income for the year, net of tax		—	—	—	—	—
Total Comprehensive Income for the year		—	—	—	43 775	43 775
Transactions with owners:						
Share options exercised		142	4 933	—	—	5 075
Share buy back	17.5	(30)	—	—	(4 250)	(4 280)
Transfer from share options reserves		—	—	(1 932)	1 932	—
Recognition of share based payments		—	—	2 405	—	2 405
Payment of dividends	21.4	—	—	—	(43 264)	(43 264)
At 1 April 2014		12 342	28 982	3 527	65 664	110 515
Profit for the year		—	—	—	45 571	45 571
Other comprehensive income for the year, net of tax		—	—	—	—	—
Total Comprehensive Income for the year		—	—	—	45 571	45 571
Transactions with owners:						
Share options exercised		48	3 351	—	—	3 399
Share buy back	17.5	(24)	(99)	—	(2 515)	(2 638)
Transfer from share options reserves		—	—	(1 320)	1320	—
Recognition of share based payments		—	—	2 324	—	2 324
Payment of dividends	21.4	—	—	—	(44 453)	(44 453)
At 31 March 2015		12 366	32 234	4 531	65 587	114 718

Company Statement of Cash Flow

for the year ended 31 March

	2015 US$ 000	2014 US$ 000
Cash flow from operating activities		
Profit before tax	45 571	43 775
Less dividends to be included as investing activities	(45 571)	(43 775)
Cash generated from trading	—	—
(Increase)/decrease in working capital	(360)	2 808
Cash utilised from operating activities	(360)	2 808
Net cash flow from operating activities	(360)	2 808
Cash flow from investing activities		
Dividend received from associate	450	—
Purchase of shares in associate	(212)	(2 516)
Dividend received from subsidiary	43 814	42 177
Net cash generated from investing activities	44 052	39 661
Cash flow from financing activities		
Dividend paid	(44 453)	(43 264)
Increase in shareholder funding	3 399	5 075
Share buy back	(2 638)	(4 280)
Net cash utilisd in financing activities	(43 692)	(42 469)
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of the year	—	—
Cash and cash equivalents at end of the year	—	—

All cash payments are made through Delta Beverages (Private) Limited a wholly owned subsidiary.

Group Statistics

for the year ended 31 March

	2015	2014
SHARE PERFORMANCE		
PER SHARE (US cents)		
Attributable earnings	7,44	8,55
Diluted earnings	7,40	8,49
Cash equivalent earnings	10,13	11,48
Dividends	3,65	3,55
Cash flow	11,25	12,20
Net asset value	36,96	32,87
Closing market price (US cents)	105	115
ZSE industrial index	158	176
SHARE INFORMATION		
In issue (m's)	1 243	1 242
Market capitalisation (US$000's)	1 304 697	1 427 799
Trading volume (m's)	85	100
Trading percentage (%)	6,84	8,1
RATIOS AND RETURNS		
PROFITABILITY		
Return on equity (%)	20,14	25,63
Income after taxation to total capital employed (%)	20,32	25,87
Pretax return on total assets (%)	18,35	21,99
SOLVENCY		
Long term debt to total Shareholders' funds (%)	15,33	—
Interest cover (times)	21	33
Total liabilities to total Shareholders' funds (%)	45,33	49,59
LIQUIDITY		
Current assets to interest free liabilities & short-term borrowings	2,91	1,36
PRODUCTIVITY		
Turnover per employee ($000's)	118	121
Turnover to payroll (times)	6,41	6,51
OTHER		
Number of shareholders	6 594	6 894

Sustainable Development Report

Our business makes its greatest contribution to society by delivering to our consumers refreshing and enjoyable high quality products. In doing so, we create jobs, pay taxes and build skills; which demonstrates that business growth and sustainable development can be mutually reinforcing rather than be in conflict. In the current year Delta generated in excess of $676 million of economic value as measured in terms sales billings. This value was distributed in the course of conducting our business to employees, shareholders and investors, lenders, suppliers, government and local communities through our various corporate social investment activities. The multiplier effect of our investments and business operations through the value chains is a catalyst for national development. We integrate sustainable development into the day to day management of the business by focusing on specific priority areas for which we measure, track and evaluate performance using a bespoke Sustainability Assessment Matrix (SAM) stairway. The company is in the process of revamping this framework by realigning what were previously ten priority areas into five shared imperatives.

As a Coca-Cola bottler, Delta also subscribes to the sustainability framework that is known in the Coca-Cola system as *"Me, We, World"*.

The Sustainability Assessment Matrix (SAM).

The SAM is a rigorous and transparent management system used for collecting, measuring, monitoring and presenting the company's performance in sustainable development issues with respect to each of the priority areas or shared imperatives. Specific standards and performance targets have been developed based on local circumstances and conditions taking into account the results of benchmarking to best practice and other peers in similar sectors.

Notable progress is being made as measured against a business scorecard which tracks both qualitative and quantitative measurements. Progress is assessed every six months. The company's sustainability framework is adopted from and is aligned to that of the SABMiller Group whose reporting is subject to third party assurance and is in accordance with the Global Reporting Initiative guidelines in addition to the other frameworks under the United Nations Global Compact and Millennium Development Goals.

SHARPENING OUR FOCUS: FROM 10 Priority Areas to Five Shared Imperatives

> *'We want to exist in a thriving, sociable, resilient, clean and productive world, and we're no different from anyone else. Everyone wants a world in which they can prosper… When our business does well, so do the communities, economies and environment around us. When they prosper, so do we."* *Alan Clark, SABMiller plc CEO, July 2014.*

The substance of our sustainable development framework derives from the realisation that our business is not something separate from the society hence is at one and the same time an employer, a customer, a supplier and a taxpayer. The interests of the company and the wider community are therefore inextricably intertwined. The revised framework aims to use the foundation created by tracking the ten priorities and re-modelling them into five ***shared imperatives***, they are ***imperatives*** because they are critical to our future success and are ***"shared"*** because we do not face these challenges on our own. By sharing our local knowledge and collaborating through innovative partnerships with suppliers, customers, government and other stakeholders we can continue to find solutions to these shared challenges.

Our five shared imperatives tackle the five most material issues for our business.

A thriving world where incomes and quality of life are growing

We will accelerate growth and social development through our value chains.

A sociable world where our beers are developed, marketed, sold and consumed with high regard for individual and community well-being

We will make beer the natural choice for the moderate and responsible drinker.

A resilient world where our businesses, local communities and ecosystems share uninterrupted access to safe, clean water

We will secure shared water resources for the future.

A clean world where nothing goes to waste and emissions are dramatically lower

We will create value through reducing waste and carbon emissions.

A productive world where land is used responsibly, food supply is secure, biodiversity is protected and our crops can be accessed at reasonable prices

We will support responsible, sustainable use of land for our crops.

Sustainable Development Report (continued)

A THRIVING WORLD

We want a thriving world where incomes and quality of life are growing.

In the communities we are a part of, people – especially women – face the challenges of unemployment, lack of access to markets, the need for skills and sometimes basic services. The decisions we make can help shape their opportunities and enable their growth and development.

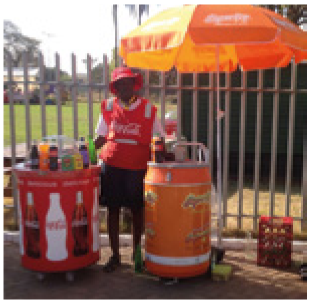
SHARED IMPERATIVE

We will accelerate growth and social development through our value chains.

Delta Corporation is a truly Zimbabwean company with its foundation rooted in the local communities, with a history dating back to 1898 when the beer factory was established in Harare. The Group is a significant contributor to the Zimbabwean economy through providing over 6 000 jobs directly in the business, and indirectly providing support and livelihood to our partners both upstream and downstream through our supply chain, the retailing and distribution of our beverages. The multiplier effects of our operations permeate through various facets of the Zimbabwean economy, thereby creating wealth and improving the welfare of the communities in which we work. Research has indicated that for every one person employed in the beer sector it supports a further thirteen to seventeen jobs in other sectors.

It is one of our beliefs that by stimulating the creation of jobs, particularly those that promote gender diversity, we can help to ensure that more people are able to share and participate in the country's economic success. As our share of the 5 by 20 Coca-Cola program to empower five million women by the year 2020 worldwide, we plan to recruit and train over 2 000 women as part of the upgrading of the informal market traders.

We continue to challenge ourselves on how we can scale up our enterprise development programs in order to grow their businesses and contribute to a ***thriving world*** where incomes and quality of life are growing. It is recorded however that the Zimbabwean economy has been regressing hence the Group's efforts may not be transparent to most of our stakeholders. These programs cover our longstanding contract farming which targets small holder farmers, the retailer development and other focused supplier empowerment initiatives.



Unleashing the entrepreneurial potential of women is one of the most powerful and enduring ways to help families and communities prosper. It is also an important way to help make our business more sustainable. Our investments in the success of women fuel our own success and the success of communities in our country.

Direct Economic value generated	**Economic Value Distributed**					**Economic value retained**
Gross Revenue plus interest received	Operating costs (cost of materials, services and facilities)	Employee Remuneration	Payments to providers of capital	Payment to tax authorities (excise, direct and indirect taxes)	Community Investments	Value retained for operational purposes, and future capital expenditure
$690.0m	$381,5m	$89,9m	$44,5m	$173,9m	$0,2m	$87,6m

Sustainable Development Report (continued)

A THRIVING WORLD

SHARED IMPERATIVE *(continued)*

The company responds to disasters, provide humanitarian relief as well as ad-hoc requests for donations. Where we can, we give others a hand-up and support worthy causes. We deliver this via direct funding from the company or through resources and time executed by our employees in order to deliver positive change in the communities where we operate. These programs are guided by the Group's Ethics and donations policies. All projects should be closely aligned with our strategy and business imperatives and therefore exclude donations to certain specific areas such as but not limited to:

- Political and religious organisations particularly projects that are designed to facilitate the spread of their ideologies and beliefs
- Individuals, commercial or profit-making businesses or organisations
- Publications, exhibitions, marketing campaigns and general research
- Sports sponsorships and music festivals except for the brand led properties

The company provides financial support for gifted but disadvantaged children through the Bursary Scheme, taking some of the students through advanced level and university education. In addition the Schools Assistance Program undertakes to construct two to three classroom blocks per year for disadvantaged communities with further assistance coming from partners that provide books and other amenities.

Our involvement in Sports and Arts has continued with sponsorships of festivals such as HIFA, Jikinya Dance festival, INTWASA, Chibuku Neshamwari Traditional Dance festival and the Danhiko Paralympics games. For the fourth successive year we sponsored the country's premier sports awards ANSA. We continue to support various charitable institutions such as St. Giles, Chinyaradzo Children's Home the SOS villages, Kidz Can and other deserving institutions.

A SOCIABLE WORLD

We want a sociable world where our beers are developed, marketed, sold and consumed with high regard for individual and community well-being.

The majority of our consumers enjoy beer in moderation with friends and families but there is a minority who drink in excess putting themselves and people around them at risk of harm. We must boldly do our part to help tackle problems caused by the harmful use of alcohol. There is no simple solution to addressing alcohol related harm, nor can the issue be resolved by a single company acting alone. The industry and key stakeholders can work towards making a difference; making sure the information about alcohol is accurate and balanced, initiatives that combat drinking and driving, underage drinking and disorderly conduct and that help is offered to people that are at risk.

SHARED IMPERATIVE

We will make beer the natural choice for the moderate and responsible drinker.

Our comprehensive policies help our employees and partners to meet our demanding standards on producing our products to encourage responsible consumption. Our sound principles are backed by programmes to reduce the harmful use of alcohol.

We believe that our policies on employee behaviour, commercial communication and product labelling and the company-wide education programmes reinforce high levels of responsible conduct in relation to alcohol consumption. We continue to train employees in the Alcohol Intelligence Quotient (AIQ) and the Alcohol Behaviour & Communication (AB&C) Programmes.

Sustainable Development Report (continued)

SHARED IMPERATIVE *(continued)*

The comprehensive initiatives aim to address harmful drinking and target to address the following areas:

- Reducing underage drinking
- Strengthening and expanding marketing codes of practice;
- Providing consumer information and responsible product innovation
- Reducing drinking and driving. The company is a member of and plays an integral role within the Zimbabwe Alcoholic Beverages Manufacturers Association (ZABMA). ZABMA works with the Zimbabwe Traffic Safety Board in campaigns against drunk-driving. We have recently launched a RESPECT THE ROAD driver safety and awareness programme with the aim of reducing accidents by our own heavy and light motor vehicle drivers, and those that interface with our value chain as freight operators or product distributors.
- Support responsible retail practices through industry leading levels of retailer training and engagement, targeting to reach our more than 6 000 bottle stores, taverns and other beer retail channel partners. We work collaboratively with local authorities and the Liquor Licensing Board in upgrading and licensing of liquor outlets.
- Encourage and support the establishment and enforcement of clear standards of beer retail in the on and off trade. We continue to provide input into the development of a national alcohol policy that provides guidance on retail infrastructure, operating hours, advertising windows on various media etc.

  In addition to the initiatives on alcoholic beverages we also have specific programmes relating to our sparkling beverages and nutritious, meal replacement alternatives. Our longstanding commitment to consumers' well-being begins with ensuring that each and every beverage we deliver is safe, delicious and refreshing. Further, we work to inspire consumers to pursue happier, healthier lives-and provide opportunities to do so - through the wide variety of products we offer, our transparent labeling practices, our responsible marketing practices and the many physical activity programs we support around Zimbabwe.

A RESILIENT WORLD

SHARED OPPORTUNITY

Working towards a resilient world where our business, local communities and ecosystems share uninterrupted access to safe, clean water.

Water is fundamental not only to the company's value chain, but to the health and success of the markets and communities in which we operate and sell our products. Water is the main ingredient in our beverages, central to our manufacturing process, and necessary for growing the agricultural products on which we rely. We need to play our part to ensure a reliable, clean supply of water that is managed and used as efficiently as possible. We take note of the impact of climate change and high incidences of droughts, the deteriorating public utilities infrastructure, growing urbanisation hence the pressure on the limited supplies of water to both our facilities and our communities. Water risks are felt by many and rarely impact on one company in isolation, hence the need for a collaborative approach to mitigating the shared risks by all stakeholders.

SHARED IMPERATIVE

We will secure shared water resources for our business and local communities.

Brewery by brewery, we are building a detailed understanding of water risks and creating partnerships to tackle these risks with those that share them. We have applied a bespoke in-depth water risk assessment process whose aim is to analyse the probability and severity of physical water risks and identify the key stakeholders in the watersheds applicable to each operation, which has facilitated that targeted engagements towards mapping and prioritization of mitigation plans.

Water, food and energy are inextricably linked.We cannot manage these resources in isolation as the availability of each affects the availability of the others.

The company works collaboratively with the Coca Cola Africa Foundation which has partnerships with Plan International and Replenish Africa Initiative (Rain) to improve the access by communities to clean water. We are enhancing our schools construction program to include the provision of potable water. Our partners Coca-Cola are currently undertaking a project to drill boreholes and provide piped water to Goromonzi High School and Waddilove School.

Sustainable Development Report (continued)

A RESILIENT WORLD *(continued)*

SHARED IMPERATIVE *(continued)*

We continue to invest in the upgrading of our production infrastructure in order to minimise water use and align our usage levels to target benchmarks. We use the '5Rs' – Protect, Reduce, Reuse, Recycle and Redistribute – to manage water upstream, downstream and within our operations.

A CLEAN WORLD

SHARED OPPORTUNITY

We want a clean world where nothing goes to waste and emissions are dramatically lower.

Climate change is a threat to our business and to local communities. Our own factory emissions, the packaging and trade refrigeration of beverages, all have a significant carbon footprint.

It is important to us to deliver the quality beverages our consumers expect from us as sustainably as possible. We make progress towards this objective through packaging innovation, resource minimisation, recyclability, use of recycled and renewable materials and engaging consumers to join us on the journey.

SHARED IMPERATIVE

We will create value through reducing waste and carbon emissions.

We will work with suppliers, distributors, retailers, municipalities and consumers to reduce emissions and waste across our value chain, and reuse and recycle waste and packaging.

PROGRESS TO DATE:

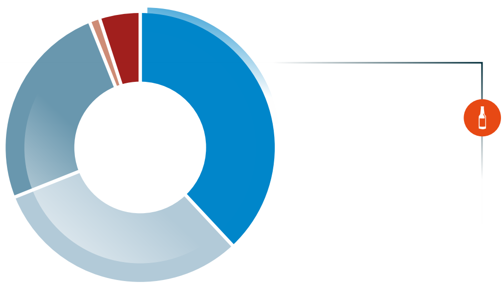
- *Returnable Bottles: embedding the culture of reuse*. The Group believes in the use of returnable glass bottles as a trusted and effective way to reduce the environmental impact of our packaging as they are much more resource efficient than the one way packages such as cans and PET.

  Our recycling joint venture PetrecoZim commenced full scale recovery and processing of PET post consumption waste which is pelletized and exported. A total of 446 tons of PET pellets were exported during the financial year.

  The consumer waste cages that have been installed at major shopping centres are now being used to accumulate used cans and PET. The used cans are crushed pressed into tin cake for export. The change over from steel to aluminium cans is in progress and is expected to be completed in 2015 which creates secondary usage of the used cans.

  We are working collaboratively with the environmental agency and other environmental groups to intensify the education of consumers on segregation of litter, placement of litter in bins and general consciousness on a cleaner environment.

F15 VOLUME SPLIT BY PACK TYPE %



Returnable Plastic	38%
Returnable Glass	31%
Non Returnable Plastic	25%
Non Returnable Glass	1%
Cans	5%

- *Eliminating waste from our production processes:* A significant amount of the waste from our brewing operations is organic material such as spent grains which are sold to farmers as stock feed.
- *Reducing supply chain emissions:* Our production and distribution processes use significant amounts of fossil fuels and generate CO_2 emissions. We continue to record and analyse data on the levels of these emissions for comparison to set benchmarks. There are ongoing collaborative efforts across the supply chain to implement projects that reduce CO_2 emissions.

Sustainable Development Report (continued)

- *Driving Efficiency:* As we drive the projects to reduce waste and carbon emissions, we generate savings from the efficient use of energy. These savings liberate more resources that are invested in driving further efficiencies. Each production centre tracks the usage of water and energy against both internal and international benchmarks as part of the business key performance indicators. The key initiatives such as the light-weighting of primary and secondary packaging, use of light weight trailers, use of natural lighting and the modernisation of factories have resulted in significant progress in the various energy usage measures.

A PRODUCTIVE WORLD

SHARED OPPORTUNITY

We want a productive world where land is used responsibly, food supply is secure, biodiversity is protected and brewing crops and agricultural raw materials can be accessed at reasonable prices.
Our products - and the country's population - depend on a sustainable supply of agricultural crops. In order to support the more than thirteen million Zimbabweans, agriculture must become more efficient, operate within ecological limits and address the challenges of topsoil loss, fresh water depletion and greenhouse gas emissions. Holding ourselves and our suppliers to high sourcing standards allows us to support sustainable agriculture for the long-term benefit of our company and stakeholders, especially the farmers and communities who cultivate the crops upon which we all rely. Farmers have other choices, and many farmers are struggling to earn a viable livelihood.

SHARED IMPERATIVE

We will support responsible, sustainable use of land for our agricultural raw materials.
We are creating secure, sustainable supply chains both for malting barley, maize and sorghum including key agricultural raw materials such as sugar and fruit juices. We are helping farmers increase profitability, productivity and social development while reducing environmental impact.

The company continues to support about 9 300 subsistence farmers to grow sorghum for use in our iconic Chibuku and the Eagle Lager beer. The longstanding barley contract scheme has unfortunately been disrupted somewhat in 2015 due to the overstock position, arising from the significant improvement in yields at a time when the pull from the beer volume had been dampened by excise duty induced price increases.

OUR PEOPLE

By valuing and empowering our people, we aim to be an employer of choice around the Country

Delta employs on average some 6 000 employees of which 75% are permanent. There is a focus on increasing the ratio of female employees particularly at the senior levels. As noted in our Values Statement, we acknowledge that our people are our enduring advantage, hence the need to provide a safe and healthy working environment. Our conditions of service stress the need to discourage any forms of discrimination, recognise the right to collective bargaining and the need to promote fairness at the work place.

We seek to treat all of our employees and contractors equitably and with respect, while providing them with a safe working environment. We reward them fairly by providing a range of benefits, together with opportunities to reach their potential and enjoy long, fulfilling careers with us.

The company is conscious of the focus of the new Zimbabwe Constitution which emphasises the issues of gender balance in all facets of human endeavour. To this end, there are programmes which aim to increase the role and ratios of female employees in the organisation and therefore address the diversity issues.

Sustainable Development Report (continued)

WORKPLACE HEALTH AND SAFETY

We believe that a safe and healthy workplace is both a fundamental right of every person and a business imperative. Our Safety Around Beverages Policy requires that we take responsibility for maintaining a productive workplace in every area of our company by, among other things, working towards minimizing the risk of accidents, injury and exposure to health hazards for all of our associates and contractors.

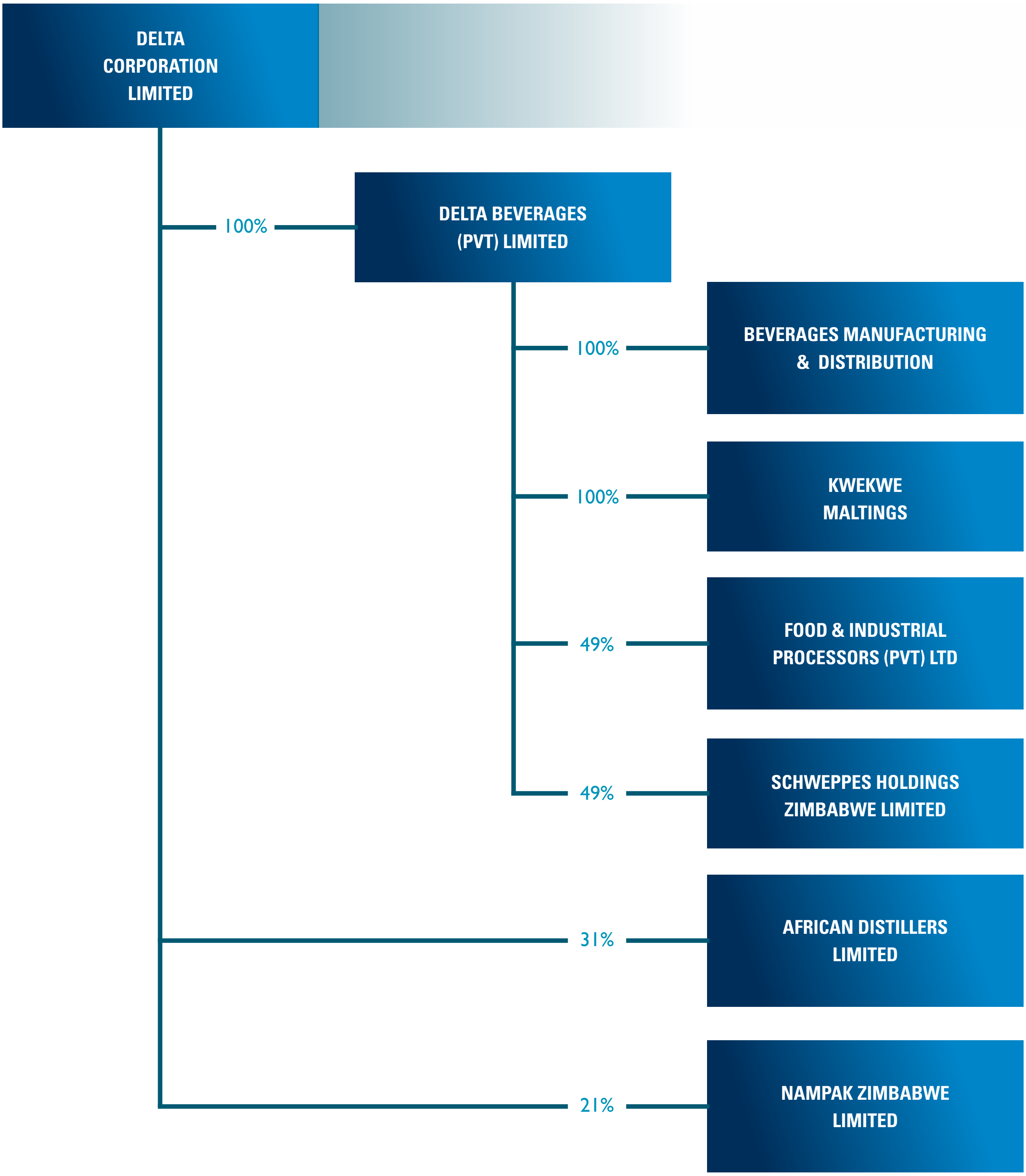
- *Wellness:* The adverse effects of the HIV/AIDS pandemic continue to impact on our employees, their families and the wider community in which the company operates. The overall objective of our business' comprehensive Wellness Program is to reduce the impact of HIV/AIDS and other non-communicable diseases on our employees, customers and suppliers. We continue to run the Provider Initiated Testing and Counselling at the company's clinics. The general awareness of health issues has increased driven by the Wellness Program, for which the company continues to be recognised through various awards.

- *Safety:* Safety committees are in place throughout the business under the guidance of suitably qualified Safety, Health and Environmental managers who ensure adherence to the safety and health procedures. Statistics on accidents are collated and evaluated against internationally accepted benchmarks, with safety matters being deliberated at divisional boards and the environmental and safety council under the oversight of the Audit Committee. The lost time injuries were impacted by the off-site road traffic accidents that sadly claimed the lives of our one crew and three members of the public. We have launched the Respect The Road Campaign in an effort to combat accidents involving our heavy and light motor vehicles and those of our freight and distribution partners. This campaign aims to equip our drivers to deal with the daily hazards encountered behind the wheel, to keep them safer and contribute to overall road safety.

- *Attracting and retaining talent:* We aim to offer appropriate and continuous career development opportunities to all our employees, whether in their current role or to prepare them for a new one, noting that the individual employees have a responsibility to take charge of their own development, albeit with support from their managers. During the last financial year, the Group provided close to 10 206 days of training to employees. The Group continues to feed the talent pipeline through annual intakes to the various apprenticeship and internship programmes. These initiatives are complemented by the robust performance management system that recognises and rewards strong performance against specific personal and team goals, which bring alignment to company objectives.

- *Labour Relations:* We engage with our employees regularly to appraise them on the company performance and address issues relating to remuneration, safety and welfare. We regularly solicit their views and listen to their ideas and opinions through employee engagement surveys. The engagements with employees are through the localised shop floor workers committees or sector trade unions.

Group Structure



Delta Corporation Limited and all subsidiary and associated companies are registered in Zimbabwe.

Portfolio of Businesses

ACTIVITIES

BEVERAGES MANUFACTURING AND DISTRIBUTION

LAGER BEER BUSINESS
Brewing lager beer, 2 Breweries, Castle Lager, Castle Lite, Castle Milk Stout, Golden Pilsener, Lion Lager, Carling Black Label, Zambezi Lager, Zambezi Light Lager, Bohlinger's Lager, Eagle Lager
Imported Brands: Miller Genuine Draft, Peroni, Sarita, Brutal Fruit, Redds, Flying Fish

TRADITIONAL BEER BUSINESS
Brewing sorghum beer, 9 Breweries
Chibuku, Chibuku Super and Rufaro

SPARKLING BEVERAGES BUSINESS
Bottling carbonated sparkling beverages, 3 Bottling Plants
Coca-Cola, Coca-Cola Light, Coke Zero, Fanta, Sparletta, Sprite, Schweppes, Bum, Powerplay

TRANSPORT AND DISTRIBUTION BUSINESS
Provision and maintenance of primary and secondary distribution vehicles & the distribution of beverage products
26 Workshops, 38 Delta Beverage Centres & 7 Customer Collection Depots

ALTERNATIVE BEVERAGES
Shumba Maheu, Super Sip, Super Sip Yoghurt, 1 factory

AGRO INDUSTRIAL

KWEKWE MALTINGS
Barley and Sorghum malting, 2 Malting Plants

SCHWEPPES HOLDINGS ZIMBABWE LIMITED
Bottling of Non-carbonated cordials, 2 Plants
Mazoe, Calypso, Ripe & Ready, Still Water, Minute Maid

AFRICAN DISTILLERS LIMITED
Wine & spirit producer, 1 Distillery, 6 Depots plus imported wines & ciders

NAMPAK ZIMBABWE LIMITED
Comprises Hunyani - paper packaging; Carnaud Metal Box – crown corks, tin cans and plastics packaging and MegaPak - manufacture of PET, injection and blow moulded plastic products,

FOOD AND INDUSTRIAL PROCESSORS (PVT) LTD
Wholesale distributor of starches and glucose

MANDEL TRAINING CENTRE (PVT) LIMITED
Training and leadership development
1 Training & Conference Centre

PETRECOZIM (PVT) LIMITED
Recycling of PET plastics
1 Factory

Directorate and Management

BOARD OF DIRECTORS

CHAIRMAN

C F Dube	LLB; MBA* ~

EXECUTIVE DIRECTORS

P Gowero - Chief Executive	BSc Econ (Hons); MBL * ~
M M Valela - Finance Director	B Tech (Accounts) ; CA(Z)

NON-EXECUTIVE DIRECTORS

M J Bowman	B.Com; MBA
S J Hammond	B.Comm; CA(Z) ~
J A Kirby	B. Acc; CA(SA) ~*
L E M Ngwerume	BA; MBA; IMS
Prof H C Sadza	B. Sc; MA; Phd; MIPMZ;Mzim
T N Sibanda	B. Acc; CA(Z) *
G H Nel (Alternate)	B. Econ; B.Com (Hons); MBA; BA Psych*

* Mr G Nel is an alternate to Mr J A Kirby and Mr M J Bowman.

* Member of the Audit Committee	~ Member of the Remuneration Committee

GROUP MANAGEMENT COMMITTEE

P Gowero	BSc Econ (Hons); MBL	Chief Executive Officer
M M Valela	B Tech (Accounts); CA(Z)	Executive Director - Finance
E R Mpisaunga	B.Sc (Hons) Animal Science	Operations Director - Beverages
M P Karombo	B Tech (Mgmt); MBA; MCIM	Marketing Director
M Gambiza	B. Compt (Hons); CA(Z)	General Manager - Sparkling Beverages
A Makamure	B. Acc (Hons); CA(Z)	Company Secretary/Treasurer
C D Malaba (Mrs)	B Acc (Hons); B Compt; CA(Z)/SA	Supply Chain Director
D Mange	B.Sc; MBL	Information Technology Director
M W Mudimbu	BSc; Dip	General Manager - Sorghum Beer
Dr M G Nyandoroh	B.Sc (Hons); M.Sc; Phd	General Manager - Lager Beer
M Pemhiwa	BSc Psych; MBA	Human Resources Director
T Rinomhota	BSc Eng; MBA	Technical Director

Directorate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Directorate

1. **Canaan Farirai Dube**
   LLB; MBA
   Canaan Dube joined the board in February 2004 and was appointed as Chairman in August 2010. He is a member of the Remuneration and Audit committees. Canaan is a senior partner with law firm Dube, Manikai and Hwacha. He sits on the boards of Barclays Bank Zimbabwe, Edgars Stores Limited, Bata Zimbabwe (Pvt) Ltd, Midlands State University and Quality Corporate Governance Centre (Pvt) Ltd t/a Zimbabwe Leadership Forum.

2. **Pearson Gowero**
   Bsc Econ (Hons), MBL
   Pearson Gowero was appointed as Chief Executive in June 2012. He joined the Group in 1997 as marketing director of the then Chibuku Breweries Division, becoming the unit managing director in 2001. He has held various senior positions in the beverages business and became an executive director in 2003. Pearson spent some 5 years on secondment to the SABMiller Group from 2006 to 2011 where he was the Managing Director of Zambian Breweries Group. Prior to joining Delta, he had worked for some prominent clothing retail chains.

   He sits on the boards of the company's subsidiary and associate companies and Seed Company of Zimbabwe.

3. **Mathlogonolo Mothibedi Valela**
   B Tech (Accounts), CA (Z)
   Mathlogonolo Valela was appointed as Executve Director-Finance in June 2011. He joined the Group in December 1996 as an accountant at the National Breweries division. He moved up the ranks through a number of operational finance positions to become the Group Treasurer in 2003. Matts sits on the boards of the company's subsidiary companies and associates; African Distillers and Schweppes Zimbabwe. He also sits on the board of Cimas Medical Aid Society.

4. **Mark John Bowman**
   B.Com; MBA
   Mark Bowman joined the board in October 2007. He is the Managing Director of SABMiller Africa, having joined the group in 1993. He has held various senior positions in the group, within Africa and Europe and is a non-executive director of Tiger Brands Limited. He sits on the boards of a number of the SABMiller related entities in Africa.

5. **Simon James Hammond**
   B.Com; CA(Z)
   Simon Hammond joined the board in December 2000 as a nominee of Old Mutual Zimbabwe. He is Chairman of the Remuneration committee and a member of the Nominations committee. He has recently been appointed as the Managing Director of CABS, the banking unit of Old Mutual and has held various positions within the Old Mutual Group in Zimbabwe and Africa, having joined the Group in 1999. Previously he was a partner of KPMG in Zimbabwe and is a past President of the Institute of Chartered Accountants of Zimbabwe.

6. **Jonathan Andrew Kirby**
   B.Acc; CA(SA)
   Jon Kirby joined the board in August 2012. He is a member of the Remuneration Committee and an alternate member of the audit committee. Jon is the Finance Director of SABMiller Africa, a group he joined in 1992. He has held various finance positions in SABMiller Africa and Asia and sits on a number of subsidiary company boards.

7. **Gert Hendrik Nel**
   B.Econ, Hons B.Com, MBA, BA Psych
   Gert Nel joined the board as an alternate director in 2013 although he had been a co-opted member of the audit committee since 2010. He is the Senior Manager: Operations Finance at SABMiller Africa, having joined the group in 1989. He has held various positions in the group within Africa and Europe. He sits on the boards of a number of SABMiller related entities in Africa.

8. **Luke Edward Mathew Ngwerume**
   BA, MBA, IMS
   Luke Ngwerume joined the board in November 2007. He is the Chief Executive of ZimSelector.com and chairs Stiefel Investments Private Limited, an investment entity. He also sits on the boards of Cimas Medical Society, CABS, Old Mutual Nigeria and Arundel School board of governors. He retired from the position of Chief Executive of Old Mutual Zimbabwe after serving the group for a number of years.

9. **Hope Cynthia Sadza**
   BSc; MA; PhD; MIPMZ, IODZ, MZIM
   Prof Hope Sadza joined the board in June 2007. She is a co-founder and Vice Chancellor of the Women's University in Africa since 2002. She has won several academic and professional awards including the Fulbright Scholarship.

   Prof Sadza sits on the boards of Securico Security Services, University of Venda, the International Association of Universities Board and a number of local and foreign trusts. She has recently retired from the boards of Barclays Bank Zimbabwe and BAT Zimbabwe.

10. **Thembinkosi Sibanda**
    B.Acc Hons; CA(Z)
    Themba Sibanda joined the board in April 1994. He is the Chairman of the Audit Committee and a member of the Nominations Committee. Themba has been a partner at Schmulian & Sibanda and has accumulated over 30 years' experience in compliance and audit services. He also sits on the boards of a number of listed entities in Zimbabwe such as Innscor Africa Limited, Edgars Stores Limited, Padenga Holdings Limited and Pretoria Portland Cement Limited.

Group Management Committee


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Group Management Committee

The profiles of the Chief Executive Officer and Executive Director - Finance are included under Board of Directors.

3. **Etherton Runyararo Mpisaunga** – *BSc (Hons)*
Operations Director – Beverages
Etherton Mpisaunga was appointed as Operation Director – Beverages in 2010. He joined the Group in 1984 and has held various senior management positions within the Sorghum Business Division and Beer marketing. He was previously with Coca-Cola Central Africa for a period of three years.

4. **Maxen Karombo** – *B. Tech (Mgmt.); MBA; MCIM*
Marketing Director
Maxen Karombo re-joined the Group in January 2011 as Marketing Director. He worked for Unilever in various senior roles in marketing, sales and general management in the company's East and Southern Africa region. He was country managing director in both Zimbabwe and Uganda. He initially joined the Natbrew (Lager Beer Division) in 1997 in the marketing department. He is a non-Executive Director on the boards of Willdale Bricks, Zimnat Life Assurance and Leonard Cheshire Disability Trust of Zimbabwe.

5. **Moses Gambiza** – *B. Compt (Hons); CA (Z)*
General Manager – Sparkling Beverages
Moses Gambiza was appointed General Manager – Sparkling Beverages in April 2014. He joined the Group on 1 May 2000 as a Financial Controller at the then National Breweries. He held various positions in finance until being appointed to the Group Management Committee as General Manger – Southern Region in May 2013.

6. **Alex Makamure** – *B. Acc (Hons); CA (Z)*
Company Secretary/ Group Treasurer
Alex Makamure was appointed as company Secretary in January 2006. In this role, he has covered additional responsibilities in procurement, tax administration, group accounting and corporate affairs. He is currently also responsible for group treasury. He joined the Group as a finance manager at Chibuku Breweries in May 1998 and has occupied various roles in finance and administration in the Beverages Business.

   He sits on the board of Schweppes Zimbabwe Limited as the company representative and is a non-executive director of Africa Sun Limited.

7. **Cynthia Dinka Malaba** – *B. Acc (UZ); B. Com (Hons) (UNISA); CA (Z); CA (SA)*
Supply Chain Director
Cynthia Malaba was appointed as Director - Supply Chain in April 2013. She joined the Group in 1999 as an Internal Auditor at OK Zimbabwe and promoted to the Head of Risk and Internal Audit in 2003. In 2010 she was seconded to The Coca-Cola company in East Africa on a senior management development program. This culminated in her promotion to the Group Management Committee as General Manager - Operations heading the Southern Region in April 2011.

8. **Davison Mange** – *BSc (UZ); MBL (UNISA)*
Director IT
Dave Mange was appointed to Director Information Technology in 2011. He joined the Group's IT Internship programme in 1990. He held various management positions before his appointment as General Manager Information Technology in 2007.

9. **Mark Mudimbu** – *BSC Food Science; Dip. Bus.*
General Manager – Sorghum Beer Business
Mark Mudimbu re-joined the Group as General Manager – Sorghum in February 2013. He first joined the Group in 1983 at the then Chibuku Breweries in the Technical Department. He held various management positions including a long spell as regional manager in charge of either Southern or Northern Regions of Chibuku Breweries. He left the Group in 2005 to pursue other interests and was General Manager of Darbrew Limited (Traditional Beer Breweries) in Tanzania from 2007 to 2013.

10. **Dr Munyaradzi Godfrey Nyandoroh** – *BSc (Hons) (UZ); MSc (UZ); PhD (Kent)*
General Manager – Lager Beer Business
Munyaradzi Nyandoroh was appointed General Manager – Lager Beer Business in April 2014. He joined the Group in 1985 working in the technical department of the then Chibuku Breweries division. He left the organization in 1992 to pursue further studies and re-joined in 1996 as Technical Director for Chibuku Breweries. He was appointed General Manager for the Agro-Services in 2002, and as GM Operations for the Southern Region and thereafter the Northern Region.

11. **Marshall Pemhiwa** – *BSc. (Hons) Psych; HR Dip; Dip Occ. Psych; MBA*
Human Resources Director
Marshall Pemhiwa was appointed Human Resources Director in April 2011. He joined the Group in March 1998 as a Graduate Trainee Psychologist/HR. He held various management positions before assuming the position of HR Executive - Beverage Operations in 2009. He sits on the board of Mandel Training Centre and has been the Institute of People Management President since 2013.

12. **Tichafa Rinomhota** – *BSc Eng; MBA*
Technical Director
Tichafa Rinomhota was appointed Technical Director in 2011. He joined the group at the then National Breweries division in 1999 as Engineering Manager and rose through the ranks to become the General Manager – Technical for the Lager Business in 2007. He has previously worked for a number of mining and construction companies.

Notice to Members

NOTICE IS HEREBY GIVEN THAT THE 68TH ANNUAL GENERAL MEETING OF MEMBERS OF DELTA CORPORATION LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT NORTHRIDGE CLOSE, BORROWDALE ON FRIDAY 31 JULY 2015 AT 12 30 HOURS FOR THE FOLLOWING PURPOSES.

ORDINARY BUSINESS

1. STATUTORY FINANCIAL STATEMENTS
   To receive and adopt the Financial Statements for the year ended 31 March 2015, together with the Report of Directors and Auditors thereon.

2. TO APPOINT DIRECTORS
   Prof H C Sadza and Messrs S J Hammond and T N Sibanda are due to retire by rotation. Being eligible, they will offer themselves for re-election.

3. DIRECTORS FEES
   To approve the directors' fees for the financial year ended 31 March 2015.

4. To appoint Auditors for the current year and to approve their remuneration for the year past.

SPECIAL BUSINESS

1. SHARE APPRECIATION RIGHTS SCHEME - 2015

   To Resolve with or without amendments:
   That the "Delta Corporation Limited Share Appreciation Rights Scheme - 2015" be and is hereby authorised for implementation and that the Directors can allocate up to 25 000 000 (Twenty five million) ordinary shares to this Scheme. The rules of the Scheme will be available for inspection at the registered office of the company fourteen (14) days before the meeting.

   Explanatory Note: The share appreciation rights scheme is in all material respects similar to the traditional option schemes. The principal variation is that the scheme only allots shares representing the value of the gain i.e total number of shares under option multiplied by the difference between price on maturity and that on grant divided by the price on maturity.

2. SHARE BUY BACK
   Shareholders will be asked to consider and if deemed fit, to resolve with or without amendments, THAT the company authorises in advance, in terms of Section 79 of the Companies Act (Chapter 24:03) the purchase by the company of its own shares upon such terms and conditions and in such amounts as the Directors of the company may from time to time determine and such authority hereby specifies that:

   a. the authority shall expire on the date of the company's next Annual General Meeting;
   b. acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten percent) of the company's issued ordinary share capital.
   c. the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will be not more than 10% (ten percent) above and 10% (ten 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 purchase of such ordinary shares by the company;
   d. a press announcement will be published as soon as the company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition.

   It will be recorded that, in terms of Companies Act and the regulations of the Zimbabwe Stock Exchange, it is the intention of the Directors of the company to utilise this authority at a future date provided the cash resources of the company are in excess of its requirements and the transaction is considered to be in the best interests of shareholders generally. In considering cash resource availability the Directors will take account of, inter alia, the long term cash need of the company, and will ensure the company will remain solvent after the re-purchase.

BY THE ORDER OF THE BOARD

A MAKAMURE
Company Secretary

Sable House
Northridge Close
Borrowdale
Harare
Zimbabwe

30 June 2015

Shareholders Analysis

Size of Shareholding	Number of Shareholders	%	Issued Shares	%
1 to 5,000	5 181	78,6	4 683 170	0,4
5,001 to 10,000	354	5,4	2 536 656	0,2
10,001 to 25,000	354	5,4	5 739 656	0,4
25,001 to 50,000	206	3,1	7 262 520	0,6
50,001 to 100,000	158	2,4	11 048 620	0,9
100,001 to 500,000	207	3,1	49 360 762	4,0
Over 500,000	134	2.0	1 161 937 291	93,5
	6 594	**100,0**	**1 242 568 675**	**100,0**
Category				
Local Companies	861	13,0	84 080 753	6,8
Foreign Companies	12	0,2	497 302 151	40,0
Pension Funds	380	5,8	119 472 707	9,6
Nominees, local	116	1,8	5 033 310	0,4
Nominees, foreign	28	0,4	339 426 480	27,3
Insurance Companies	65	1,0	147 578 291	11,9
Resident Individuals	4 542	68,9	27 140 706	2,2
Non Resident Individuals	218	3,3	1 958 162	0,2
Investments & Trusts	250	3,8	12 733 545	1,0
Fund Managers	59	0,9	7 313 120	0,6
Deceased Estates	57	0,8	420 296	0,0
Other Organisations	6	0,1	109 154	0,0
	6 594	**100,0**	**1 242 568 675**	**100,0**

Included in the category of 'over 500 000 shares' is Delta Employee Participation Trust Company (Private) Limited which holds 14 253 211 shares on behalf of 2 446 employees who participate in the scheme.

Shareholders Analysis (continued)

TOP TEN SHAREHOLDERS Shareholder	2015	%	2014	%
Stanbic Nominees (Pvt) Ltd NNR	327 989 511	26,4	304 990 701	24,5
SABMiller Zimbabwe BV	281 951 325	22,7	281 298 323	22,7
Rainer Inc.	193 137 519	15,5	193 137 519	15,6
Old Mutual Life Assurance Co.	138 869 343	11,2	136 629 109	11,0
Standard Chartered Nominees (P/L) -NNR	40 820 795	3.3	37 439 175	3.0
Old Mutual Zimbabwe Ltd	36 153 890	2,9	37 872 700	3,0
Browning Investments NV	22 178 835	1,8	22 178 835	1,8
National Social Security Authority (NPS)	21 424 933	1,7	20 201 251	1,6
Delta Employees Share Participation Trust Co	14 253 211	1,1	14 717 711	1,2
Stanbic Nominees (Pvt) Ltd NNR	12 951 555	1,0	—	—
Fed Nominees Private Limited	—	0,0	10 584 958	0.9
Other	152 837 758	12,3	182 714 433	14,7
	1 242 568 675	100,0	1 241 764 715	100,0

MAJOR SHAREHOLDERS	2015	%	2014	%
Old Mutual	179 690 138	14,5	174 501 809	14,0
SABMiller	497 267 679	40,0	496 614 677	40,0
	676 657 817	54,5	671 116 486	54,0

RESIDENT AND NON-RESIDENT SHAREHOLDERS	2015	%	2014	%
Resident	412 201 580	33,2	738 265 711	59,5
Non-Resident	830 367 095	66,8	503 499 004	40,5
	1 242 568 675	100,0	1 241 764 715	100,0

The residency of a shareholder is based on place of domicile as recorded in the share register as defined for Exchange Control purposes and does not denote status in terms of the indigenisation regulations.

Shareholders Analysis (continued)

SHARE PRICE INFORMATION

Mid Range Price (US cents) at:

30 June 2014	129,00
30 September 2014	129,00
31 December 2014	102,00
31 March 2015	105,00

Price Range:

Highest:	3 September 2014	140.01
Lowest:	31 December 2014	102.00

CALENDAR

Sixty Eighth Annual General Meeting	31 July 2015
Financial Year End	31 March 2016

Interim Reports:	Anticipated Dates:
6 months to 30 September 2015	November 2015
12 months to 31 March 2016 and	
Final dividend declaration	May 2016
Dividend Payment Date – final	June 2015
Annual Report Published	July 2016

Registered Office:

Sable House
Northridge Close
Northridge Park
(P O Box BW294)
Borrowdale
Harare
Zimbabwe
Telephone: 263 4 883865
E-mail: a.makamure@delta.co.zw

Transfer Secretaries:

Corpserve (Private) Limited
2nd Floor
Intermarket Centre
Cnr. Kwame Nkrumah / 1st Street
(P O Box 2208)
Harare
Zimbabwe
Telephone: 263 4 751559/61
E-mail: corpserve@corpserve.co.zw

FOR OFFICIAL USE

No. of shares held ____________

FORM OF PROXY

Delta Corporation LIMITED

68TH ANNUAL GENERAL MEETING

1. I/We ____

being a member of the above Company and entitled to vote, hereby appoint:

____

______________________________ and/or ______________________________

____

or failing him, the Chairman of the meeting, as my/our proxy to attend, speak and vote for me/us on and on my/our behalf at the annual general meeting of the Company to be held on 31 JULY 2015 and at any adjournment thereof.

2. I/We instruct my/our proxy or proxies to vote in the following way:

ORDINARY RESOLUTIONS

1. To receive and adopt the report and accounts for the year ended 31 March 2015.
2. To re-elect the following retiring directors:

i) Mr S J Hammond	☐ For	☐ Against	☐ Withheld
ii) Mr T N Sibanda	☐ For	☐ Against	☐ Withheld
iii) Prof H C Sadza	☐ For	☐ Against	☐ Withheld
3. To approve directors fees.	☐ For	☐ Against	☐ Withheld
4. To appoint Deloitte and Touche as auditors and approve their remuneration for the past year.	☐ For	☐ Against	☐ Withheld

SPECIAL BUSINESS

5. To approve the share appreciation rights scheme.	☐ For	☐ Against	☐ Withheld
6. To approve the share buy back.	☐ For	☐ Against	☐ Withheld

Signed on this ____________________ day of ________________ 2015

Signature of member ____

NOTE

(a) In terms of section 129 of the Companies Act (Chapter 24:03) members are entitled to appoint one or more proxies to act in the alternative, and to attend and vote and speak in their place at the meeting. A proxy need not be a member of the Company.

(b) In terms of article 75 of the Company's articles of association, instruments of proxy must be lodged at the registered office of the Company not less than forty eight hours before the time appointed for holding the meeting.

Notes

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Notes

Coca-Cola

CARLING Black Label BEER

Chibuku Super

GOLDEN PILSENER

1895 CASTLE LAGER