Delta Corporation
LIMITED

Annual Report 2020

Brighter together

Brighter together

Our Vision

To be the most admired Beverage Company in the Region.

Our Mission

We bring enjoyment and refreshment to our consumers by nurturing our brands and growing our business sustainably for the betterment of our employees and communities

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 Values

- People are our enduring advantage
- Accountability is clear and personal
- We work and win in teams
- We are customer and consumer focused
- We do our best for local communities
- Our reputation is indivisible

OUR VISION IS TO BE THE MOST ADMIRED BEVERAGE BUSINESS IN THE REGION

OUR MISSION IS TO BRING ENJOYMENT AND REFRESHMENT TO OUR CONSUMERS BY NURTURING OUR BRANDS AND GROWING OUR BUSINESS SUSTAINABLY FOR THE BETTERMENT OF OUR EMPLOYEES AND COMMUNITIES.

We value the accountability of our people, teamwork, our local communities, our customers and our reputation.

And this means that together we can prosper, creating a thriving, sociable, resilient, cleaner, and productive world.

We Are Delta Corporation.

Brighter together

BRIGHTER TOGETHER IN THREE WAYS:

- People get more from life when they come together – our products make those moments shine **BRIGHTER**
- Our people shine brighter when they work **TOGETHER** in teams
- Our involvement in communities helps to create a **BRIGHTER** future

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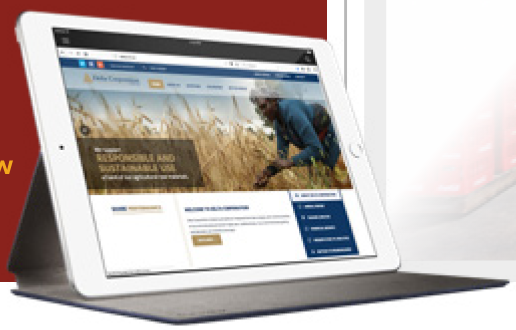
To view the Online Annual Report, please visit our website at

www.delta.co.zw

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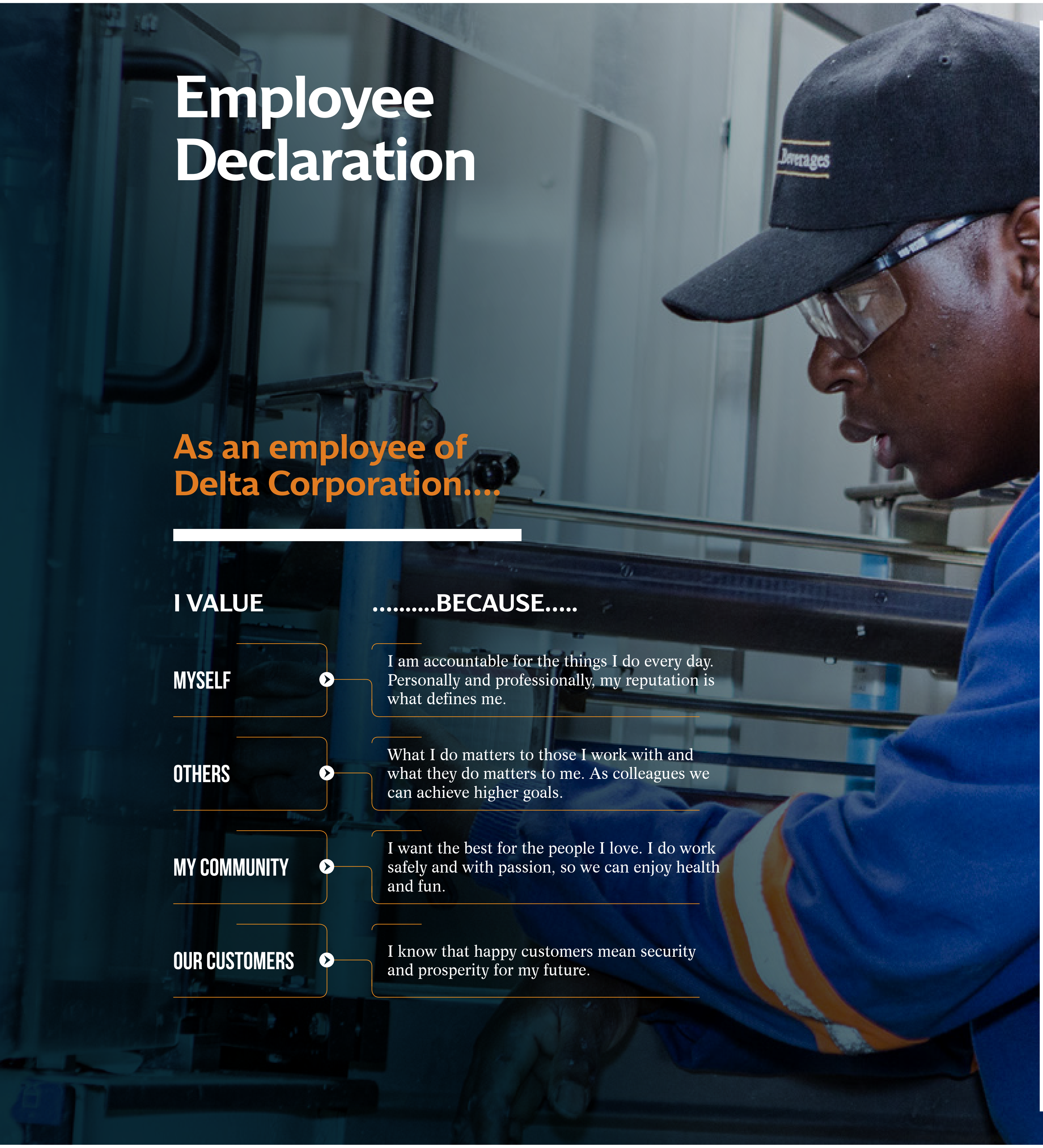


Employee Declaration

As an employee of Delta Corporation....

I VALUE	..........BECAUSE.....
MYSELF	I am accountable for the things I do every day. Personally and professionally, my reputation is what defines me.
OTHERS	What I do matters to those I work with and what they do matters to me. As colleagues we can achieve higher goals.
MY COMMUNITY	I want the best for the people I love. I do work safely and with passion, so we can enjoy health and fun.
OUR CUSTOMERS	I know that happy customers mean security and prosperity for my future.

Values Statements

OUR PEOPLE ARE OUR ENDURING ADVANTAGE

- The calibre and commitment of our people set us apart
- We are a diverse and dynamic team
- We select and develop people for the long term
- Performance is what counts
- Health and Safety issues receive priority attention

WE WORK AND WIN IN TEAMS

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

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

ACCOUNTABILITY IS CLEAR AND PERSONAL

- We favour decentralised 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 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

WE DO OUR BEST FOR LOCAL COMMUNITIES

- We consciously balance local and group interests
- We benefit the local communities in which we operate
- We endeavour to conduct our business in an environmentally sustainable manner

Company Profile

Delta Corporation is a modern Zimbabwean company poised for growth in all facets of its business

It is principally a beverages company with a diverse portfolio of local and international brands in lager beer, traditional beer, wines and spirits, Coca-Cola franchised sparkling and alternative non-alcoholic beverages.

The Coca-Cola franchise covers the activities of associate entity Schweppes Holdings Africa Limited which focuses on cordials, juice drinks, water and agricultural value chain activities under Beitbridge Juice Company and Best Fruit Processors. In addition, wines and spirits portfolio is under subsidiary company African Distillers Limited, which also manufactures branded ciders.

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 to 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 retains a minority shareholding in the packaging group, Nampak Zimbabwe.

On 1 January 2018, the Company acquired a majority stake in National Breweries Plc, a Zambian traditional beer entity which is listed on the Lusaka Stock Exchange. This is part of a journey to consolidate the traditional beer franchises and businesses in the region, a sector in which the Company boasts of significant competences. The Company acquired United National Breweries Pty Limited, the leading traditional beer business in South African with effect from 1 April 2020.

Principal Risks Update

The principal risks facing the Group and considered by the board and group management committee are detailed below. These are not the only risks facing the Group. There may be additional risks not currently known to us or that we currently deem to be immaterial which may materially adversely affect the business, financial condition or results of operations in future periods.

Unfavourable general economic and political conditions in the country

The economic environment continues to deteriorate and this increases the overall risk of doing business. The political environment, although peaceful, remains turbid. The general election held in July 2018, though peaceful, was contested and did not receive the full endorsement of the international observer missions. The character of the current administration was severely dented by the military interventions in quelling the post-election demonstrations of August 2018 and suppressing the violent reactions to fuel price increases in January 2019.

The fiscal and monetary policies implemented in 2018 and early 2019 have set the country on an uncertain path; the Transitional Stabilisation Plan has not been fully implemented, consumer incomes have been eroded by the resurgent hyperinflation and corruption remains endemic. The Zimbabwe Dollar which was introduced in June 2019 has collapsed, as characterised by a fast depreciating exchange rate and pressure to re-dollarise. The weak economy has been dealt a severe blow by a drought and the coronavirus (COVID-19) pandemic. The full impacts of COVID-19 on the world and domestic economies are still to be assessed.

A scarcity of foreign currency in the economy persists, giving rise to constrained supplies of imported materials and services, disrupting production operations hence escalating business continuity risks.

The specific risk related to the legacy foreign liabilities is articulated in the notes to the financial statements.

Concerns about perceived negative health and social consequences of both alcoholic and non-alcoholic beverages.

There is growing global concern and high profile debate over alcohol consumption, certain ingredients and advocacy for reduced consumption of sugar sweetened beverages. These issues would impact on consumer preferences, hence any restrictions on the permissible advertising style and media messages and the marketing, labelling, packaging or sale of these beverages which could impact on business performance.

Product Safety and Quality Issues and Trademarks

Our success depends largely on our ability to maintain and enhance the image and reputation of our brands/ products. We have rigorous product safety and quality standards which we endeavour to meet. Any product that becomes contaminated or adulterated may be subject to product liability claims and negative publicity which impacts on the business. Any failure to protect the company's intellectual property rights, trademarks, patents, trade secrets and knowhow may have adverse effects on the business. Certain trademarks are subject to contractual arrangements with third parties.

The recent Corona virus (COVID-19) has heightened the risks of contamination of employees within the work environment, requiring significant changes to the practices on hygiene, office design for social distancing and sharing of equipment etc.

Increased Competitor Activity

Both the alcoholic and non-alcoholic beverage sectors are highly competitive. Competition is from local alternative beverages, imports of own franchise brands by retailers, private label brands and across beverage categories. The cost, price and import duty disparities in Zimbabwe compared to the region will put pressure on local pricing of certain brands and packs. We continue to strengthen our capabilities in marketing and innovation and to review value chain costs.

Regulatory or Policy Risks

a) Indirect Taxes

Our business is subject to numerous duties or taxes such as import duties, excise taxes and other levies. These taxes can be changed at short notice, thereby impacting on pricing and hence demand of our products.

There were no clearly defined transitional tax measures when the country adopted a local currency on 22 February 2019. This increases the uncertainities in the positions adopted by the Company with respect to income tax and some indirect taxes.

b) Policies

The policy environment remains unpredictable particularly relating to fiscal compliance, financial markets and implementation of various regulations. Policy uncertainty impacts our ability to plan for the future. Of particular note are issues related to currency management, exchange control and banking policies which affect the access to hard currency and local bank notes thereby impacting on our ability to supply product and the ability of consumers to purchase our products.

c) Distorted Currency and Asset Values

The Monetary Authorities formalised the Zimbabwe Dollar and outlawed the multicurrency regime in June 2019. The distortions in the exchange rates used by market players in setting prices of goods and services which are based on the manner and form of payment; whether in local bond notes, via an electronic payment platform or foreign currency notes or transfer; makes it difficult to establish the true value of products and of the local ZWL. The measurement of financial performance is difficult in a hyperinflationary environment. The tight regulations on accessing foreign currency have resulted in use of runners and currency aggregators which increase the numbers of value chain partners, legal compliance and fraud risks.

Environmental Management Policies

There is increasing concern and changing attitudes about solid waste streams and environmental responsibility with authorities advocating for certain ecotaxes or fees charged in connection with use of certain beverage containers. Changes in such regulations affect the cost of doing business and force changes to our product development options and distribution models.

Information and Cyber Security

The Group relies on information technology systems to process, transmit, and store electronic information. In addition, most payment systems are either online or utilise electronic platforms and technologies. There is increasing cyber-attacks capabilities, which could result in business interruptions. Any un-authorised access to the Company's confidential data or strategic information or its public disclosure could harm the company's reputation or impact on its operations. There is also risk of tighter regulations on access to personal data of consumers and customers.

Default by counterparty financial institutions or customers

The Group normally has significant amounts of cash, cash equivalents and other investments on deposit with banks and financial institutions. We also extend both secured and unsecured credit to our retail customers. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty. Losses could arise from the bankruptcy or insolvency of these counterparties.

Instability in the supply of utilities and agricultural raw materials

The business relies on agricultural raw materials such as sugar, maize, barley and sorghum whose supply is impacted by adverse weather patterns and decreased agricultural productivity in the country and the region. The reduced availability of these commodities and escalations in costs affect the viability of the Company and the food security of communities, farmers and the consumers. There is need to focus on sustainable water ecosystems and productive land use.

The supplies of water, electrical power and other utilities remain unstable, which could disrupt production, cold beverage availability and the sourcing of local materials and services.

Reliance on Franchise Arrangements and Brands

The business produces a significant portion of brands that are franchised from third parties or are produced under license through bottler agreements that expire at various intervals. These arrangements can be terminated if certain conditions are breached giving rise to possibility of underutilisation of certain assets. The Company maintains healthy relations with its franchise partners and continues to support and nurture its own brands.

Financial Highlights

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
GROUP SUMMARY (ZWL'000)				
Revenue	**8 432 238**	7 683 599	**4 193 260**	722 384
Earnings before interest, tax depreciation and armotisation	**2 633 651**	2 096 899	**1 415 472**	212 385
Profit after tax	**1 092 832**	1 112 053	**1 037 941**	143 234
Attributable earnings	**1 287 439**	1 092 073	**1 165 563**	140 661
Net Funds	**(1 065 520)**	855 604	**(1 065 520)**	110 203
Total Assets	**11 290 652**	10 480 562	**5 421 026**	1 349 911
Market capitalisation	**—**	—	**7 998 689**	2 853 368
SHARE PERFORMANCE (ZWL cents)				
Earnings per share				
Attributable earnings basis	**100,93**	86,84	**91,38**	11,19
Cash equivalent earnings basis	**86,82**	103,24	**44,34**	18,21
Cash flow per share	**33,39**	153,54	**31,15**	20,18
Dividends per share	**18,84**	108,69	**6,75**	14,00
Net asset value per share	**494,36**	475,53	**140,70**	61,58
Market price per share	**—**	—	**625,47**	225,00
FINANCIAL STATISTICS (%)				
Return on equity (%)	**20,39**	18,24	**64,91**	18,24
Operating margin (operating income to net sales) %	**29,18**	27,48	**35,97**	28,34

Financial Highlights (continued)

for the year ended 31 March

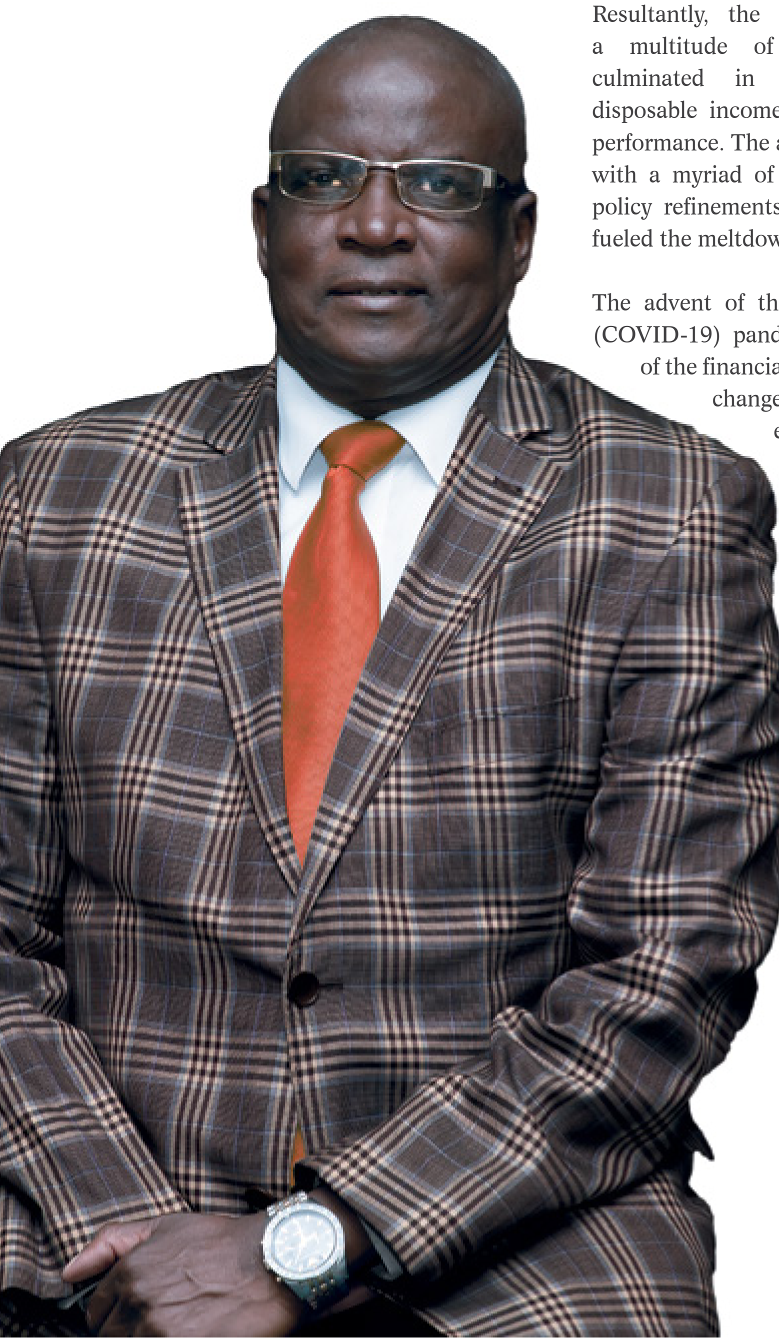
	INFLATION ADJUSTED	HISTORICAL COST
Revenue	increased by 10% to **ZWL8,43 billion**	increased by 480% to **ZWL4,19 billion**
Operating Income	increased by 19% to **ZWL2,15 billion**	increased by 650% to **ZWL1,32 billion**
EBITDA	increased by 26% to **ZWL2,63 billion**	increased by 566% to **ZWL1,42 billion**
Headline Earnings per Share	increased by 9% to **ZWL94,99 cents**	increased by 629% to **ZWL81,55 cents**

Chairman's Letter

To Shareholders

Dear Shareholder

The trading conditions during the year under review were very difficult particularly in Zimbabwe. The RTGS currency which was introduced in October 2018 was confirmed as the sole transaction currency on 24 June 2019 but was not fully supported by fiscal measures as envisaged under the Transitional Stabilisation Plan.



Resultantly, the economy has faced a multitude of headwinds which culminated in reduced consumer disposable income and weak business performance. The authorities responded with a myriad of fiscal and monetary policy refinements that in some cases fueled the meltdown.

The advent of the novel Coronavirus (COVID-19) pandemic at the tail end of the financial year, has completely changed the social, economic and health outlook of the world and the country as we have known it. The way people live, socialise and interact has changed so fundamentally that it is doubtful whether nation states, societies and communities will ever revert to yesterday's norms and conventions.

As is the case globally, Zimbabwe has experienced adverse effects of the pandemic following the implementation of various levels of lockdowns since 30 March 2020. These measures have reduced economic activity and exacerbated the already precarious economic situation. The authorities have announced some policy interventions to support vulnerable members of society and business enterprises impacted by the knock-on effects of managing this public health emergency. The monetary authorities have allowed the use of foreign currency for domestic transactions. This should facilitate trading, mitigate some of the effects of an unstable currency and the associated hyperinflation.

The Board and management remain focused on ensuring the health and safety of our employees and stakeholders in the value chain as we serve our customers and consumers in the midst of the pandemic. To this end, new protocols governing "The COVID-19 Way of Work" have been rolled out to all operating centres.

The financial results were achieved under hyperinflationary conditions. The Board is concerned about the erosion of capital that occurs under these hyperinflationary conditions and will endeavor to avoid the experiences of the 2005/8 period.

Compliance with IFRS and the Legacy Debt Settlement

Whilst the company strives to comply with IFRS at all times, it is acknowledged that the peculiarities of the policy and economic environment in Zimbabwe makes it difficult to achieve full compliance and fair reporting at the same time.

Chairman's Letter

To Shareholders (continued)

INFLATION ADJUSTED

OPERATING INCOME

19%

to ZWL2,15 billion

As is more detailed in the notes to the financial statements, the Company owes US$63,8 million in foreign creditors and bank loans which were in existence when the country adopted a mono currency in early 2019. The Company entered into arrangements with the Reserve Bank of Zimbabwe as supported by the monetary authority regulations and guidelines for a systematic redemption of this liability. A total of approximately US$10 million was paid during the year in line with these arrangements. The Board remains anxious to see the end of this foreign currency exposure and notes the difficulties of accounting for the same to achieve fair reporting while complying with IFRS.

The auditors passed an adverse opinion on the 2019 financial statements as these did not comply with International Accounting Standard 21 (IAS 21). This has resulted in a qualified audit opinion on the 2020 financial statements, with respect to opening balances. These issues are fully discussed in the notes to the financial statements.

Trading Performance

The trading environment has been turbulent particularly due to hyperinflation, an unstable exchange rate, limited availability of foreign currency in the formal banking channels and the drought induced shortages of brewing materials. The supply of fuel and key utilities such as water and electricity continued to be erratic, thereby disrupting production and distribution operations. The prevalence of multiple exchange rates distorted operating costs and product pricing. The debasing of incomes as part of the Transitional Stabilisation Plan led to a collapse of demand across all beverage categories. Household incomes continue to be eroded by hyperinflation.

The fourth quarter was severely impacted by the restrictions to human and economic activity in response to the advent of the novel coronavirus (COVID-19) pandemic.

Lager Beer

Lager beer volume was down 42% on last year. There was a prioritisation of returnable bottle packs in an effort to conserve foreign currency and offer the more affordable packs to the consumer. It is noted that the circulation of returnable containers is slowed down during hyperinflation as traders hold them as a store of value.

SCHWEPPES HOLDINGS AFRICA LIMITED

REVENUE

308%

In historical cost numbers, the entity achieved revenue of ZWL449million for the financial year to December 2019, an increase of 308% over prior year.

for further information, See Page 35

The premium category led by Zambezi Lager remains resilient as it held its proportionate share of the reduced volume.

Sorghum Beer (Zimbabwe)

Sorghum beer dropped 25% on last year. The pricing of the category was driven by the escalation in the cost of imported inputs such as packaging and brewing cereals. In line with our strategy, Chibuku Super remains the largest contributor to volume.

Chairman's Letter

To Shareholders (continued)

Sparkling Beverages

Sparkling beverages volume declined by 17% compared to last year. This was on the back of a similarly softer last year. The performance of the category was affected by foreign currency shortages, utility challenges especially water supply and reduced consumer spend. The business continues to work collaboratively with The Coca-Cola Company in order to maintain consistent product supply. The introduction of the "without sugar" variants was a major highlight of the year.

National Breweries Plc (Zambia)

Sorghum beer volume declined by 27% on last year. There are ongoing measures to reverse the volume loss to other alcoholic beverage categories and return the business to profitability.

African Distillers Limited

The company continued to be dominant in its various product categories thus delivering pleasing results. Foreign currency shortages constrained the entity's growth potential. The entity continued to innovate and successfully launch products that require less foreign currency.

Associate Entities

Schweppes Holdings Africa

The company recorded a volume loss for the year although its products continued to dominate the dilutable soft drinks category. The entity continued to expand its value-added products from the agricultural processing division. Foreign currency shortages adversely impacted the supply of key brands while the deteriorating foreign exchange rates put pressure on pricing and costs.

Nampak Zimbabwe Limited

The overall demand for the company's products remained subdued, reflecting the reduced spending on most packaged consumer goods.

Financial Performance

In historical cost numbers, the Group reported revenue of ZWL4,2 billion to achieve a 480% growth on the comparative year. The revenue growth was driven by inflation induced pricing across all product categories. Earnings before interest and tax grew by 650% over last year. The net finance cost of ZWL100 million is a result of foreign exchange losses and low deposit interest rates. The Company closed the year with a net borrowing of ZWL1,07 billion. The Group foreign currency exposure from legacy debt arrangement remains at US$63,8 million. These are matched by a financial instrument of ZWL1,59 billion as is explained in detail on note 10. Capital expenditure of ZWL156 million was below planned replacement levels due to forex constraints.

In inflation adjusted terms, revenue increased by 10% over prior year whilst operating income increased by 19%.

The business started the year with significant monetary assets which were debased by policy changes at the beginning of the year. This and the cumulative effect of hyperinflation and a fast depreciating exchange rate is reflected in the monetary loss reported under inflation adjusted numbers.

Acquisition of United National Breweries (Pty) Limited SA (UNB)

The Company finalised the acquisition of 100% equity in UNB effective 1 April 2020. UNB is the leading brewer of traditional beer and owns the Chibuku brand in South Africa. It is noted that South Africa has implemented very strict prohibitions on the sale and consumption of alcohol during the Covid-19 national lockdown. The transaction was completed as the lockdown was being implemented.

The Coca-Cola Bottler's Agreement

As previously reported, The Coca Cola Company renewed the bottler agreements with group entities. The Board appreciates the support being extended by The Coca Cola Company in our joint efforts to restore volume, improve affordability and reduce supply disruptions.

Directorate

The Board pays tribute to Mr T N Sibanda who retired from the board on 31 December 2019. Mr Sibanda served the Group with distinction since joining the Board in 1994. He also served as chair of the Audit Committee.

Chairman's Letter

To Shareholders (continued)

Outlook

The fortunes of the country and the Group in the coming year will largely be dependent on how Zimbabwe manages and contains the COVID-19 pandemic and the ramp up plan directed at reopening the country and economy. The first quarter of the trading year will be significantly subdued owing to the effects of lockdown on business and the lag that will follow as the economy is gradually reopened and new or modified consumption patterns are established.

The Group will continue placing the safety and health of its workers and stakeholders first, abiding by best practice and as pronounced by the authorities while seeking to defend its capital base and achieve modest profitability under the circumstances. However, all this is dependent on the unknown and unprecedented risky way forward.

Deferral of Final Dividend

The Board declared an interim dividend of ZWL6,75 cents during the year. The declaration of the final dividend has been deferred due to the uncertainties arising from the Coronavirus pandemic and measures implemented to mitigate its spread. The Board will re-assess the implications of the COVID-19 lockdowns on the business after the first quarter of the current financial year.

For and on behalf of the Board

C F Dube
Chairman
28 May 2020

REVIEW OF OPERATIONS

Beverages Business Overview

BEVERAGE VOLUME PERFORMANCE '000HLS

REVIEW OF OPERATIONS

Beverages Business Overview (continued)

The beverage volume declined across the categories due to the combined effects of lower demand, distorted pricing and supply constraints.

- The first quarter was impacted by the departure from the multi-currency trading to the adoption of a local currency. The RTGS currency was introduced at a fraction of the US$ leading to the debasing of the cash balances held in bank accounts. This had a huge dent on consumer spending.
- The rest of the year was affected by the resurgent hyperinflation which forced the Group to change price frequently under the replacement cost pricing model that tracked market exchange rates and inflation.
- Business performance was also impacted by the shortages of foreign currency and the drought induced shortages of brewing raw materials such as maize and sorghum, which had to be imported.
- The last quarter of the year was disrupted by the advent of the coronavirus which was declared by the World Health Organisation (WHO) as a worldwide pandemic in January 2020. Governments across the globe implemented various measures such as lockdowns and restrictions on travel and human interactions, enhanced hygiene standards and curtailing of most economic activities.
- The obtaining product pricing in the local currency is softer in real terms than those that obtained during the multi-currency era.

We remain focused on market execution

- Our strategic framework is anchored on investing in **Market Development and an optimised** route to market. There are ongoing initiatives to improve service at the customer collection depots and the scheduling of deliveries to customers and outlet development.
- We continue to innovate and **Build Brilliant Brands.** We endeavour to align our customers and consumer preferences with their choice brands, packs and indeed the varied consumption occasions or settings through segmented execution. This is achieved through the programs on Customer engagement under the theme **Collaborating with Customers.** Our customers benefit through improved stocking plans for brands and packs that are relevant to their consumer base. These programs ensure that we support the drive for incremental volume and top line growth. The Affordable category provides consumers access to high-quality beverages.
- In view of the escalation in inflation and declining disposable incomes, our focus has shifted towards **Creating a cost competitive business** through driving a profitable mix and cost containment. This is complemented by strengthening our human capability as we endeavour to **develop a capable and motivated team**.
- Across our distribution chain, we engage every day with many retail customers who play a critical role in connecting our business with consumers. We support them by investing in the Retailer Development Programme which offers training in business and financial management, hygiene and customer care. We recognise that these small businesses are sources of income and livelihoods in local communities.
- The traders are also trained in areas such as responsible retailing and consumption of alcohol as well as post-consumer waste management which link with our corporate social responsibility priorities.

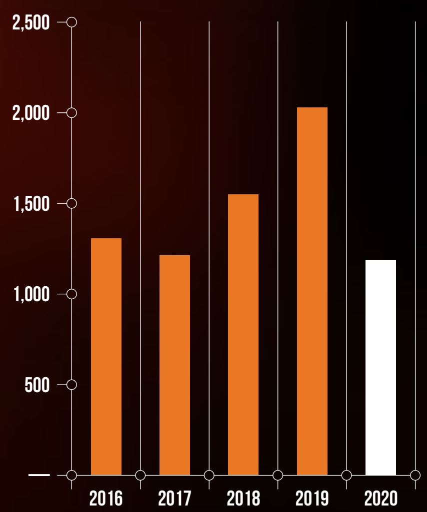
REVIEW OF OPERATIONS

Lager Beer Business

Lager Beer volume at 1,2 million hectolitres for the year F20 was 42% below prior year and lower than the average of the dollarization period.

The resurgence of hyperinflation resulted in frequent price increases in an environment of low disposable incomes. There were notable gaps in brand and pack availability arising from shortages on foreign currency which impacted on supply chain. The first quarter of the year witnessed significant price distortions following the formalisation of the ZWL as the official trading currency on 24 June 2019.

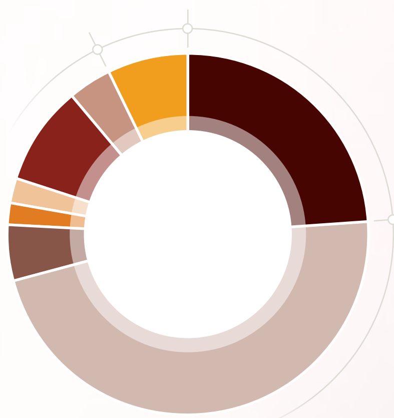
LAGER BEER VOLUME PERFORMANCE - HLS'000



REVIEW OF OPERATIONS

Lager Beer Business (continued)

LAGER BEER TRADE CHANNEL % SALES CONTRIBUTION



Bar	24%
Bottle Store	47%
General Dealer	5%
Hotels	2%
Restaurants	2%
Supermarkets	9%
Other	4%
Wholesale	7%

Most customers preferred to charge in US$ or applied open market exchange rates in setting ZWL retail prices that resulted in low compliance to suggested retail prices. Consumer demand remained depressed throughout the year as household incomes were eroded by the depreciating USD exchange rate and inflation. Pricing was significantly soft compared to prior years but could not stimulate sales due to the depressed aggregate demand, which was also impacted by the drought and utilities supply disruptions. The business was forced to prioritise the supply of returnable glass packs in order to conserve foreign currency and for affordability. The circulation of returnable glass bottles was slower as traders held onto empty glass bottles to preserve value in a hyperinflationary environment.

The manufacturing platform was stable although efficiencies were affected by the limited glass bottles float and outages of water and electricity. There were also delays in servicing plant due to foreign currency shortages. The supply of cans and non-returnable bottle packs was limited on account of foreign currency shortages.

Leveraging our Beer Brands in the market

Our brands remain at the forefront of engaging with our consumers and exciting them through various brand activities and community projects particularly through the sponsorship of sport and the arts.

Castle Lager

Our flagship brand Castle Lager was at the centre of bringing consumers and the nation together. Castle Lager National Braai Fest 2019 was the main highlight with a revised national outlook through micro-braai events in six cities across the country. This culminated in the two-day Castle Lager National Braai Fest at Old Hararians Sports Club at the beginning of November 2019.

The brand also rallied the nation to support their favourite soccer teams in the country through our sponsorship of the Castle Lager Premier Soccer League. Consumers got to engage with the brand not only through watching live matches but also through numerous online activations as well as live streaming of matches such as the Castle Lager Challenge Cup. The brand continued to embrace technology in the voting process for the Castle Lager Soccer Star of the Year finalists which was done online and the subsequent awards ceremony was also streamed live.

REVIEW OF OPERATIONS

Lager Beer Business (continued)

Castle Lager (continued)

The second edition of the Castle Africa Five-a-Side soccer tournament was held and for the first time, a women's team represented Zimbabwe at the continental finals held in Tanzania. Both our men's and women's teams performed well, qualifying for the quarter finals and semi-finals, respectively.

The brand once again sponsored the Castle Tankard horse race held at the home of horseracing, Borrowdale Park.

Carling Black Label

This year Carling Black Label increased its sponsorship at the ZTISU (Zimbabwe Tertiary Institutions Sports Union) games to cover three disciplines, darts, pool and soccer as part of the brand's effort to promote the development of sport in tertiary institutions. Carling Black Label rewarded the pool and darts tournament winners with pool tables, dart boards and other accessories. The winning soccer team received soccer kits. Floating trophies were given to outstanding players and winning teams respectively. The Carling Black Label Campus Nyt activations were run at tertiary colleges countrywide with lucky students winning money to specifically cover tuition fees. The Carling Cup Promotion sponsored eleven consumers to watch the big Soweto derby between Orlando Pirates and Kaizer Chiefs in South Africa. The Carling Black Label National Pool Tournament was held countrywide. Staff Pool tournaments were run at the Southerton and Belmont plants.

Castle Lite

Castle Lite benefited from the launch of the new 660ml returnable glass bottle. The new pack was well received in the trade as it provides an accessible bulk premium offering to our consumers. The brand also thrilled consumers during the winter months with a series of micro events, that led to six lucky consumers from around the country winning an all-expenses paid VIP trip to Johannesburg, South Africa. Our consumers, together with those from other SADC markets, took part in the first ever two-day Castle Lite Unlocks Hip Hop Experience and Concerts featuring American Hip Hop Sensations Post Malone and Meek Mill at the Ticket Pro Dome. The annual December Extra Cold Nights, a series of weekly outlet based micro events, was held in various top outlets around the country featuring popular DJs. The much anticipated National Cooler Box promotion, was held in December 2019 with consumers winning the coveted Castle Lite branded steel cooler boxes.

Zambezi Lager

Zambezi Lager set the market ablaze with the launch of the "The Mighty Zambezi Bonfire" event. This campaign was made up of a series of unique fire-lighting activations in trade and culminated in what was hailed as the outdoor event of the year, at Donny Brook Park where a massive 10mx10m Bonfire was ignited. The brand's thematic campaign focuses on promoting outdoor consumption and Idyllic relaxation with friends; telling stories around the fire whilst enjoying a cold Zambezi Lager.

The brand once again was a proud beverage sponsor of the Kariba International Tiger Fishing Tournament, the Bass Fishing Federation and the Victoria Falls Carnival. It is the Title Sponsors of the Zimbabwe Men's Rugby 7s team, the Zambezi Cheetahs. The team put a good show all year round and just missed Olympic Qualification by a whisker at the Africa Men's 7s Qualifiers. Zambezi Lager was also the gold sponsor of the FITASC International Clay Shooting Tournament held in Victoria Falls.

Golden Pilsener

Golden Pilsener continued with its premium association with Golf through sponsorship of the NOMADS and other small tournaments throughout the year in order to enhance its Go for Gold theme.

Boosting Communities through local ingredients

Sorghum For Eagle Lager

The Company runs the sorghum input scheme to grow the sweet red sorghum and other low tannin varieties for the Eagle Lager brand. The brand connects with Zimbabwe's rural small-scale farmers who are the main beneficiaries of the scheme. This partnership allows for local sourcing of inputs, empowering rural farmers and providing consumers with a quality refreshing beer at an affordable price. The annual sorghum requirements for Eagle Lager production was sourced from this scheme despite the drought that reduced yields in 2019.

A Smart Barley Parnership

The Company runs the barley contracting scheme which ensures that our beer brands use the high-quality Zimbabwean barley varieties. The barley feeds into the malting plant at Kwekwe to produce barley malt for both domestic and export markets. The barley deliveries from the 2019 winter crop was 28 652 tonnes from 4 923 hectares grown by 41 farmers. The average yield was 5,8 tonnes per hectare despite the crippling power shortage and losses due to frost. The business responded by offering contracted farmers Capital development loans for purchase of alternative power generation equipment resulting in the achievement of a decent crop in both yield and quality, demonstrating the benefits of the agronomic support offered by the company to farmers. The barley contract farmers were engaged to produce high quality maize for gritting during the summer season, ensuring an all-year round partnership.

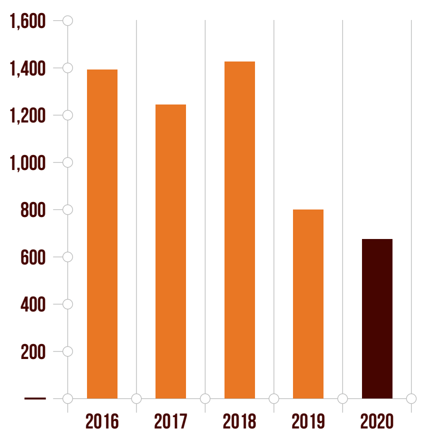
REVIEW OF OPERATIONS

Sparkling Beverages Business

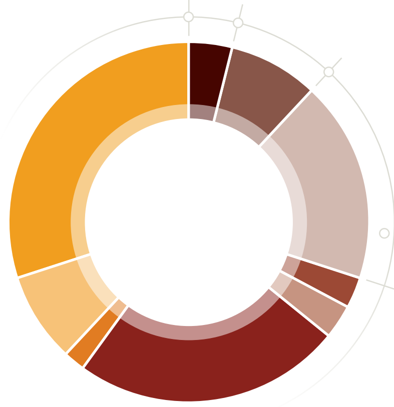
REVIEW OF OPERATIONS

Sparkling Beverages Business (continued)

SPARKLING BEVERAGES VOLUME PERFORMANCE - '000HLS



SPARKLING BEVERAGES TRADE CHANNEL % SALES CONTRIBUTION



Bar	4%
Bottle Store	8%
General Dealer	18%
Hotels and Restaurants	3%
Quick Service Restaurants	3%
Supermarkets	24%
Petroleum Food Marts	2%
Other	8%
Wholesale	30%

Sparkling Beverages volume at 0,7 million hectolitres declined by 19% compared to prior year. The business was hamstrung by the foreign currency shortages which resulted in periodic production stoppages in the first half of the year.

The strategies implemented in partnership with The Coca Cola Company are bearing fruit as product supply has been consistent since August 2019. The key focus is on accessing the imported ingredients, offering keener prices and broadening choice through the expanded "without sugar" offerings. Demand remains subdued as consumer disposable incomes is under severe pressure due to hyperinflation. Market share has recovered in response to consistent supply and aided by focused customer service. The business continues to collaborate with The Coca-Cola Company and all other relevant stakeholders to position itself for sustainable growth.

Transforming Our Portfolio

People's tastes and preferences are changing, and The Coca-Cola Company is responding through focused actions:

- Reducing Added Sugar. This involves changes to recipes to reduce added sugar, promoting low or no-calorie beverage options, reducing package sizes and exploring new sweetener alternatives
- Offering more drinks with nutrition benefits.
- Responsible marketing
- Putting clear, easy-to-find nutrition information on our packages

The "Without Sugar" offerings were extended to include Coke, Fanta, Sprite and Stoney. This will offer our consumers an increasingly wider beverage portfolio to choose from. These new "Without sugar" variants are being offered in the 300ml bottle and 500ml PET packs. These brands are also leading in supporting wellness activities in consumer facing activities.

REVIEW OF OPERATIONS

Sparkling Beverages Business (continued)

In The Market With Our Sparkling Beverages Brands

We continued to leverage on our sparkling beverages brands to engage our customers and excite the consumers. This was achieved through enhancing existing brand properties and associations with channel partners.

High School Soccer

Brand Coca-Cola continued to focus on connecting the youth in their passion for Soccer and Music. A total of 5 000 teams participated in the full season of the 2019 COPA Coca-Cola tournament which was launched at Pamushana Mission School in Masvingo Province, the 2018 Boys defending champions. The national finals were held at Kadoma's Rimuka stadium. Large crowds were entertained and cheered the teams on during the two days of exciting Boys and Girls Under 15 soccer games. Prince Edward High school won the Boys' tournament while Mpopoma High School won the Girls' tournament. A Boys' National Select side went on to represent the country in Kenya at the COPA Coca-Cola Africa tournament where the team went all the way to the finals and collected silver medals while Tanzania won the gold medal.

Other Brand Sponsorships

The Coca-Cola brand maintained its other sponsorship properties and activations that included the Zimbabwe International Trade Fair, Zimbabwe Agricultural Show and the ever-popular Victoria Falls Carnival. Consumers were also engaged by "Coke on Beat" musical program aired on National Television culminating to the Top 50 Video awards. The Coca-Cola Top 50 annual awards on Radio Zimbabwe also continued to offer memorable music programming.

The brand partners lifestyle activities such as the Harare Athletics Club marathon races and EVES Fitness Events.

5by20

Supporting Enterprises

- The business is engaged in the global Coca-Cola "5 by 20" Campaign which recognises the role of women in national development. The women are capacitated and equipped with entrepreneurial skills.
- Our partnerships with the informal traders continued with the provision of vending equipment, assistance with licensing and site rentals.

REVIEW OF OPERATIONS

Maheu Business

The Maheu business witnessed a decline in volume due to constraints on the supply of packaging materials.

The sector is facing competition from alternative products as its cost structure has been adversely impacted by the spike in prices of key raw materials and packaging.

The Shumba Maheu Brand continues to be a key part of various consumer engagement activities at the Harare Agricultural Show, Zimbabwe International Trade Fair (ZITF) and various schools sporting activities.

REVIEW OF OPERATIONS

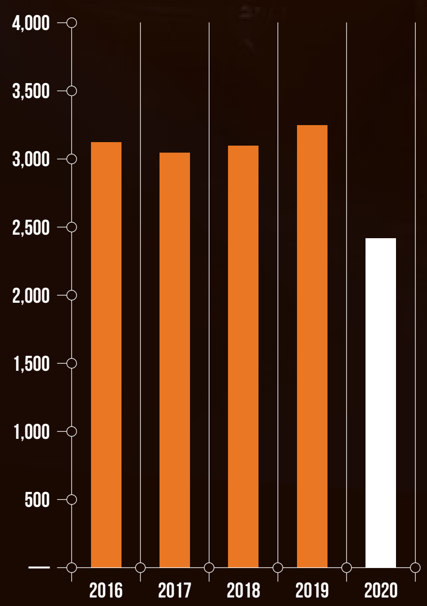
Sorghum Beer Business – Zimbabwe

The Sorghum beer volume for the year of 2,7 million hectolitres was 25% below prior year, reflecting the erosion of consumer disposable incomes due to hyperinflation and the drought.

Chibuku Super contribution declined to 60% from 82% in the last year as consumers preferred the more affordable Standard Chibuku in the 1.5litre Scud pack.

The prices escalated faster than average inflation due to the reliance on the more expensive imported maize and the removal of subsidies on maize purchased from the Grain Marketing Board. The business relied on imported maize for five months of the year. There was also cost pressure from the imported packaging arising from the fast depreciating of the local currency.

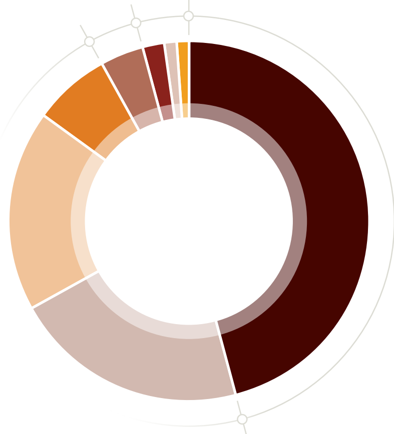
LAGER BEER VOLUME PERFORMANCE - HLS'000



REVIEW OF OPERATIONS

Sorghum Beer Business – Zimbabwe (continued)

SORGHUM BEER CHANNEL SALES CONTRIBUTION



Bottle Store	46%
Bars	21%
Wholesale	18%
Supermarket	7%
Distributor	4%
Hotel	2%
Restaurant	1%
At Work	1%

We work in partnership with the Liquor licensing board to get more traders licensed particularly bottle stores which account for 46% of volume. There was an increase in direct store deliveries due to use of the pre-order model and also due to traders struggling to access fuel.

Nourishing the Bonds of Brotherhood

The Chibuku brand is synonymous with friendship, good times and cultural heritage. The brand remains the epitome of quality traditional beer that supports the bonds of friendships and sharing. The rich, smooth taste of Zimbabwe's top traditional beer resonates with our consumers.

Chibuku Super Soccer Cup

Chibuku sponsored the Chibuku Super Cup which brings friends together through sport. Ngezi Platinum Stars FC played against Highlanders in the finals, with the latter claiming a 1 - 0 victory in a match watched by over 12 500 spectators. The win by the home team brought a lot of excitement in Bulawayo, a market which is the theatre of competition.

Nurturing Talent

Chibuku Neshamwari and Chibuku Road to Fame remain key integral properties of the brand. Chibuku Neshamwari Dance Festival Final was held in Kadoma at a packed Rimuka Stadium in August 2019. Ezimyama Dance group from Bulawayo scooped the first prize under glamour and funfair.

REVIEW OF OPERATIONS

Sorghum Beer Business – Zimbabwe (continued)

Nurturing Talent (continued)

This year, Chibuku Road to Fame introduced a musical workshop to educate and nurture the upcoming artists, themed "My Music, My Money". The workshop was a huge success with various professionals in the music industry invited as guest speakers. The Chibuku Road to Fame National Finals were held in October with the grand price to a Masvingo group that exhibited very exceptional talent.

Bringing reward to Consumers

The inaugural Chibuku Super Surprise promotion held during the festive season brought excitement to consumers during the festive season. The promotion lit the festive season and created some excitement around Chibuku Super. Consumers were rewarded by winning prizes that included cash, shopping vouchers and branded apparel. The Pick a box activation was engaging and created an opportunity for consumer interaction in the Supermarket channel. Creative product displays were showcased in outlets as sales teams competed for the best in-store merchandising and execution.

REVIEW OF OPERATIONS

Sorghum Beer Business – Zimbabwe (continued)

Protecting our environment

The brand took part in the National Clean-Up Campaigns held on the first Friday of each month, with staff joining the communities to remove litter around their environs. The business continues to work closely with the various government bodies and other institutions to support and promote waste management programs. This year brown PET waste recovery reached 71%, a significant improvement from 49% achieved last year.

Growing livelihoods with sorghum

Our sorghum contract scheme aimed to source 13 000 tonnes of grain. The yields were affected by the drought which forced the business to import sorghum for the first time in over 10 years. The scheme contracts both commercial and communal small-scale farmers to grow sorghum. Over 7 000 communal small scale farmers and 56 commercial farmers have been contracted for the 2019/2020 season as the business endeavours to cover the shortfall from 2019 and create room for sorghum malt exports. The contract scheme impacts and uplifts the livelihoods of close to 10 300 families.

REVIEW OF OPERATIONS

Transport and Logistics

REVIEW OF OPERATIONS

Transport and Logistics (continued)

The Company continues to review the route to market with the aim of improving distribution logistics and customer service.

The business continues to advocate for the presold delivery model which allows for focused delivery scheduling based on customer orders. The dynamic routing platform utilises the National Telesales Centre and sales representative customer contacts to collect and prioritise deliveries to customers.

The Company operates an internal fleet of over 200 prime movers, 440 trailers and 97 forklifts primarily focusing on door to door deliveries across the country. The fleet is maintained through our network of 23 workshops countrywide. In this financial year, our fleet travelled a combined total of 9,9 million kilometres.

The internal capacity of the freighting function increased in the current year for both inbound and outbound activities.

About 98% of the freighting volume was moved by internal fleet, a significant increase from last year. In an endeavour to bring more value to the business the division was able to:

- increase contribution in raw material logistics to 400 000 kilometres in comparison to 9 000 kilometres in prior year.
- Offer freighting services to subsidiary and associate companies.

Our commitment to safety continues to be top priority for 350 drivers and 260 forklift operators. The localised training school continues collaborate with the Traffic Safety Council of Zimbabwe to create awareness and enhance the training on road safety.

Leveraging on Our Supply Chain

Promoting Best Practice In Procurement

Our procurement team interacts with local, regional and global suppliers to source the goods and services that our business needs to produce and sell our beer and soft drinks. Our Supplier Partnering Program aims to collaborate with each supplier to ensure that they at least meet minimum requirements of the United Nations Framework and Guiding Principles on Business and Human Rights and the Company's code of business ethics.

The guiding principles relate to work place safety, avoiding child labour, basic labour standards and human rights and good manufacturing practice.

Suppliers must act ethically and with integrity at all times and comply with local, national and international laws and regulations. They should avoid situations where a conflict of interest may occur, and must immediately disclose to Delta any conflict of interest that do arises.

Promoting Local Sourcing

Most of the Company's inputs and services are sourced from the local market. The contract farming arrangements for sorghum, barley and maize ensure sustainable sourcing of these key brewing materials whilst providing livelihoods to the local communities. The supplier partnering program aims to achieve gains in quality, cost and service levels through reduction in waste and poor materials performance.

The sourcing of materials has been challenging particularly due to the shortages of foreign currency and the pricing distortions characterising the Zimbabwean economy. The distortions arising from the emergence of the parallel markets for hard currency has created disparities in pricing. The Company's financial dealings have strictly been in accordance with the laws and regulations in each market.

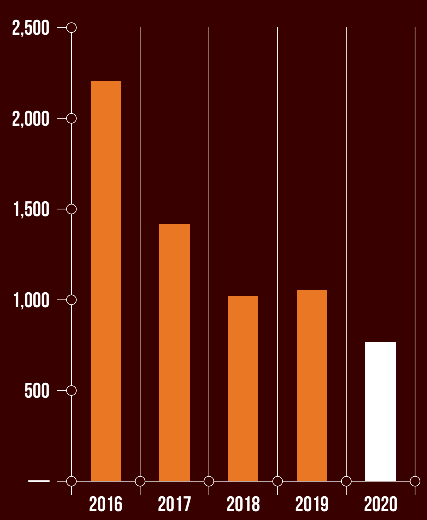
REVIEW OF OPERATIONS

National Breweries – Zambia

At 0,8 million hectolitres the business suffered a 27% volume decline compared to the prior year.

The decline is attributable to price adjustments in the face of rising costs of imported packaging material and key brewing raw materials such as maize and sorghum. There remains competitive pressure from illicit bulk traditional beer. Engagements with relevant authorities are ongoing. The entire traditional beer category has lost share to alternative forms of alcohol due to higher relative prices. There are initiatives to revive volumes.

SORGHUM BEER VOLUME PERFORMANCE - HLS'000



REVIEW OF OPERATIONS

National Breweries – Zambia (continued)

New Product Launches

The business is innovating on both the product intrinsics and packaging options. The 1.5L returnable bottle was launched at the beginning of the year with an improved malt based product formulation. The malt-based recipe was extended to Chibuku Super in the fourth quarter of the financial year. This was received with a lot of excitement in the market. The launch of this pack has brought the benefits of improved efficiencies in the production of malt-based brews in the business whilst giving consumers more choice through a differentiated offering. This has grown our total traditional beer portfolio to four packs.

Expanded Returnable Bottle Capacity

In order to support the anticipated growth of the 1.5L Scud returnable bottle across our key urban markets, a new higher capacity line was installed at Lusaka. The smaller line from Lusaka was relocated to the Ndola plant hence all the breweries now have capacity to produce the returnable packs.

Developing Our People

In order to support the initiatives on plant capacity and product innovations, a number of highly skilled and experienced technical and operational staff have been seconded from Zimbabwe to speed up skills acquisition. A number of Graduate Trainees have been recruited to support the business and grow local skills.

Product Quality

We continue to focus on product quality by equipping our laboratories with new equipment and qualified staff. The superior quality of our products is a unique selling point and key differentiator in a market cluttered with illicit and poor quality traditional beer offerings.

Rewarding Loyal Consumers

We continue to create excitement amongst consumers through national promotions and enhanced brand communication on various media platforms. The instant prizes gave consumers instant gratification whilst helping to drive product sampling during product launch activations.

Supporting Local Traditions

Being the leading traditional African beer in the country, it is our aim to cement our brands position as the biggest supporter of Zambian traditional ceremonies. To this end National Breweries Plc part sponsored two of the largest traditional ceremonies in the country, the Kulamba and the Nc'wala Ceremonies.

The sponsorships resulted in enhanced visibility for our brand during the events whilst several support activities such as road shows and sampling activations excited consumers.

REVIEW OF OPERATIONS

African Distillers Limited

REVIEW OF OPERATIONS

African Distillers Limited (continued)

African Distillers Limited (Afdis) 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.

The entity has been consolidated as a subsidiary from November 2018.

Afdis reported a 28% decline in overall volume for the nine months to March 2020 whilst revenue grew by 500% in historical cost terms. The spirits and ready to drink categories continue to fare better in a sector that has been affected by growth of illicit and counterfeit products. Volume performance was affected by the deteriorating economic environment.

AFRICAN DISTILLERS LIMITED

Consumers continued to trade down to more affordable categories due to the declining disposable incomes. The business will continue to pursue new innovations to remain relevant to both the consumers and the trading environment.

Afdis has registered improved financial performance, benefiting from the support of its key shareholders and franchise partners. This also reflects focused cost management and a favourable product mix.

The company continues to expand its Corporate Social Responsibility and has adopted ward B8 at Harare Hospital.

REVIEW OF OPERATIONS: ASSOCIATES

Schweppes Holdings Africa Limited

REVIEW OF OPERATIONS: ASSOCIATES

Schweppes Holdings Africa Limited (continued)

Schweppes Holdings Africa through its main operating entity Schweppes Zimbabwe Limited is a manufacturer and distributor of non-carbonated stills beverages under licence from The Coca-Cola Company.

The product portfolio currently includes cordials, fruit juices, bottled water and iced tea. The Company has value chain investments in the form of BeitBridge Juice Company which processes fruit juices, mainly oranges and Best Fruit Processors which produces tomato paste for both local and export markets. The processing divisions also produce non-franchise cordials such as Fruitade that are sold through Schweppes.

The entity achieved revenue of ZWL449 million for the financial year to December 2019, an increase of 308% over prior year. This reflected a depressed beverage volume performance in a year marked by shortages of foreign currency which impacted on the access to imported raw materials and packaging. The beverages volume declined by 24% for the twelve months to March 2020. There was an improvement in the contribution of the Fruitade range of cordials, whilst Minute Maid Juice drinks were not available for most of the year due to some challenges in the quality of key ingredients. The processing divisions benefited from improved supply of processing fruit as the company supported farmers with inputs and extension services.

The company is expanding its outreach into the downstream agricultural activities through direct cultivation of processing fruits such as tomatoes and support of community farming projects. The Government of Zimbabwe has availed 3 000 hectares of land in Beitbridge which will be used by the Company to develop a citrus plantation. This will include 300 hectares to be allocated for community development. The Shashe Citrus Outgrower Scheme in Maramani Communal Lands, Beitbridge District is assisting over 200 families who established a 90-hectare orange plantation.

REVENUE

308%

In historical cost numbers, the entity achieved revenue of ZWL449 million for the financial year to December 2019, an increase of 308% over prior year.

The farmers have been introduced to inter-row cropping to grow other crops such as sugar beans or vegetables between the orange trees.

Schweppes partnered Distributed Power Africa to install a 1 megawatt roof-top solar plant at the Willowvale factory to mitigate the power disruptions and increase use of renewable energy sources.

REVIEW OF OPERATIONS: ASSOCIATES

Nampak Zimbabwe

REVIEW OF OPERATIONS: ASSOCIATES

Nampak – Zimbabwe (continued)

Nampak Zimbabwe was created by the merging of the packaging related entities MegaPak, Hunyani and CarnaudMetalbox (CMB) in 2014 with the new entity taking over Hunyani Holdings' stock exchange listing.

Nampak's activities are summarised below:

Entity	Line of Business
Mega Pak	Manufacture of injected and moulded primary and secondary plastic and PET packaging products
Hunyani	Manufacture of paper, printing and packaging products
Carnaud Metalbox	Manufacture of metal aerosol cans, crowns and plastic bottles

The depressed consumer demand in most consumer goods sectors impacted negatively on the volume of packaging with both Hunyani and Megapak recoding declines of around 35% for the six months to 31 March 2020. The availability of key imported raw materials was affected by the scarcity of foreign currency and the freezing of credit lines with key suppliers.

The business continues to explore regional export markets in an effort to increase foreign currency generation.

Report of the Directors

The Directors present their 73rd Annual Report together with the Audited Financial Statements of the Group for the year ended 31 March 2020.

Year's Results
The year's results are presented in Zimbabwean Currency (ZWL) which was promulgated as the functional currency in the country in February 2019. The Group reports inflation adjusted financial statements in line with IAS 29. This report is based on the historical cost figures.

	ZWL'000
Revenue	4 193 260
Operating Income	1 316 777
Net Finance Charges	(100 020)
Share of Associates Income	34 568
Profit Before Tax	1 251 325
Profit attributable to Owners	1 040 184
Less Dividends	
Dividends Declared (total ZWL6,75 cents per share)	86 111
Add	
Distributable Reserves at the beginning of the year	373 976
Transfers from reserves	225 417
Distributable Reserves at the end of the year	1 553 466

Property, Plant and Equipment
Capital expenditure (inclusive of returnable containers) for the year to 31 March 2020 totalled ZWL156,0 million. The capital expenditure for the year to 31 March 2021 is planned at ZWL256 million.

Associates
The Company's effective shareholding in Schweppes Holdings Africa Limited at 49% and 21.46% in Nampak Zimbabwe.

Share Capital
The authorised share capital of the Company has been restated to ZWL at ZWL4,0 million comprising 1 400 000 000 ordinary shares of ZWL0,01 (one cent) each. A total of 10 665 201 shares were allotted in accordance with the share option schemes. The ordinary shares in issue are 1 284 461 190.

Accordingly, the issued share capital is now ZWL99,9 million comprising nominal capital of ZWL12,8million and share premium of ZWL87,1 million. The number of shares currently under option is 25 358 800 of which 24 962 000 are under the Share Appreciation Rights Scheme.

The Company now maintains both a materialised certificate register and an electronic de-materialised one maintained by Chengetedzai Security Depository. Shareholders can opt to maintain their shares either in paper certificates or in electronic/dematerialised form through a nominated Custodian.

Dividends
The Board declared interim of ZWL6,75 cents per share and did not declare a final dividend due to the uncertainties arising from the worldwide Coronavirus (COVID-19) pandemic.

Reserves
The movements in the Reserves of the Group and the Company are shown in the Consolidated Statement of Profit and Loss and other Comprehensive Income, Consolidated and Company Statements of Changes in Equity and in the Notes to the Financial Statements.

Purchase of Own Shares
At the last annual general meeting, authority was granted for the company to purchase its own shares up to a maximum of 10% of the number of shares in issue as at 31 July 2019. The authority is due to expire at the conclusion of the next annual general meeting in July 2020. The notice of the annual general meeting proposes that shareholders approve a resolution renewing the authority for the share buyback.

The authority was not utilised during the reporting period. The Company held a total 5 632 579 of its own shares as at 31 March 2020.

Going Concern
The directors have reviewed the Group's performance for the year and the principal risks its faces, together with the budget and cash flow forecasts for the next twelve months, and the application of reasonable sensitivities associated with such forecasts.

Report of the Directors (continued)

Going Concern (continued)
The directors note that the operating environment makes it difficult to plan for the future. Reference is made to the analysis of principal risks and uncertainties included in the annual report. Based on this review, and in light of the current financial position, the directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

Directors
The names and summarised resume' for the directors are set out on pages 132 to 135. Mr T N Sibanda retired from the Board on 31 December 2019 after serving as a director since 2004. All the other directors served throughout the period.

Mr S J Hammond retires from the board at the conclusion of the annual general meeting on 31 July 2020. Per policy, Messrs C F Dube and L EM Ngwerume retire annually whilst Mr T Moyo is due to retire by rotation. All 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 20 of the financial statements.

Auditors
Members will be asked to appoint Deloitte & Touche as Auditors for the Company for the ensuing year. Deloitte and Touche have been auditors for many years. In compliance with the Zimbabwe Stock Exchange regulations and the adopted corporate governance framework, a process is underway to appoint new auditors at the 2021 annual general meeting.

Corporate Governance Compliance
In line with the Zimbabwe Stock Exchange Listing Rules (SI134/19) the Board has adopted The Zimbabwe Code on Corporate Governance as a guiding framework and also draws some best practices from the Belgian Code on Corporate Governance (which is in line with the EU and UK Combined Codes). The reference to the Belgian Code relates to the alignment with key shareholders. There is an on-going process to evaluate the Company's practices against the governance principles to identify any areas of divergence or possible improvement. There is a transition plan to address issues relating to tenure of directors, rotation of the auditor and formalising the Board's performance evaluation.

Annual General Meeting
The 73rd Annual General Meeting of the Company will be held at 12:30 hours on Friday 31 July 2020 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
28 May 2020

Certificate of Compliance by The Company Secretary

I, the undersigned, in my capacity as the Company Secretary of Delta Corporation Limited, hereby confirm that, to the best of my knowledge, the Company has complied with the Zimbabwe Stock Exchange Listing regulations, lodged all returns with the Registrar of Companies required of a public company in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and that such returns are true and up to date. I also confirm that the articles of Memorandum and Articles of Association of the Company were in line with the provisions of the now repealed Zimbabwe Companies Act (Chapter 24:03) and that the Company is in the process of aligning its founding documents to the new Act.

A Makamure
Company Secretary
28 May 2020

Corporate Governance

Introduction
The corporate governance practices of Delta are based on the code of business conduct which sets out the ethical standards to which all employees are expected to adhere. The code incorporates and covers the Company's operating, financial and behavioural policies and endeavours to foster responsible business conduct by all employees particularly as this relates to compliance with all laws, disclosure of any conflicts of interests, confidentiality of information, to act at all times in the best interests of the Company and to conduct all their dealings in an honest and ethical manner. The ethics code defines the employees' responsibilities and expected behaviour and covers the limits on acceptance of gifts from suppliers or stakeholders, the appropriate use of the Company's property and the anti-corruption policy. 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
Delta strives to strike a balance between generating great business results and managing its environmental and social responsibilities through the various sustainable development initiatives as detailed in a separate report. This outlines the programs in the areas of responsible drinking, safety and wellness, the environment and the communities.

The corporate governance framework accords with the recently introduced Zimbabwe Code on Corporate Governance, and borrows from the Cadbury and King reports, the national codes or listing regulations applicable in the countries of primary listing of the Company's major shareholders such as those of United Kingdom, Belgium and the United States. 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 said codes.

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.

The Board of Directors
The Board of Directors of Delta is constituted with an equitable ratio of executive to non-executive and independent directors noting that some directors represent certain shareholders. The composition and structure of the Board is reviewed periodically to align with best practice, respective skills, experience, background, age and gender. The Board is chaired by a non-executive director and meets at least quarterly. 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.

The directors rotate and are re-appointed at least once every three years and are expected to retire at 70 years of age. Any director that has served for more than three terms (nine years) or is beyond 70 years of age is rotated and re-appointed annually thereafter. The Board has adopted transitional arrangements to close any gaps and departures from the governance codes.

Short biographies of each of the directors are on pages 132 to 135.

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 an independent non-executive director and comprises of non-executive directors. The Chief Executive and the Finance Director attend and present reports to the Committee. It meets at least twice a year to discuss accounting, auditing, internal control, financial reporting and risk management matters. The Committee also reviews compliance with ZSE listing requirements, corporate governance codes and applicable laws. The external and internal auditors meet regularly with and have unrestricted access to the Audit Committee.

Corporate Governance (continued)

The Remuneration Committee
Delta's Remuneration Committee is constituted and chaired by non-executive board members. The Chief Executive Officer attends and presents reports to the Committee. 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. It also acts as the general-purpose committee (in which case it co-opts additional members) to deal with ad-hoc strategic issues that may impact on human resources. The Committee meets at least twice a year.

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 and a least two non-executive directors.

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 2019 to 31 March 2020)

NAME OF DIRECTOR	Main Board/AGM		Audit Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Mr P Gowero	5	5	2	2	4	4
Mr C F Dube	5	5	—	—	4	4
Mrs E Fundira	5	5	—	—	—	—
Mr S J Hammond	5	5	—	—	4	4
Dr C C Jinya	4	5	—	—	—	—
Mr J A Kirby	5	5	2	2	4	4
Mr T Moyo	5	5	2	2	—	—
Mr A S Murray	2	5	1	2	—	—
Mr LEM Ngwerume	5	5	—	—	—	—
Mr T N Sibanda *	3	4	2	2	—	—
Ms L A Swartz	2	5	—	—	—	—
Mr M M Valela	5	5	2	2	—	—

* Mr T N Sibanda retired from the Board on 31 December 2019.

Report of the Remuneration Committee

The Remuneration Committee submits its inaugural report to shareholders in line with sections 167 and 183 of the Companies and Other Business Entities Act (Chapter 24:31).

This report focuses on setting out the remuneration philosophy and strategies and laying out the components of compensation for directors and senior management. The Committee comprises non-executive directors, with the Chief Executive and other executive members attending meetings by invitation. The Committee is responsible for overseeing the formulation and implementation of the Group's remuneration policies and recommending to the Board the remuneration of the Chief Executive and members of the Group Management Committee and the non-executive directors' fees.

Remuneration Philosophy

The Company's remuneration philosophy is to ensure that all employees are rewarded fairly and appropriately for their contribution. The Remuneration Committee takes into account appropriate market benchmarks whilst emphasising on pay for performance. This helps to attract, retain and motivate individuals while ensuring that employees' behaviours remain consistent with Delta's core values. All executive employees sign formal employment contracts which specify their conditions of service and terms of reference.

Remuneration comprises fixed and variable pay which is further divided into short-term and long-term incentives.

Non-Executive Directors Fees

The Remuneration Committee recommends the level of remuneration for directors, including the Chairperson of the Board, subject to approval by the Board and, subsequently, by the shareholders at the Annual General Meeting when it approves the annual accounts.

The remuneration includes retainers for the main board and committees in addition to attendance fees for the main board meetings. The Committee fees are differentiated between members and Chairpersons of the Committees, it being understood that the amounts of the retainers set out above are cumulative in case of participation of a director in several committees. The fees are regularly benchmarked against peer companies to ensure that they are competitive, taking into account the time committed to the Board and its various committees. Board members do not participate in share option schemes or bonus incentive schemes and receive no other benefits other than a take home beverage allocation. The Company does not provide pensions or medical benefits to directors.

Compensation for Chief Executive Officer and Members of The Group Management Committee

The remuneration of the Chief Executive and senior executives comprises the following components:

i) **Fixed Pay:** This includes basic pay, pensions and other cash benefits. This is reviewed annually taking into account individual performance (merit awards) and cost of living related increases. Retirement benefits cover contributions to occupational and statutory pension schemes and related life assurance covers. Other benefits and allowances relate to motoring, schooling, housing, medical aid, club subscriptions and take home drinkage, that are appropriate to the market and to assist the executives in efficiently carrying out their duties.

ii) **Short-term Incentives:** This is meant to create a balance between fixed and at risk (variable) pay to incentivise performance. The annual productivity bonus plan is based on achievement of the Company's strategic targets which include both financial, project milestones, sustainability measures and key business metrics, appropriately weighted for each executive. Typical metrics include revenue, volume, market share, cost savings, margin growth, EPS, sustainability (resource usage reductions), health and safety, return on capital and working capital measures.

Report of the Remuneration Committee (continued)

iii) **Long-term Incentives:** This mainly comprises the share options or share appreciation schemes which link between executive pay and value creation for the shareholders. These are awarded annually and have a minimum vesting period of three years. The grants are made annually at the discretion of the Committee and the Board, with a maximum allocation per individual participant based on multiples of basic pay.

iv) **Other Benefits:** This includes loan advances covered by a pre-existing authority (shareholders special resolution) at set multiples of basic pay. The loans are secured through mortgages or other suitable security.

v) **Termination Policy:** The Remuneration Committee takes into account the individual circumstances on termination which include the contractual and legal obligations, the relevant rules of share plans and pension schemes with the underlying principle that there should be no reward for failure. There are policies relating to voluntary termination, redundancy, normal or ill-health retirement and death in service. The Committee also considers post service restrictions giving rise to payments in lieu of notice and restraint of trade.

Policy on External Appointments

Executives are permitted to accept not more than two non-executive directorships in other companies, subject to prior approval of the Board. Fees received in respect of the external appointments may be retained by the individual.

Summarised Directors Emoluments for the year

The Zimbabwe Stock Exchange Guidelines provide that a summary remuneration report be submitted to shareholders. The detailed remuneration report is reviewed by the auditors and is available for inspection at the registered office of the Company subject to the conditions set in the Companies and Other Businesses Act (Chapter 24:31).

Annual Non-Executive Directors' Fees

These are paid quarterly based on the ruling exchange rate.

	At March 2020 ZWL Annual
Base Fee	
Board Chairman	750 000
Other Directors	460 000
Committe Chair	
Audit	460 000
Remuneration	230 000
Nominations	115 000

Annual Non-Executive Directors' Fees (continued)

	At March 2020 ZWL Annual
Committe Membership	
Audit	286 000
Remuneration	115 000
Nominations	115 000

These are paid quarterly.

The remuneration of directors and members of key management during the year was as follows: (Historical Cost).

	2020 ZWL'000	2019 ZWL'000
Short Term	**26 637**	5 935
Post-Employment	**3 275**	512
Share Based	**3 373**	1 275
Total Directors and Key Management	**33 285**	7 722
Included in the amounts above are the following with respect of directors' emoluments:		
For services as directors	**2 734**	279
For managerial services	**10 330**	1 973
	13 064	2 252

The Group advances loans under the Group Housing Scheme and a vehicle ownership scheme to executive directors and members of key management. These loans are secured through mortgage bonds, terminal benefits or the cars purchased under the scheme or other suitable security. The balances at the end of the year was ZWL42,9million (2019 – ZWL5,1million).

Signed on Behalf of The Board

S J Hammond
Remuneration Committee Chairman
28 May 2020

Report of the Audit Committee

The Audit Committee submits its inaugural report to shareholders in line with sections 183 and 219 of the Companies and Other Business Entities Act (Chapter 24:31).

The Audit Committee assists the Board in fulfilling its oversight responsibilities regarding financial reporting, risk management and internal controls and the independence and effectiveness of the external auditors. It receives reports from the Finance Director, the Internal Auditor, Company Secretary and the External Auditors and meets at least twice a year.

Financial Reporting

The Committee reviews the interim and full year financial statements before their submission to the Board for approval. The key issues in the current financial year related to:

i) **Compliance with International Accounting Standard 29:** Financial Reporting in Hyperinflation Economies. Reliance was placed on the Consumer Price Indices provided by the Zimbabwe Statistical Agency.

ii) **The challenges arising from complying with International Accounting Standard 21:** Effects of Changes in Foreign Exchange Rates, due to the legislative position under Statutory Instruments 33/19 and 142/19 relating to the adoption of ZWL as the functional currency as the country transitioned from the multi-currency trading system. As is highlighted in the Auditors' Report, an adverse opinion was passed with respect to the 2019 financial statements. This has resulted in a qualification of the 2020 financial statements in relation to the opening balances.

iii) The appropriateness of the going concern basis of accounting was debated, noting the macro-economic instability in Zimbabwe driven by an unstable exchange rate and hyperinflation. The Group has exposure to foreign liabilities, which are covered by the arrangements with the Reserve Bank of Zimbabwe.

iv) Some critical accounting judgements and estimations were made in the preparation of the financial statements. These include the valuation of the financial assets relating to the Reserve Bank of Zimbabwe cash cover deposit for the "legacy foreign creditors", the valuation of share-based payments and estimation of the containers in the market.

v) The Committee noted that the manner in which the Government legislated the changes in the functional currency created some uncertainties in the tax positions.

Risk Management and Internal Controls

The Committee reviewed a wide range of matters with management, the internal auditors and external auditors with respect to the identified principal risks and management responses thereto. The Group has a structured Enterprise Risk Management framework which is cascaded upwards from operating divisions and service departments under which risk registers are updated and reviewed every quarter. The key risks are tabulated in the Annual Report. In summary the Committee's work included the following:

- Received and reviewed regular reports from the Audit Manager on the internal audit work undertaken against the agreed work plan, management responses, reviews of changes to standard operating procedures and their findings. These included evaluations of the enterprise system (SAP) and computer controls. The internal audit function is adequately resourced to carry out its mandate.
- Received reports from the Audit Manager on identified frauds and losses. No major occurrences were reported during the year. The work covered investigations on the reports from the Deloitte Tip-Off Anonymous System and those received directly from whistle-blowers.
- Received and discussed regular reports from the Company Secretary on compliance matters under the code of business conduct and ethics, adherence to the code on corporate governance and reports on significant litigations. This also includes the assessment of the adequacy of the Group's insurance programs, ICT governance and network security.

Report of the Audit Committee (continued)

Risk Management and Internal Controls (continued)

- The Committee received representations from Management under the Bi-Annual Letter of Internal Representation which incorporates reportable issues relating to work place health and safety, political donations, frauds and losses and any non-compliance with laws and regulations. The letter summaries the changes to business risks and mitigation plans adopted by management.
- Received regular reports from the Finance Director on the treasury policies relating to borrowings and banking arrangements, noting the instability of the banking sector and the impacts of the shortages of foreign currency.

External Audit Independence and Effectiveness

Delta has a well-established policy on the independence of the external auditor, which covers issues of partner rotation and restrictions on recruitments from the audit firm. It is noted that although Deloitte & Touche have been auditors for a very long time, they have maintained professional independence in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the PAAB.

The Committee has considered the Practice Guidelines from the Zimbabwe Stock Exchange with respect to audit firm rotation and hence have recommended that the audit be re-tendered in time to appoint a new audit firm for F22.

The Committee meets separately with the external auditor and Internal Audit Manager without management.

Retirement of Audit Committee Chairman

The Committee pays tribute to the former committee chairman, Mr T N Sibanda who retired from the Board on 31 December 2019.

T Moyo
Audit Committee Chairman
28 May 2020

Annual Financial Statements

for the year ended 31 March

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Directors' Responsibility for Financial Reporting

for the year ended 31 March

Delta Corporation Limited's ("Delta") 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 which include hyperinflation accounts 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 2021. 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 pages 48 to 52.

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.

The executive directors consider the system to be 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.

Preparer of financial statements

These annual financial statements have been prepared under the supervision of M M Valela CA(Z), Executive Director – Finance, registered Public Accountant, PAAB Number P01063 and have been audited in terms of section 29(1) of the Companies Act (Chapter 24:31).

Approval of financial statements

The financial statements for the year ended 31 March 2020, which appear on pages 53 to 109 were approved by the Board of Directors on 28 May 2020 and are signed on its behalf by:

P Gowero
Chief Executive Officer

M M Valela
Executive Director - Finance
28 May 2020

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Independent Auditor's Report

TO THE SHAREHOLDERS OF DELTA CORPORATION LIMITED

Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the inflation adjusted financial statements of Delta Corporation Limited ("Delta" or the "Company") and its subsidiaries (together, the "Group") set out on pages 53 to 109, which comprise the inflation adjusted consolidated and separate statement of financial position as at 31 March 2020, and the inflation adjusted consolidated and separate statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statement of changes in equity and the inflation adjusted consolidated and separate statement of cash flow for the year then ended, and the notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of the Group as at 31 March 2020, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Businesses Entities Act (Chapter 24:31) and the relevant Statutory Instruments ("SI") 33/99 and 62/96.

Basis for Qualified Opinion

a) **Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" on comparative financial information**

For the financial year 31 March 2019 the Group did not comply with IAS 21 "The Effects of Changes in Foreign Exchange Rates" as it elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19") only from 22 February 2019.

Prior to 20 February 2019, the transacting and functional currency of the Zimbabwean economy was the United States dollar ("USD"). On 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019.

SI 33/19 fixed the exchange rate between the RTGS Dollar and the United States Dollar ("USD") at a rate of 1:1 for the period up to this effective date. The rate of 1:1 was consistent with the rate mandated by the RBZ at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by IAS 21 "The Effects of Changes in Foreign Exchange Rates":

- The Group transacted using a combination of USD, electronic cash, bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement ("RTGS") system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, and RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.

- In October 2018, banks were instructed by the Reserve Bank of Zimbabwe ("RBZ") to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

For the period up to 22 February 2019, the Group maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with SI 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USD and the ZWL in compliance with the requirements of SI 33/19.

Independent Auditor's Report (continued)

Basis for Qualified Opinion (continued)

Whilst the timing of this conversion was in line with the dictates of SI 33/19, it constituted a departure from the requirements of IAS 21, and therefore the 2019 financial statements were not prepared in conformity with IFRS. Had the Group and Company applied the requirements of IAS 21, the 31 March 2019 comparative inflation adjusted consolidated and separate financial statements would have been materially impacted. The financial effects of this departure on the inflation adjusted consolidated and company financial statements have not been determined.

Our opinion on the current year's inflation adjusted consolidated and separate statement of financial position is modified because of the possible effects of the matter on the comparability of the current year's inflation adjusted consolidated and separate financial statements with that of the prior year.

b) **Recognition of a Change in Functional Currency Reserve**

The inflation adjusted consolidated and company statement of equity reflects a functional currency reserve amounting to ZWL2.3 billion at 31 March 2019.

The functional currency reserve relates to the gain on conversion of net monetary and non-monetary assets to RTGS dollars on change in functional currency from the USD during 2019. IAS 21 requires exchange differences arising from a change in functional currency to be recognised in the statement of profit or loss and other comprehensive income.

The Directors recognised the exchange difference gain in equity as a non-distributable reserve, which represents a material departure from the requirements of IAS 21.

In addition deferred taxation on the functional currency reserve was not recognised in the 2019 year. The deferred taxation related to the functional currency reserve of ZWL504 million was recorded against equity during the year ended 31 March 2020 and not through the statement of profit or loss and other comprehensive income in the 2019 year. This represents a material departure from the requirements of IAS 12 "Income Taxes".

Had the exchange differences been recorded correctly in the statement of profit and loss and other comprehensive income, profit and retained earnings would have been increased by ZWL1,8 billion in the 2019 year, with an increase in deferred taxation liability of ZWL504 million and decrease of the functional currency reserve to zero.

As at 31 March 2020, the change in functional currency reserve amounting to ZWL1,8 billion was transferred to retained earnings in the statement of changes in equity. The respective taxation of ZWL504 million was transferred to deferred taxation liability in the statement of changes in equity. This treatment was in contravention of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which requires that this correction should have been effected as a prior period error in the 2019 comparatives.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements" section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code, together with the ethical requirements that are relevant to our audit of inflation adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the inflation adjusted consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section of our report, we have determined the matters described below to be the key audit matters.

Independent Auditor's Report (continued)

Key Audit Matters

Key Audit Matter	How the matter was addressed in the audit
Valuation and accounting treatment of Legacy Debts/Reserve Bank of Zimbabwe ("RBZ") blocked funds	
As a result of the foreign currency shortages in the Zimbabwean economy that saw the country's banking system unable to remit foreign currency payments as local banks' corresponding nostro account balances depleted without replacement from exports and other foreign currency remittances, The Group was unable to settle the foreign obligations due to lenders and foreign suppliers as they fell due. This led to the accumulation of blocked funds amounting to USD92 million as at 22 February 2019, comprised of loans of USD43 million and payments to suppliers of USD49 million. The Company agreed on a settlement plan with the Reserve Bank of Zimbabwe ("RBZ") based on the exchange control directives RU102 and RU28 of 2019 on the Blocked Funds as at 22 February 2019. The Group registered these foreign debts with the RBZ as required by those regulations. During the period under review, The Group transferred to the RBZ the ZWL equivalent of the foreign debts at a rate of USD/ZWL1:1. Per the settlement plan The Group is to secure the necessary foreign exchange from the interbank market and settle the legacy debts, whereupon the RBZ will refund the amount of the foreign exchange so settled, at the ruling interbank rate of the day. The foregoing transaction is both quantitatively and qualitatively material to the financial statements and falls in the realm of IFRS 9 "Financial Instruments". Its accounting thus presents a risk of material misstatement related to its valuation and disclosure. Note 4.22 to the inflation adjusted consolidated financial statements includes details on the accounting policies around the embedded derivatives. Notes 10 and 24.8 further provide detailed information around the legacy debt.	We focused our testing of the verification of assets and the liabilities linked to the blocked funds/legacy debts. Our audit procedures included the following: • Reviewed the relevant Statutory Instruments and Exchange Control Directives of RBZ issued in respect of legacy debts and blocked funds to establish their applicability to and implications on Delta; • Reviewed written communications and undertakings between Delta and RBZ in respect of the Company's legacy debts; • Verified payments to RBZ by the Company to cover its legacy debts, and inspected the registration of the Company's legacy debts in line with RBZ stipulations; • Consulted with our technical experts in regard to the valuation and accounting treatment of the Company's blocked funds; and • Reviewed calculations in respect of the valuation and proposed accounting treatment of The Group's financial asset submitted by the Company's management's expert to ensure alignment with our expectations.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act (Chapter 24:31) and the historical cost consolidated financial information which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent Auditor's Report (continued)

Other Information (continued)

As described in the Basis for Qualified Opinion section above, we qualified our audit opinion for the following reasons:

- The Group did not comply with the requirements of IAS 21 when it changed its functional currency to the RTGS Dollar during 2019. The opinion is modified due to the possible effects of the matter on the comparability of the current year's inflation adjusted consolidated and separate financial statements with that of the prior year.
- The Group did not comply with IAS 21 and IAS 12 when it recorded the functional currency reserve directly in equity and not in profit and loss and other comprehensive income during 2019.

We have determined that the other information is misstated for these reasons.

Responsibilities of the directors for the inflation adjusted consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies Act (Chapter 24:03) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements (continued)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's opinion is Brian Mabiza.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Brian Mabiza
Partner
PAAB Practice Certificate Number 0447
29 May 2020

Consolidated Statement of Profit or Loss And Other Comprehensive Income

for the year ended 31 March

	Notes	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
REVENUE	8	**8 432 238**	7 683 599	**4 193 260**	722 384
NET OPERATING COSTS	9.1	**(6 280 405)**	(5 873 164)	**(2 876 483)**	(546 896)
OPERATING INCOME		**2 151 833**	1 810 435	**1 316 777**	175 488
Finance cost		**(160 175)**	(110 832)	**(82 151)**	(12 012)
Finance income		**66 161**	180 080	**37 567**	16 385
Exchange losses		**(23 616)**	(65 808)	**(4 148)**	(9 126)
Movement in legacy debt	10	**(51 288)**	—	**(51 288)**	—
Monetary loss		**(587 821)**	(358 251)	**—**	—
Share of profit of associates	14.2	**107 855**	83 853	**34 568**	10 800
Profit before taxation		**1 502 949**	1 539 477	**1 251 325**	181 535
Taxation	11.1	**(410 117)**	(427 424)	**(213 383)**	(38 301)
PROFIT FOR THE YEAR		**1 092 832**	1 112 053	**1 037 942**	143 234
Other comprehensive income for the year:					
Foreign exchange differences on translation of foreign operations		**75 755**	—	**125 380**	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1 168 587**	1 112 053	**1 163 322**	143 234
Profit for the year from operations attributable to:					
Owners of the parent		**1 287 439**	1 092 073	**1 165 564**	140 661
Non-controlling interest		**(118 852)**	19 980	**(2 242)**	2 573
		1 168 587	1 112 053	**1 163 322**	143 234
Weighted average shares in issue (millions)	5	**1 275,5**	1 257,5	**1 275,5**	1 257,5
EARNINGS PER SHARE (ZWL CENTS)					
Headline earnings basis	5.5	**94,99**	86,84	**81,55**	11,19
Attributable earnings basis	5.5	**100,93**	86,84	**91,38**	11,19

Consolidated Statement of Financial Position

as at 31 March

	Notes	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	**5 909 741**	6 110 470	**1 642 092**	787 037
Right of use of asset	13	**25 747**	—	**25 747**	—
Investment in associates	14.2	**447 666**	339 809	**78 336**	43 768
Intangible assets – Trademarks and Goodwill	15.1	**480 185**	480 185	**61 849**	61 849
Investments and loans	15.2	**83 169**	66 684	**83 169**	8 589
		6 946 508	6 997 148	**1 891 193**	901 243
Current Assets					
Inventories	16	**1 318 076**	1 000 481	**764 725**	128 863
Trade and other receivables	17	**364 571**	251 014	**364 571**	32 331
Other assets	18	**829 336**	113 425	**568 376**	14 609
Current tax asset		**15 685**	68 120	**15 685**	8 774
Financial Assets at fair value	24.8	**1 591 273**	—	**1 591 273**	—
Cash and cash equivalents		**225 203**	2 050 374	**225 203**	264 091
		4 344 144	3 483 414	**3 529 833**	448 668
Total Assets		**11 290 652**	10 480 562	**5 421 026**	1 349 911
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	19	**98 975**	98 453	**12 789**	12 681
Share premium		**668 179**	644 519	**87 125**	83 015
Share options reserve		**43 881**	30 442	**9 696**	3 921
Functional currency translation reserve		**—**	2 311 683	**—**	297 748
Foreign currency translation reserve		**132 714**	—	**132 714**	—
Retained earnings		**5 370 570**	2 903 514	**1 553 466**	373 976
Adjustment arising from change in non-controlling interest		**(8 598)**	(8 598)	**(1 107)**	(1 107)
Equity attributed to equity holders of the parent		**6 305 721**	5 980 013	**1 794 683**	770 234
Non-controlling Interests		**126 840**	254 368	**23 584**	32 763
Total shareholders' equity		**6 432 561**	6 234 381	**1 818 267**	802 997
Non-current Liabilities					
Long-term borrowings	21.1	**36 397**	818 648	**36 397**	105 443
Deferred tax liabilities	11.3	**1 063 048**	448 450	**166 619**	57 761
		1 099 445	1 267 098	**203 016**	163 204
Current Liabilities					
Short-term borrowings	21.2	**1 254 326**	376 122	**1 254 326**	48 445
Lease liability	22	**28 431**	—	**28 431**	—
Trade and other payables	23.1	**1 715 972**	1 953 069	**1 357 069**	251 558
Provisions	23.2	**528 756**	252 016	**528 756**	32 460
Dividends payable		**86 048**	344 771	**86 048**	44 407
Current tax liability	24.4	**145 113**	53 105	**145 113**	6 840
		3 758 646	2 979 083	**3 399 743**	383 710
		11 290 652	10 480 562	**5 421 026**	1 349 911
Net asset value per share (ZWL Cents)		**494,36**	475,53	**140,70**	61,58

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2020.

P Gowero
Chief Executive Officer

M M Valela
Executive Director - Finance

Consolidated Statement of Cash Flow

for the year ended 31 March

	Notes	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
Cash flow from operating activities					
Cash generated from operating activities	24.1	**2 142 728**	2 104 232	**875 741**	276 224
Increase in working capital	24.2	**(1 664 868)**	(138 065)	**(477 521)**	(17 783)
Cash generated from operations		**477 860**	1 966 167	**398 220**	258 441
Finance cost		**(160 175)**	(110 832)	**(82 151)**	(12 012)
Finance income		**66 161**	180 080	**37 567**	16 385
Foreign exchange losses realised		**(74 905)**	(65 808)	**(55 436)**	(9 126)
Effects of IAS 29		**(1 764 444)**	—	**—**	—
Income taxation paid	24.4	**(37 276)**	(323 754)	**(21 713)**	(41 700)
Net cash flow from operating activities		**(1 492 779)**	1 645 853	**276 487**	211 988
Cash flow from investing activities					
(Increase)/decrease in investments and loans		**(16 486)**	(1 863)	**(74 580)**	(240)
Dividend received from associate		**—**	3 043	**—**	392
Net cash and purchase of shares in subsidiary and brands		**—**	145 068	**—**	18 685
Purchase of property, plant and equipment to expand operations		**(177 194)**	(60 046)	**(105 592)**	(7 734)
Purchase of property, plant and equipment to maintain operations		**(50 362)**	(91 956)	**(50 362)**	(11 844)
Proceeds from disposal of property, plant and equipment		**8 333**	31 684	**6 418**	4 081
Net cash (utilised in) / generated from investing activities		**(235 709)**	25 930	**(224 116)**	3 340
Cash flow from financing activities					
Dividend paid	24.3	**(80 038)**	(1 751 487)	**(54 650)**	(225 594)
Repayment of short-term borrowings		**(40 827)**	(10 093)	**(40 827)**	(1 300)
Increase in shareholder funding	24.7	**24 182**	44 215	**4 218**	5 695
Share buy back	19.5	**—**	(165 091)	**—**	(21 264)
Net cash utilised in financing activities		**(96 683)**	(1 882 456)	**(91 259)**	(242 463)
Net decrease in cash and cash equivalents		**(1 825 171)**	(210 673)	**(38 888)**	(27 135)
Cash and cash equivalents at beginning of the year		**2 050 374**	2 261 047	**264 091**	291 226
Cash and cash equivalents at end of the year	24.9	**225 203**	2 050 374	**225 203**	264 091

Consolidated Statement of Changes In Equity

for the year ended 31 March

INFLATION ADJUSTED

	Notes	Share Capital ZWL'000	Share Premium ZWL'000	Share Options Reserve ZWL'000	Non-Distributable Reserve ZWL'000	Foreign Curreny Translation Reserve ZWL'000	Retained Earnings ZWL'000	Change in ownership ZWL'000	Attributable to owners of the parent ZWL'000	Non-Controlling Interests ZWL'000	Total equity ZWL'000
At 1 April 2018		95 969	349 188	36 319	—	—	3 375 469	—	3 856 945	42 131	**3 899 076**
Profit for the year		—	—	—	—	—	1 092 073	—	1 092 073	19 980	**1 112 053**
Other comprehensive income, net of tax		—	—	—	—	—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	—	1 092 073	—	1 092 073	19 980	**1 112 053**
Transactions with owners:											
Share options exercised		862	43 354	—	—	—	—	—	44 216	—	**44 216**
Share buy back	19.5	—	—	—	—	—	(165 091)	—	(165 091)	—	**(165 091)**
Share cancellation		(257)	(160 161)	—	—	—	160 418	—	—	—	**—**
Share allotment		1 879	412 138	—	—	—	—	—	414 017	—	**414 017**
Transfer from share options reserve		—	—	(22 399)	—	—	22 399	—	—	—	**—**
At Acquisition reserves		—	—	—	—	—	—	—	—	170 697	**170 697**
Recognition of share based payments		—	—	16 522	—	—	—	—	16 522	—	**16 522**
Foreign Currency Translation reserve		—	—	—	—	—	52 996	—	52 996	22 709	**75 705**
Change in functional currency		—	—	—	2 311 683	—	—	—	2 311 683	—	**2 311 683**
Adjustment arising from change in non-controlling interest		—	—	—	—	—	—	(8 598)	(8 598)	(1 149)	**(9 747)**
Dividends declared	24.3	—	—	—	—	—	(1 634 750)	—	(1 634 750)	—	**(1 634 750)**
At 1 April 2019		98 453	644 519	30 442	2 311 683	—	2 903 514	(8 598)	5 980 013	254 368	**6 234 381**
Profit for the year		—	—	—	—	—	1 211 684	—	1 211 684	(118 852)	**1 092 832**
Other comprehensive income, net of tax		—	—	—	—	75 755	—	—	75 755	—	**75 755**
Total Comprehensive Income for the year		—	—	—	—	75 755	1 211 684	—	1 287 439	(118 852)	**1 168 587**
Transactions with owners:											
Share options exercised		522	23 660	—	—	—	—	—	24 182	—	**24 182**
Recognition of share based payments		—	—	13 439	—	—	—	—	13 439	—	**13 439**
Dividends declared	24.3	—	—	—	—	—	(240 315)	—	(240 315)	(8 676)	**(248 991)**
Foreign Currency Translation reserve - prior year balance		—	—	—	—	56 959	(56 959)	—	—	—	**—**
Deferred tax adjustment		—	—	—	(749 227)	—	—	—	(749 227)	—	**(749 227)**
Change in functional currency		—	—	—	(9 810)	—	—	—	(9 810)	—	**(9 810)**
Transfer to retained earnings		—	—	—	(1 552 646)	—	1 552 646	—	—	—	**—**
At 31 March 2020		98 975	668 179	43 881	—	132 714	5 370 570	(8 598)	6 305 721	126 840	**6 432 561**

Consolidated Statement of Changes In Equity (continued)

for the year ended 31 March

HISTORICAL

	Notes	Share Capital ZWL'000	Share Premium ZWL'000	Share Options Reserve ZWL'000	Non-Distributable Reserve ZWL'000	Foreign Curreny Translation Reserve ZWL'000	Retained Earnings ZWL'000	Change in ownership ZWL'000	Attributable to owners of the parent ZWL'000	Non-Controlling Interests ZWL'000	Total equity ZWL'000
At 1 April 2018		12 361	44 976	4 678	—	—	434 764	—	496 779	5 427	**502 206**
Profit for the year		—	—	—	—	—	140 661	—	140 661	2 573	**143 234**
Other comprehensive income, net of tax		—	—	—	—	—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	—	140 661	—	140 661	2 573	**143 234**
Transactions with owners:											
Share options exercised		111	5 584	—	—	—	—	—	5 695	—	**5 695**
Share buy back	19.5	—	—	—	—	—	(21 264)	—	(21 264)	—	**(21 264)**
Share cancellation		(33)	(20 629)	—	—	—	20 662	—	—	—	**—**
Share allotment		242	53 084	—	—	—	—	—	53 326	—	**53 326**
Transfer from share options reserve		—	—	(2 885)	—	—	2 885	—	—	—	**—**
At Acquisition reserves		—	—	—	—	—	—	—	—	21 986	**21 986**
Recognition of share based payments		—	—	2 128	—	—	—	—	2 128	—	**2 128**
Foreign Currency Translation reserve		—	—	—	—	—	6 826	—	6 826	2 925	**9 751**
Change in functional currency		—	—	—	297 748	—	—	—	297 748	—	**297 748**
Adjustment arising from change in non-controlling interest		—	—	—	—	—	—	(1 107)	(1 107)	(148)	**(1 255)**
Dividends declared	24.3	—	—	—	—	—	(210 558)	—	(210 558)	—	**(210 558)**
At 1 April 2019		12 681	83 015	3 921	297 748	—	373 976	(1 107)	770 234	32 763	**802 997**
Profit for the year		—	—	—	—	—	1 040 184	—	1 040 184	(2 242)	**1 037 942**
Other comprehensive income, net of tax		—	—	—	—	125 380	—	—	125 380	—	**125 380**
Total Comprehensive Income for the year		—	—	—	—	125 380	1 040 184	—	1 165 564	(2 242)	**1 163 322**
Transactions with owners:											
Share options exercised		108	4 110	—	—	—	—	—	4 218	—	**4 218**
Recognition of share based payments		—	—	5 775	—	—	—	—	5 775	—	**5 775**
Dividends declared	24.3	—	—	—	—	—	(86 111)	—	(86 111)	(6 937)	**(93 048)**
Foreign Currency Translation reserve - prior year balance		—	—	—	—	7 334	(7 334)	—	—	—	**—**
Deferred tax adjustment		—	—	—	(63 734)	—	—	—	(63 734)	—	**(63 734)**
Change in functional currency		—	—	—	(1 263)	—	—	—	(1 263)	—	**(1 263)**
Transfer to retained earnings		—	—	—	(232 751)	—	232 751	—	—	—	**—**
At 31 March 2020		12 789	87 125	9 696	—	132 714	1 553 466	(1 107)	1 794 683	23 584	**1 818 267**

Notes to the 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 Zimbabwe 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 address of its registered offices and principle place of business are disclosed in the Directors' Report.

2. CURRENCY OF ACCOUNT

These financial statements are presented in Zimbabwe Dollars (ZWL) being the functional and reporting currency in Zimbabwe.

The ZWL currency was designated as the sole transactional, functional and reporting currency through Statutory Instrument 33 of 2019 (IS33/19) dated 22 February 2019 and Statutory Instrument 142 of 2019 (SI142/19) dated 24 June 2019. In order to fairly present the statement of financial position and reflect the change of currency, the Board re-based the assets and liabilities as at 22 February 2019 at the interbank rate of ZWL2,5 to US$1. Thus, the Company recognised an increase in the net assets amounting to ZWL 297,7 million, which was recorded as a functional currency change non-distributable reserve in 31 March 2019 financial year. This represented a departure from the requirements of IAS 21 – The effects of Changes in Foreign Exchange Rates in that the gain was not recognized in the statement of comprehensive income. The reserve has been correctly treated in the current year..

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied new and several amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019.

Impact of initial application of IFRS 16 Leases

In the current year, the Group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 4.19.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The Group has adopted the amendments to IFRS 9 for the first time in the current year.

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

The application of these amendments has had no effect on the Group's consolidated financial statements as there were no such transactions.

Notes to the Financial Statements (continued)

for the year ended 31 March

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.1 New and amendments to IFRSs that are mandatorily effective for the current year (continued)

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

The Group has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Group applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the Group does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

The application of these amendments has had no effect on the Group's consolidated financial statements as there were no such transactions.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The Group has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The application of these amendments has had no effect on the Group's consolidated financial statements as there were no such transactions.

IFRIC 23 Uncertainty over Income Tax Treatments

The Group has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Refer to note 4.17 for Group's policy on uncertain tax position.

Notes to the Financial Statements (continued)

for the year ended 31 March

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.1 New and amendments to IFRSs that are mandatorily effective for the current year (continued)

Annual Improvements to IFRSs 2015-2017 Cycle Amendments

The Group has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes
The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRS 3 Business Combinations
The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value.

IFRS 11 Joint Arrangements
The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its previously held interest in the joint operation.

3.2 New and revised IFRSs in issue but not yet effective
The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 3	Definition of a business[1]
Amendments to IAS 1 and IAS 8	Definition of material[1]
IFRS 17	Insurance Contracts[2]
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1. Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.
2. Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
3. Effective for annual periods beginning on or after a date to be determined.

3.2.1 IFRS 17 Insurances Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it considers market interest rates and the impact of policyholders' options and guarantees.

Notes to the Financial Statements (continued)

for the year ended 31 March

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

3.2.1 IFRS 17 Insurances Contracts (continued)

The implementation of the Standard is likely to bring significant changes to an entity's processes and systems, and will require much greater co-ordination between many functions of the business, including finance, actuarial and IT.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Group's consolidated financial statements.

3.2.2 IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3.2.3 Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Notes to the Financial Statements (continued)

for the year ended 31 March

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.2 New and revised IFRSs in issue but not yet effective (continued)

3.2.4 Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

The directors of the Group do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of Compliance

The financial statements of the Group and the Company have been compiled adopting principles from International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations besides the issues related to IAS21 on the 2019 financial statements.

The Group and Company did not fully comply with statutory instrument SI33/19 with respect to the 2019 financial statements in order to fairly present the financial statements.

4.2 Basis of Preparation

The financial statements of the Company and of the Group are prepared under the historical cost convention. For the purpose of fair presentation in accordance with International Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies” (IAS 29), this historical cost information has been restated for changes in the general purchasing power of the Zimbabwe Dollar and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Company and the Group. The historical cost financial statements have been provided by way of supplementary information

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 31 March 2020 are as follows:

	Index	Conversion Factor
31 March 2020	810,4	1,00
31 March 2019	104,4	7,76
Average March 2020	382,9	3,12
Average March 2019	77,19	10,92

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of Preparation (continued)

The main procedures applied in the restatement of transactions and balances are as follows:

- All corresponding figures as of, and for the prior period year ended, are restated by applying the change in the index from the end of the prior year to the end of the current year;
- Monetary assets and liabilities, are not restated because they are already stated in terms of the measuring unit current at balance sheet date;
- Non-monetary assets and liabilities, and components of shareholders equity/funds, are restated by applying the change in index from date/month of transaction or, if applicable, from the date of their most recent revaluation to the balance sheet date;
- Property, plant and equipment and intangible assets are restated by applying the change in the index from the date of transaction, or if applicable from the date of their most recent / last revaluation, to the balance sheet date. Depreciation and amortization amounts are based on the restated amounts;
- Profit and loss statement items / transactions, except depreciation and amortization charges as explained above, are restated by applying the change in the average change in index during the period to balance sheet date;
- Gains and losses arising from net monetary asset or liability positions are included in the profit and loss statement; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies which are used in the preparation of the financial statements under the historical cost convention. The policies affected are:

Financing costs and exchange differences: capitalisation during construction of qualifying assets is considered to be a partial recognition of inflation and is reversed to the income statement and replaced by indexation of cost.

Inventories: these are carried at the lower of indexed cost and net realisable value.

Donated assets: these are fair valued at the time of receipt, and the resultant gain is treated in the same way as any restatement gain.

Container valuation: subsequent gains on the upward revision of deposit prices are not applied in reducing the value of deferred container expenditure.

Deferred tax: this is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Property, plant and equipment: are stated at indexed cost less applicable indexed depreciation and impairment losses.

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 African Distillers Limited, Schweppes Holdings Limited and Nampak Zimbabwe. African Distillers Limited has a 30 June year end, Schweppes Holdings Limited has a 31 December 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Basis of Consolidation (continued)

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 or 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.

The incorporation of the results and financial position of a foreign operation with those of the Group follows normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions of a subsidiary after the foreign operation's results and financial position has been translated to the reporting currency of the Group, ZWL and recorded in the foreign currency translation reserve (FCTR).

4.3.1 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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Non-current assets held for sale (continued)

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 Zimbabwe Dollars (ZWL), which is the Group's functional and presentation currency. Assets and liabilities denominated in foreign currencies are converted to Zimbabwe Dollars (ZWL) at the rates of exchange ruling at the end of the reporting date. Transactions in other currencies are translated to Zimbabwe Dollars (ZWL) at rates of exchange ruling at the time of the transactions.

Exchange differences on monetary assets and liabilities 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.

4.7.1 Foreign Operations

Assets and liabilities of subsidiary companies denominated in foreign currencies are translated into Zimbabwe Dollars at rates of exchange ruling at reporting date and their statements of profit or loss and other comprehensive income results are translated at the average rate of exchange for the period. The average rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. Where there are drastic movements between the opening and closing rates of exchange, the statement of comprehensive income results is translated on a month on-month basis using the average rate of exchange for each month. Differences on exchange arising from translation of assets and liabilities at the rate of exchange ruling at reporting date and translation of statement of comprehensive income items at average rates are recognised in other comprehensive income. Upon divestment from a foreign operation, translation differences related to that entity are taken to profit or loss.

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 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.

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 historical financial statements the difference is reduced by subsequent gains arising from deposit price increases and any surplus of deposit price increase after reducing deferred container expenditure to nil is shown as income; this is not done in the financial statements produced in terms of hyperinflation accounting principles in view of the restatement of container amortisation and thus the full uplift of container revaluation is shown as income. The value of any returnable containers scrapped is charged to profit or loss.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Intangible Assets (continued)

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. The Group's intangible assets 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. Impairments 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 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 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.

4.12 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.

4.13 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 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.

Notes to the Financial Statements (continued)
for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Employee Benefits (continued)

Other long-term employee benefits (continued)
Long service awards
The Group recognises the liability and an expense for long service awards where cash is paid to employees at certain milestone dates in a career with the Group. Such accruals are appropriately discounted to reflect present values of the future payments.

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.

4.14 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 basis.

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.

4.15 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.

Notes to the Financial Statements (continued)
for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Financial Instruments (continued)

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 staff 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 other comprehensive income.

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 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.

4.16 Revenue Recognition
The group recognises revenue primarily from the sale of its diverse portfolio of beverages. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer.

Revenue 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Revenue Recognition (continued)

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.

4.17 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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Taxation (continued)

Uncertain tax position
The Group reviews all its tax positions at each period end and determines whether there is any uncertainty over tax treatment.

Where there are any uncertainties over income tax treatments the group discloses judgements and assumptions made in determining taxation information.

4.18 Retirement Benefit Costs

Retirement benefits are provided for Group employees through various independently administered defined contribution funds, including the National Social Security Authority or other mandatory statutory schemes. 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.

4.19 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

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

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Net Operating costs" in profit or loss.

4.20 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.

4.21 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

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 19.

- **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 19.4.

- **Long service awards**
  Included in provisions (note 23.2) is a liability for long service awards which are awarded to employees on reaching certain employment period milestones. The amount recognised is the present value of future cash flows adjusted for life expectancy, salary levels and probability of early contractual terminations. Management uses market and non-market information to come up with these estimates.

- **Impairment of financial assets**
  Impairment of financial assets is an area that requires significant judgement. Refer to Note 4.12 for more details.

- **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.

- **Currency change**
  In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which directed that all assets and liabilities that were in United States Dollars (US$) immediately before 20 February 2019 be deemed to have been in ZWL at a rate of 1:1 to the US$. The guidance issued by the Public Accountants and Auditors Board (PAAB) notes that this is contrary to IAS21 on foreign currency translation. The Grouphas reported the Statement of Profit or Loss and Other Comprehensive Income on the basis of the 1:1 in compliance with SI33 and in recognition of the multiple exchange rates that were imputed in commercial transactions. In order to comply with IAS21 into the future, the Company translated the Statement of Financial Position as at 22 February 2019 at the commencement ZWL rate of 2,5 to the US$. All transactions post this date are translated in accordance with IAS21 at the official interbank rate. The Company recognised a net increase in assets of ZWL297,7 million arising from the rebasing of property, plant and equipment, inventories, foreign assets and foreign liabilities to ZWL, which was recorded as a non-distributable currency translation reserve in 31 March 2019 financial year. No other balances on the opening Statement of Financial Position were rebased, which is not in compliance with the principles of IAS 21.

Notes to the Financial Statements (continued)
for the year ended 31 March

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Critical judgements in applying accounting policies

- **Recognition of tax contingency**
  Tax matters involve inherent uncertainties arising from interpretation of tax regulations. The Group has disclosed a contingent liability as a result of a pending tax matter, refer to Note 11.4 for more details.

- **Valuation of Financial Asset**
  As highlighted under Note 10 and Note 24.8 the legacy foreign liabilities are covered by a deposit with the Reserve Bank of Zimbabwe at the exchange rate of US$1: ZWL1. The deposit has been recorded as a Financial asset. The asset was recorded at fair value. Management used external experts to establish the value and appropriate discount.

4.22 Segment Reporting
The Group have four reportable segments, as described below. The segments offer different products but are however managed by the one central team as they require similar technology, processes and marketing strategies. For each of the segments, the Group's Chief Executive Officer - CEO (the chief operating decision maker) reviews internal management reports at least monthly. The following summary describes the operations in each of the Group's reportable segments:

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.
Wines and Spirits	Manufacture and distribution of wines and spirits.

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.

Performance is measured based on segment gross profit before tax, as included in the internal management reports that are reviewed by the Group CEO. 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.

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).

5.3 Net Assets
These are equivalent to shareholders' equity.

5.4 Pre-tax Return on Total Assets
This is calculated by relating to closing total assets, income before tax inclusive of dividend income and equity accounted earnings.

Notes to the Financial Statements (continued)
for the year ended 31 March

5. DEFINITIONS (continued)

5.5 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 0,74% for 2020 and 1,21% in 2019 respectively.

The weighted number of shares was:

	2020 Number of Shares in millions	2019 Number of Shares in millions
Ordinary shares	**1 258**	1 231
Share options	**18**	27
Weighted average number of shares	**1 276**	1 258

5.6 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.

5.7 Financial Gearing Ratio
This represents the ratio of interest bearing debt to total shareholders' equity.

6. COUNTRY OF INCORPORATION AND CURRENCY

All Group companies are incorporated in Zimbabwe with the exception of National Breweries Plc and Chibuku Holdings Plc which are incorporated in Zambia and Mauritius respectively. Refer to Note 26.4. The financial statements are expressed in Zimbabwe Dollars(ZWL), being the Group's functional currency.

7. SEGMENTAL REPORTING

The distinct operating segments for the Group are shown in the table 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.
Wines and Spirits	Manufacture and distribution of wines and spirits.

Other operations include barley and sorghum malting and provision of transport services, which are functional departments for the above mentioned divisions. None of these segments met the quantitative thresholds for reportable segments in 2020 nor 2019.

Notes to the Financial Statements (continued)

for the year ended 31 March

7. SEGMENTAL REPORTING (continued)

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
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

INFLATION ADJUSTED

2020	Lager Beer ZWL'000	Sparkling Beverages ZWL'000	Sorghum Beer ZWL'000	Wines and Spirits ZWL'000	Total reportable segments ZWL'000	All other segments ZWL'000	Total ZWL'000
External revenue	3 385 914	1 252 275	3 101 983	676 369	**8 416 541**	291 100	**8 707 641**
Inter-segment revenue	—	—	—	—	**—**	(275 403)	**(275 403)**
Segment revenue	3 385 914	1 252 275	3 101 983	676 369	**8 416 541**	15 697	**8 432 238**
Segment operating income	908 447	277 639	922 069	252 231	**2 360 386**	(208 553)	**2 151 833**
Segment net working capital*	(244 382)	(577 399)	197 772	166 252	**(457 757)**	1 815 920	**1 358 163**
Segment trade and other payables**	(639 643)	(935 763)	(190 084)	(43 371)	**(1 808 861)**	(1 161 433)	**(2 970 294)**
Segment working capital assets	395 261	358 364	387 856	209 623	**1 351 104**	2 977 353	**4 328 457**
Segment property, plant and equipment	1 801 604	1 420 710	1 880 663	176 822	**5 279 799**	629 942	**5 909 741**

HISTORICAL

2020	Lager Beer ZWL'000	Sparkling Beverages ZWL'000	Sorghum Beer ZWL'000	Wines and Spirits ZWL'000	Total reportable segments ZWL'000	All other segments ZWL'000	Total ZWL'000
External revenue	1 692 416	677 536	1 498 264	319 265	**4 187 481**	143 756	**4 331 237**
Inter-segment revenue	—	—	—	—	**—**	(137 977)	**(137 977)**
Segment revenue	1 692 416	677 536	1 498 264	319 265	**4 187 481**	5 779	**4 193 260**
Segment operating income	654 545	207 043	393 280	119 942	**1 374 810**	(58 033)	**1 316 777**
Segment net working capital*	(385 039)	(683 268)	124 523	131 336	**(812 448)**	1 715 204	**902 756**
Segment trade and other payables**	(639 646)	(929 706)	(185 343)	(43 371)	**(1 798 066)**	(813 328)	**(2 611 394)**
Segment working capital assets	254 607	246 438	309 866	174 707	**985 618**	2 528 532	**3 514 150**
Segment property, plant and equipment	491 335	428 670	584 562	27 662	**1 532 229**	109 863	**1 642 092**

** Included in trade and other payables are short term borrowings of ZWL1.3 billion.
* Net working capital comprises of cash and cash equivalents, receivables, inventories, payables excluding provision for tax.

Notes to the Financial Statements (continued)
for the year ended 31 March

7. SEGMENTAL REPORTING (continued)

Reportable segments (continued)

INFLATION ADJUSTED

2019	Lager Beer ZWL'000	Sparkling Beverages ZWL'000	Sorghum Beer ZWL'000	Wines and Spirits ZWL'000	Total reportable segments ZWL'000	All other segments ZWL'000	Total ZWL'000
External revenue	3 713 587	1 170 170	2 394 246	199 643	**7 477 646**	466 217	**7 943 863**
Inter-segment revenue	—	—	—	—	**—**	(260 265)	**(260 265)**
Segment revenue	3 713 587	1 170 170	2 394 246	199 643	**7 477 646**	205 952	**7 683 598**
Segment operating income	980 823	31 357	687 206	73 808	**1 773 194**	37 241	**1 810 435**
Segment net working capital*	(243 421)	(323 444)	(258 111)	243 988	**(580 988)**	1 748 437	**1 167 449**
Segment trade and other payables**	(593 340)	(618 083)	(569 994)	(79 588)	**(1 861 005)**	(386 844)	**(2 247 849)**
Segment working capital assets	349 919	294 640	311 883	323 576	**1 280 018**	2 135 280	**3 415 298**
Segment property, plant and equipment	1 793 141	1 310 110	2 169 262	207 816	**5 480 329**	630 141	**6 110 470**

HISTORICAL

2019	Lager Beer ZWL'000	Sparkling Beverages ZWL'000	Sorghum Beer ZWL'000	Wines and Spirits ZWL'000	Total reportable segments ZWL'000	All other segments ZWL'000	Total ZWL'000
External revenue	346 329	99 003	251 288	25 714	**722 334**	25 137	**747 471**
Inter-segment revenue	—	—	—	—	**—**	(25 087)	**(25 087)**
Segment revenue	346 329	99 003	251 288	25 714	**722 334**	50	**722 384**
Segment operating income	94 943	(690)	70 456	9 507	**174 216**	1 272	**175 488**
Segment net working capital*	(31 353)	(41 660)	(33 244)	31 426	**(74 831)**	225 200	**150 369**
Segment trade and other payables**	(76 423)	(79 610)	(73 416)	(10 251)	**(239 700)**	(49 826)	**(289 526)**
Segment working capital assets	45 070	37 950	40 171	41 677	**164 868**	275 027	**439 895**
Segment property, plant and equipment	230 959	168 744	279 404	26 767	**705 874**	81 163	**787 037**

** Included in trade and other payables are short term borrowings of ZWL376 million
* Net working capital comprises of cash and cash equivalents, receivables, inventories, payables excluding provision for tax.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March

7. SEGMENTAL REPORTING (continued)

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
i) Revenue				
Total revenue for reportable segments	**8 423 297**	7 477 646	**4 187 481**	722 333
Revenue for other segments	**284 028**	466 218	**143 756**	25 137
Elimination of inter-segment revenue	**(275 087)**	(260 265)	**(137 977)**	(25 086)
Consolidated revenue	**8 432 238**	7 683 599	**4 193 260**	722 384
ii) Operating income				
Total operating income for reportable segments	**2 360 386**	1 773 194	**1 374 810**	174 215
Operating income for other segments	**(208 553)**	37 241	**(58 033)**	1 273
- Finance income	**66 161**	180 080	**37 566**	16 385
- Finance cost	**(160 175)**	(110 832)	**(82 151)**	(12 012)
- Share of profit of equity-accounted investees	**107 855**	83 853	**34 568**	10 800
Exchange losses	**(23 616)**	(65 808)	**(4 148)**	(9 126)
Movement in legacy debt	**(51 288)**	—	**(51 288)**	—
Monetary Loss	**(587 821)**	(358 251)	**—**	—
Consolidated profit before tax	**1 502 949**	1 539 477	**1 251 324**	181 535
Assets				
Total working capital /assets for reportable segments	**1 351 104**	1 280 017	**985 618**	164 868
Working capital assets for other segments	**2 977 353**	2 135 280	**2 528 532**	275 027
Total property, plant and equipment for reportable segments	**5 279 799**	5 480 329	**1 532 229**	705 875
Property, plant and equipment for other segments	**629 942**	630 141	**109 864**	81 163
Equity-accounted investees	**447 666**	339 640	**78 336**	43 768
Other unallocated amounts	**604 788**	615 155	**186 447**	79 210
Consolidated total assets	**11 290 652**	10 480 562	**5 421 026**	1 349 911
iii) Liabilities				
Total trade and other payables for reportable segments	**1 808 861**	1 861 005	**1 798 066**	239 700
Trade and other payables for other segments	**1 161 433**	386 844	**813 328**	49 826
Borrowings	**36 397**	818 648	**36 397**	105 443
Provisions	**528 756**	252 016	**528 756**	32 460
Deferred tax liabilities	**1 063 048**	448 450	**166 619**	57 761
Other unallocated amounts	**259 596**	479 218	**259 593**	61 724
Consolidated total liabilities	**4 858 091**	4 246 181	**3 602 759**	546 914

Delta Corporation

Notes to the Financial Statements (continued)

for the year ended 31 March

	Note	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
8. REVENUE					
Gross sales		**9 685 311**	8 953 594	**4 822 988**	841 488
Less VAT and discounts		**(1 253 073)**	(1 269 995)	**(629 728)**	(119 104)
Revenue		**8 432 238**	7 683 599	**4 193 260**	722 384
Less excise duties and levies	9.1	**(1 057 130)**	(1 096 198)	**(532 814)**	(103 110)
Net sales		**7 375 108**	6 587 401	**3 660 446**	619 274

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	Note	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
Raw materials and consumables used		**2 410 934**	2 450 420	**948 766**	216 758
Depreciation of property, plant and equipment	9.2	**481 818**	286 464	**98 695**	36 897
Staff costs		**1 354 307**	1 046 033	**755 713**	102 871
Excise duties and levies		**1 057 130**	1 096 198	**532 814**	103 110
Share option expenses		**13 439**	16 522	**5 775**	2 128
Repairs and maintenance		**348 311**	339 728	**175 772**	32 069
Container breakages*		**36 481**	36 554	**21 243**	5 054
Selling and marketing expenses		**229 334**	176 451	**100 062**	15 250
Royalties and technical fees		**29 153**	22 827	**45 661**	7 474
Security cost		**25 040**	11 858	**11 152**	5 281
Administration and operating costs		**294 458**	390 109	**180 830**	20 004
		6 280 405	5 873 164	**2 876 483**	546 896

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

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
9.2 Depreciation of Property, Plant and Equipment				
Buildings	**45 774**	25 031	**8 847**	3 224
Plant and equipment	**344 162**	203 041	**55 803**	26 152
Vehicles	**68 150**	32 632	**21 602**	4 203
Containers (deferred container expenditure)	**18 583**	25 760	**7 294**	3 318
Total	**476 669**	286 464	**93 546**	36 897
Right-of-use asset	**5 149**	—	**5 149**	—
Total	**481 818**	286 464	**98 695**	36 897

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
9. OPERATING INCOME (continued)				
9.3 Auditors' Remuneration				
Included in administration and operating costs are current year audit fees and expenses as follows:				
Current year audit fees and expenses				
- Group	**10 286**	2 755	**10 286**	355
- Company	**1 336**	349	**1 336**	45
Total	**11 622**	3 104	**11 622**	400
10 MOVEMENT IN LEGACY DEBT				
Exchange losses on revaluation of legacy debt	**(1 642 561)**	—	**(1 642 561)**	—
Exchange gain on revaluation of financial asset	**1 591 273**	—	**1 591 273**	—
	(51 288)	—	**(51 288)**	—

The Group has legacy foreign liabilities of US$63.8 million, being those amounts that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZWL currency, as distinct from the US$, as the functional currency. The Group has registered these liabilities with the Reserve Bank of Zimbabwe and transferred to the Reserve Bank the ZWL equivalent of the foreign debts based on the USD/ZWL1:1 exchange rate in line with Directives RU102/2019 and RU28/2019 and as agreed with the Reserve Bank of Zimbabwe. Both the foreign debts and the deposits have been accounted for at the closing exchange rate of USD/ZWL 1: 26,66 at 31 March 2020.

In compliance with IFRS deposit at the Reserve Bank of Zimbabwe where the cash deposits represents a commitment to pay equivalent value in US$ has been treated as a financial derivative uplifted at closing rate and discounted to Net Present Value of ZWL1,59 billion. The difference between the Net Present Value and the face value of the financial asset of ZWL 51,2 million has been expensed. This unrealised net loss is expected to reverse on settlement of the instrument.

The Board notes that there remains a risk that the policies regarding these liabilities. Such a change would have a significant impact on both the statement of financial position and the statement of comprehensive income. The divergence of market exchange rates and fixed interbank exchange rate creates a further risk that the “blocked funds” liabilities could be paid at exchange rates that are above the Reserve Bank of Zimbabwe settlement rates.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
11. TAXATION				
11.1 Taxation				
Income tax:				
Current tax	**487 355**	431 602	**164 898**	40 964
Withholding tax	**760**	4 125	**197**	362
Deferred tax	**(77 998)**	(8 303)	**48 288**	(3 025)
	410 117	427 424	**213 383**	38 301

Deferred tax includes 40 026 inflation adjusted, and 1 752 historic being effects of changes in tax rate on opening balance.

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 %	2019 %	2020 %	2019 %
11. TAXATION (continued)				
11.2 Reconciliation of Rate of Taxation				
Standard rate	**25,75**	25,75	**25,75**	25,75
Adjusted for:				
Effect of expenses not deductible for tax	**7,82**	0,71	**1,97**	0,48
Effects of exempt income:	**(0.01)**	—	**(0.01)**	—
Effects of changes in tax rate on opening balance	**(0.83)**	(1,05)	**(0.04)**	(1,05)
Effects of associate income	**(1.11)**	(0,83)	**(0,72)**	(0,83)
Effects of income taxed at different rates	**(0.19)**	—	**(0.06)**	—
Other permanent differences	**(4.14)**	(3,26)	**(9.84)**	(3,26)
Effective rate	**27,29**	21,32	**17.05**	21,09

	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
11.3 Deferred Tax Liabilities				
Balance at the beginning	**448 450**	431 975	**57 761**	55 639
Charge to profit or loss for continuing operations	**(77 998)**	(8 303)	**48 288**	(3 025)
Charge to equity	**749 225**	—	**63 734**	—
Arising with acquisition of subsidiary	**—**	24 778	**—**	5 147
Effects of inflation and exchange differences on foreign subsidiaries	**(56 629)**	—	**(3 164)**	—
Balance at end of year	**1 063 048**	448 450	**166 619**	57 761
Analysis of balance at end of year				
Property, plant and equipment	**1 128 490**	450 973	**219 585**	58 086
Other temporary differences	**(65 442)**	(2 523)	**(52 966)**	(325)
	1 063 048	448 450	**166 619**	57 761

11.4 Contingencies

11.4.1 Assessed Taxes

The Special Court for Income Tax Appeal ruled in favour of the Company and reversed the tax assessments of $27,8 million previously reported as a contingent liability. The Zimbabwe Revenue Authority has noted an appeal against the judgement.

11.4.2 Uncertain Tax Positions

There have been significant currency changes in Zimbabwe since 2018. These changes create some uncertainties in the treatment of transactions for taxes due to the absence of clear guidelines and transitional measures.

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	**2020 ZWL'000**	2019 ZWL'000
12. PROPERTY, PLANT AND EQUIPMENT				
FREEHOLD PROPERTIES				
Cost	**2 472 779**	2 448 763	**427 522**	315 404
Capital work in progress	**(563)**	11 227	**(278)**	1 446
Accumulated depreciation	**(1 111 567)**	(1 038 871)	**(156 700)**	(133 808)
	1 360 649	1 421 119	**270 544**	183 042
PLANT AND EQUIPMENT				
Cost	**8 114 553**	7 975 939	**1 324 393**	1 027 312
Capital work in progress	**31 115**	2 205	**34 435**	284
	8 145 668	7 978 144	**1 358 828**	1 027 596
Accumulated depreciation	**(4 602 072)**	(4 147 921)	**(678 826)**	(534 258)
	3 543 596	3 830 223	**680 002**	493 338
VEHICLES				
Cost	**1 188 242**	1 205 864	**223 730**	155 317
Accumulated depreciation	**(837 018)**	(788 276)	**(161 851)**	(101 531)
	351 224	417 588	**61 879**	53 786
CONTAINERS				
Containers on hand	**332 786**	239 213	**308 181**	30 811
Containers in the market	**321 486**	202 327	**321 486**	26 060
	654 272	441 540	**629 667**	56 871
Total property, plant and equipment	**5 909 741**	6 110 470	**1 642 092**	787 037
Movement in net book amount for the year:				
At the beginning of the year	**6 110 470**	2 848 238	**787 037**	366 857
Acquisition of subsidiary	**—**	70 023	**—**	9 019
Capital expenditure	**227 556**	152 002	**155 955**	19 578
Disposals	**(4 224)**	(13 175)	**(3 746)**	(1 697)
Arising from change in functional currency	**—**	3 412 999	**—**	439 599
Movement in containers in the market and other adjustments	**52 608**	(73 153)	**796 392**	(9 422)
Depreciation	**(476 669)**	(286 464)	**(93 546)**	(36 897)
At end of the year	**5 909 741**	6 110 470	**1 642 092**	787 037
Capital expenditure comprised:				
Land and buildings	**2 686**	21 910	**1 811**	2 822
Plant and equipment	**102 463**	69 060	**69 497**	8 895
Vehicles	**24 044**	14 782	**18 354**	1 904
Containers	**98 363**	46 250	**66 293**	5 957
	227 556	152 002	**155 955**	19 578
Disposal Comprised:				
Land and buildings	**124**	1 964	**15**	253
Plant and equipment	**582**	9 705	**350**	1 250
Vehicles	**3 518**	1 506	**3 381**	194
	4 224	13 175	**3 746**	1 697

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	**2020 ZWL'000**	2019 ZWL'000
13. RIGHT-OF-USE ASSET				
Balance at 1 April 2019	**30 896**	—	**30 896**	—
Depreciation	**(5 149)**	—	**(5 149)**	—
Right-of-use at 31 March 2020	**25 747**	—	**25 747**	—

The Group leases buildings in Zimbabwe as offices. The average lease is 5 years (2019: 5 years). The corresponding operating lease liability matching the above asset is disclosed in Note 22.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	**2020 ZWL'000**	2019 ZWL'000
14. INVESTMENTS IN SUBSIDIARIES				
14.1 For more information please refer to note 26.4				
14.2 Investment in Associates				
Shares at cost	**74 533**	74 533	**9 600**	9 600
Post-acquisition reserves	**373 133**	265 276	**68 736**	34 168
	447 666	339 809	**78 336**	43 768
Analysis of results and statement of financial position of associates.				
AFDIS (50,4%) (2019: 38,14%)				
Total revenue	**—**	157 591	**—**	20 298
Total profit for the year	**—**	44 386	**—**	5 717
Group's share of profit of associates	**—**	16 933	**—**	2 181

The Group acquired a controlling interest of AFDIS on 28 November 2018 and started consolidating the results of the entity from March 2019.

	INFLATION ADJUSTED 2020	INFLATION ADJUSTED 2019	HISTORICAL 2020	HISTORICAL 2019
Schweppes Zimbabwe Limited (49%) (2019: 49%)				
Shares at cost	**4 115**	4 115	**530**	530
Gain arising on acquisition	**72 033**	72 033	**9 278**	9 278
Group's share of post-acquisition distributable reserves	**201 170**	147 925	**36 118**	19 053
Dividend received from associate	**(5 823)**	(5 823)	**(750)**	(750)
	271 495	218 250	**45 176**	28 111
Total assets	**3 924 251**	741 802	**1 257 724**	95 545
Total liabilities	**(2 069 174)**	(530 942)	**(663 171)**	(68 386)
Net assets	**1 855 077**	210 860	**594 553**	27 159
Group's share of net assets of associate	**908 988**	103 321	**291 331**	13 308
Total revenue	**2 443 800**	1 118 404	**783 239**	144 052
Total profit for the year	**108 663**	82 678	**34 826**	10 649
Group's share of profit of associate	**53 245**	40 512	**17 065**	5 218

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
14. INVESTMENTS IN SUBSIDIARIES (continued)				
14.2 Investment in Associates (continued)				
Nampak Zimbabwe Limited (21.46%) (2019: 21.46 %)				
Shares at cost	**70 418**	70 418	**9 070**	9 070
Group's share of post-acquisition distributable reserves	**105 753**	51 141	**24 090**	6 587
	176 171	121 559	**33 160**	15 657
Total assets	**1 610 430**	1 613 368	**516 143**	207 804
Total liabilities	**(1 397 409)**	(946 721)	**(447 870)**	(121 939)
Net assets	**213 021**	666 647	**68 273**	85 865
Group's share of net assets of associate	**45 714**	143 062	**14 651**	18 427
Total revenue for the year	**2 906 732**	1 035 307	**931 609**	133 349
Total profit for the year	**254 477**	123 058	**81 560**	15 850
Group's share of profit of associate	**54 610**	26 408	**17 503**	3 401

The market value of the Group's interest in Nampak Zimbabwe Limited which is listed on the stock exchange in Zimbabwe was ZWL160,5 million (2019: ZWL 57 million).

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
15. TRADEMARKS, INVESTMENTS AND LOANS				
15.1 Trademarks and Goodwill				
Trademarks				
At beginning of year	**339 938**	135 977	**43 785**	17 514
Recognition of currency change	**—**	203 961	**—**	26 271
At cost	**339 938**	339 938	**43 785**	43 785
Goodwill				
Goodwill arising from acquisition of subsidiary	**140 247**	140 247	**18 064**	18 064
Total Trademarks and Goodwill	**480 185**	480 185	**61 849**	61 849
15.2 Investments				
At cost	**10 062**	1 040	**10 062**	134
Loans				
Secured – Related Parties	**73 107**	65 644	**73 107**	8 455
Total loans and investments	**83 169**	66 684	**83 169**	8 589

Notes to the Financial Statements (continued)

for the year ended 31 March

15. TRADEMARKS, INVESTMENTS AND LOANS (continued)

15.3 Included in the Group's secured loans of ZWL 73 million are loans to employees made in terms of a Group housing scheme and vehicle ownership scheme. This includes loans to Directors and officers of the Group amounting to ZWL 57,4 million (2019: ZWL 39,6 million). During the year, ZWL 53,4 million was advanced and ZWL 1,2 million was repaid. Housing loans are secured through mortgage bonds, share options and terminal benefits 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 were 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.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
16. INVENTORIES				
Consumable stores	**672 112**	206 923	**104 065**	26 652
Finished products	**203 531**	137 351	**96 940**	17 691
Raw materials	**401 175**	626 383	**522 462**	80 679
Work in progress	**41 258**	29 824	**41 258**	3 841
	1 318 076	1 000 481	**764 725**	128 863

The cost of inventories recognised as an expense during the year was ZWL 2,7 billion (2019: ZWL 2,0 billion).

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
17. TRADE AND OTHER RECEIVABLES				
Trade receivables	**185 278**	148 306	**185 278**	19 102
Other receivables	**193 617**	124 067	**193 617**	15 980
Allowances for credit losses	**(14 324)**	(21 359)	**(14 324)**	(2 751)
	364 571	251 014	**364 571**	32 331

Other receivables from third parties relate to sundry debtors of ZWL 69,3 million (2019: ZWL 91,6 million) and staff welfare loans. No provisions have been made for these amounts and staff welfare loans are secured.

The Group holds collateral on some receivable balances. The estimated value of this collateral is ZWL 119,8 million (2019: ZWL 73,2 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 is 7 (2019:8).

The Group has recognised an allowance for credit losses of ZWL 9,7million (2019: ZWL 10,3 million) based on the historical past default performance of the counter party and the analysis of the counter party's financial position. The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses ("ECL"), based on the ECL rates in the Delta group-wide provision matrix. The expected credit losses on trade receivables are estimated using the Delta group-wide provision matrix which makes reference to past default experience of group debtors and an analysis of group debtors' current financial positions, adjusted for factors that are specific to the group debtors', general economic conditions of the industry in which the group debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

Notes to the Financial Statements (continued)
for the year ended 31 March

17. TRADE AND OTHER RECEIVABLES (continued)

The Group's current provision matrix is as follows:

Number of days after Granting of Credit	ECL (%)
0-90	—
90+	100%

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

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 80% (2019: 86%) 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 credit losses because there has not been a significant change in credit quality and the amounts are still considered recoverable. Included in over 90 days is ZWL45,9million that relates to contract farmers input loans that are recoverable at harvest against crop deliveries.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
60-90 days	3 526	241	3 526	31
Over 90 days	34 839	11 368	34 839	1 465
	38 365	11 609	38 365	1 496
Movement in the allowance of credit losses				
Balance at the beginning of the year	21 359	39 892	2 751	5 138
Increase in allowances for credit losses	9 739	7 834	9 739	1 009
Effects of IAS 29	(18 608)	—	—	—
Adjustments upon application of IFRS 9	—	2 585	—	333
Amounts written off during the year as uncollectable	(274)	(28 688)	(274)	(3 695)
Amounts recovered during the year	2 108	(264)	2 108	(34)
Balance at the end of the year	14 324	21 359	14 324	2 751

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. The Group measures an expected credit loss allowance equal to life time expected credit losses for trade receivables held at amortised costs as these receivables do not contain a significant financing component.

		INFLATION ADJUSTED		HISTORICAL	
	Notes	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
Ageing of impaired trade receivables					
Over 90 days		14 324	21 359	14 324	2 751

18. OTHER ASSETS

	Notes	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
United National Breweries prepayment	31.1	555 391	—	348 404	—
Other prepayments		273 945	113 425	219 972	14 609
		829 336	113 425	568 376	14 609

Notes to the Financial Statements (continued)
for the year ended 31 March

19. SHARE CAPITAL

19.1 Authorised Share Capital
Authorised share capital comprises 1 400 000 000 ordinary shares of ZWL 0,01 (one ZWL cent) per share.

19.2 Ordinary Shares Issued and Fully Paid

	2020 Number of shares in millions	2019 Number of shares in millions
At beginning of year	1 268	1 236
Exercise of share options	11	11
Share allotment	—	24
Share cancellation	—	(3)
At end of year	1 279	1 268

19.3 Unissued Shares
Subject to the limitations imposed by the Companies Act (Chapter 21:03), in terms of a special resolution of the Company in the General Meeting, the unissued share capital comprising 115 538 810 (2019: 126 204 011) ordinary shares has been placed at the disposal of the directors for an indefinite period.

19.4 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 at the General Meeting, and the number of options granted is calculated in accordance with the performance-based formula approved by the Remuneration Committee. The numbers of share options are limited in line with the Zimbabwe Stock Exchange (ZSE) regulations.

Details of the number of shares under option outstanding during the year are as follows:

Date of Grant	Date of expiry	Subscription Prices ZWL	Number of Shares 2020 '000	Number of Shares 2019 '000
8 May 2009	8 May 2019	0,150	—	30
3 January 2011	3 January 2021	0,636	20	84
3 November 2011	3 November 2021	0,746	24	504
2 August 2012	2 August 2022	0,680	26	389
1 June 2013	1 June 2023	1,450	218	1 126
1 June 2014	1 June 2024	1,148	108	617
Total options			396	2 750
12 February 2016	13 February 2026	0,525	108	813
6 May 2016	6 May 2026	0,730	221	9 477
5 May 2017	5 May 2027	0,863	7 243	7 634
10 August 2018	10 August 2028	2,000	6 500	6 766
10 May 2019	10 May 2028	2,950	10 890	—
Total Share Incentives			24 962	24 690
			25 358	27 440

Notes to the Financial Statements (continued)

for the year ended 31 March

19. SHARE CAPITAL (continued)

19.4 Shares Under Option (continued)

	2020 '000	2019 '000
Movements in share options during the year:		
Number outstanding at beginning of year	**27 440**	32 893
New options /SARS granted during year	**10 890**	6 766
Forfeited Shares	**(10)**	—
Exercised during year	**(10 665)**	(12 219)
Outstanding at end of year	**27 655**	27 440

The weighted average price of exercise of share options and the weighted average stock exchange price for the year were ZWL0,77 (2019: ZWL0,71) and ZWL 3,91 (2019: ZWL 2,78) respectively. The number shares forfeited for the year ended 31 March 2020 is 10 000 (2019: 0 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 10 May 2019. The estimated fair value of the options granted on this date was ZWL13,28 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 ZWL 13,4 million (2019: ZWL 16,5 million) in respect of share options in issue.

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	MAY 2019
Grant date share price – ZWL	2,85
Exercise price per share – ZWL	2,95
Expected volatility	23%
Dividend yield	3,6%
Risk-free interest rate	14,84%

In prior years, expected volatility and dividend yield was determined by reference to an entity in a similar industry (AB InBev) 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

19. SHARE CAPITAL (continued)

19.5 Share Buy Back

The effect of the cost of the share buyback (treasury shares) has been debited to reserves. No shares were bought back during the year to March 2020 (2019: ZWL 165 million – 7 906 294 shares). The Company held a total of 5 632 579 (2019: 5 632 579) of its own shares as treasury stock.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
19.6 Foreign Currency Translation Reserve				
Balance at the beginning	**2 311 683**	—	**297 748**	—
Arising from foreign currency change	**(9 810)**	2 311 683	**(1 263)**	297 748
Deferred tax charge	**(749 227)**	—	**(63 734)**	—
Recycled to retained income	**(1 552 646)**	—	**(232 751)**	—
Balance at end of year	**—**	2 311 683	**—**	297 748

For the year ending 31 March 2019 deferred taxation was not recognised on the foreign currency translation reserve as there was uncertainty on how taxation authorities would treat the translated amounts. For the year ended 31 March 2020 deferred taxation, including effects of deferred taxation from the year ending 31 March 2019 have been charged against the balance in equity and no charge has been taken to profit and loss.

20. DIRECTORS' SHAREHOLDINGS

In both current and prior year, the Directors held directly and indirectly the following number of shares in the Company:

	2020 Number of shares	2019 Number of shares
P Gowero	**2 632 874**	1 409 143
C C Jinya	**4 431**	4 431
E Fundira	**169**	—
C F Dube	**4 807**	—
T Moyo	**3 178**	3 178
M M Valela	**11 072 833**	8 440 733
	13 718 292	9 857 485

No changes in Directors' shareholdings have occurred between the financial year end and 8 May 2020 being the date of the last meeting of the directors.

Notes to the Financial Statements (continued)
for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
21. BORROWINGS				
21.1 Long-term borrowings-Amortised cost				
At beginning of year	**818 648**	331 875	**105 443**	42 746
Transfer to short-term loan	**(850 320)**	—	**(850 320)**	—
Recognition of functional currency change	**—**	486 773	**—**	62 697
Effects of IAS 29	**(713 205)**	—	**—**	—
Foreign Exchange Revaluation	**781 274**	—	**781 274**	—
Balance at end of year	**36 397**	818 648	**36 397**	105 443
21.2 Movements in Short Term Borrowings				
At beginning of year	**376 122**	96 272	**48 445**	12 400
Transfer from long-term loan	**850 320**	—	**850 320**	—
Repayment	**(40 827)**	(10 093)	**(40 827)**	(1 300)
Recognition of currency change	**—**	289 943	**—**	37 345
Effects of IAS 29	**(327 677)**	—	**—**	—
Foreign Exchange Revaluation	**396 388**	—	**396 388**	—
Balance at end of year	**1 254 326**	376 122	**1 254 326**	48 445

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 ZWL 1,8 billion.

The outstanding balances are repayable within twelve months.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
22. LEASE LIABILITY				
Balance at 1 April 2019	**30 896**	—	**30 896**	—
Repayments	**(2 465)**	—	**(2 465)**	—
Right-of-use at 31 March 2020	**28 431**	—	**28 431**	—
Maturity analysis				
Due within 1 year	**4 657**	—	**4 657**	—
Due between 2 years and 5 years	**23 774**	—	**23 774**	—
	28 431	—	**28 431**	—

In the previous year, the group did not recognise any assets and liabilities under IAS 17.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied was 10%. The lease agreement was entered on 1 April 2019 for 5 years and payment made in advance. Resultantly no interest is charged in the first year.

Notes to the Financial Statements (continued)
for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
23. TRADE, OTHER PAYABLES AND PROVISIONS				
23.1 Trade and Other Payables				
Trade payables	**819 979**	1 169 258	**819 979**	150 602
Accruals and other payables	**895 993**	783 811	**537 090**	100 956
	1 715 972	1 953 069	**1 357 069**	251 558

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

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. Due to foreign currency constraints in the economy, the Group has not been able to meet its foreign obligations as and when they fall due. As at year end an amount of US$22,2 million was outstanding (2019: US$40 million).

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
23.2 Provisions				
Employee benefits*	**207 271**	49 712	**207 271**	6 403
Containers in the market**	**321 485**	202 304	**321 485**	26 057
	528 756	252 016	**528 756**	32 460

	INFLATION ADJUSTED		HISTORICAL	
	Employee benefits	Containers in the Market	Employee benefits	Containers in the Market
Balance at beginning of year	**49 712**	202 304	**6 403**	26 057
Additional provision recognised	**157 559**	—	**200 868**	—
Container market absorption movement	**—**	119 181	**—**	295 428
Balance at end of year	**207 271**	321 485	**207 271**	321 485

* The provision for employee benefits represents annual leave entitlements and long service awards 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.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
24. CASH FLOW INFORMATION				
24.1 Cash Generated from Operating Activities				
Operating income	**2 151 833**	1 810 435	**1 316 777**	175 488
Depreciation	**481 818**	286 464	**98 695**	36 897
Profit on disposal of property, plant and equipment	**(4 109)**	(18 778)	**(2 673)**	(2 385)
Share option expense	**13 439**	16 522	**5 775**	2 128
Fixed assets and other adjustments	**(500 253)**	9 589	**(542 833)**	64 096
	2 142 728	2 104 232	**875 741**	276 224

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
24. CASH FLOW INFORMATION (continued)				
24.2 Increase in Working Capital				
Increase in inventories	**(317 597)**	(88 951)	**(635 862)**	(11 457)
Increase in receivables and other assets	**(829 458)**	(57 041)	**(886 007)**	(7 347)
Increase in obligation for containers in the market	**119 185**	34 573	**295 432**	4 453
(Decrease) / increase in trade and other payables	**(636 998)**	(26 646)	**748 916**	(3 432)
	(1 664 868)	(138 065)	**(477 521)**	(17 783)
24.3 Dividend Paid				
By the company:				
Declared dividend at the beginning of year	**(344 771)**	(461 508)	**(44 407)**	(59 443)
Current year declared dividend (Ref note 25)	**(240 315)**	(1 634 750)	**(86 111)**	(210 558)
Effects of IAS 29	**429 180**	—	**—**	—
Balance at end of year	**76 397**	344 771	**76 397**	44 407
	(79 509)	(1 751 487)	**(54 121)**	(225 594)
By subsidiaries:				
Declared dividend at the beginning of year	**—**	—	**—**	—
Current year declared dividend	**(10 180)**	—	**(10 180)**	—
Balance at end of year	**9 651**	—	**9 651**	—
	(529)	—	**(529)**	—
Total dividends paid	**(80 038)**	(1 751 487)	**(54 650)**	(225 594)
24.4 Income Taxation Paid				
Balance at beginning of year	**15 008**	179	**1 933**	23
Current and withholding tax (Ref note 11.1)	**(488 115)**	(435 727)	**(165 095)**	(41 326)
Arising on acquisition of subsidiary	**—**	(8 455)	**—**	(1 089)
Tax asset arising from subsidiary	**12 021**	20 380	**12 021**	2 625
Effects of IAS 29	**294 382**	114 877	**—**	—
Net liability / (asset) at end of year	**129 428**	(15 008)	**129 428**	(1 933)
	(37 276)	(323 754)	**(21 713)**	(41 700)

The net tax liability / (asset) per note 24.4 is a net of current tax asset of ZWL15,7 million (2019: ZWL 68,1 million) and a liability of ZWL 145,1 million (2019: ZWL53,1 million) as shown per Consolidation Statement of Financial Position

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
24.5 Movements in Long Term Borrowings				
Balance at beginning of year	**818 648**	331 875	**105 443**	42 746
Transfer to short-term loan	**(850 320)**	—	**(850 320)**	—
Effects of IAS 29	**(713 205)**	—	**—**	—
Revaluation	**781 274**	—	**781 274**	—
Recognition of functional currency change	**—**	486 773	**—**	62 697
Balance at end of year	**36 397**	818 648	**36 397**	105 443

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
24. CASH FLOW INFORMATION (continued)				
24.6 Movements in Short Term Borrowings				
Balance at beginning of year	**376 122**	96 272	**48 445**	12 400
Transfer to / from long-term loan	**850 320**	—	**850 320**	—
Amount repaid	**(40 827)**	(10 093)	**(40 827)**	(1 300)
Recognition of currency change	**—**	289 943	**—**	37 345
Effects of IAS 29	**(327 677)**	—	**—**	—
Revaluation	**396 388**	—	**396 388**	—
Balance at end of year	**1 254 326**	376 122	**1 254 326**	48 445
24.7 Increase in Shareholder Funding				
Proceeds of shares issued:				
By the Company – share options exercised	**24 182**	44 215	**4 218**	5 695
24.8 Fair Value Through Profit and Loss				
Made up as follows:				
Financial Asset – Fair Value	**1 591 273**	—	**1 591 273**	—

The asset has been valued using a Forward Exchange Contract valuation model, being the net present value of ZWL currency refundable less the net present value of the USD currency payable. The value of the Blocked Funds Arrangement as at 31 March 2020 is US$63,8 million.

The carrying value of the financial asset has been derived after taking the following into consideration:

- Estimated series of monthly foreign settlements till extinguishment of the legacy debt;
- The US$ interest rate has been determined using yield-to-maturity of US Government bonds;
- The ZWL$ interest rate has been derived by adding a Country Risk Premium ("CRP") to a US Government Bond risk free rate; and
- A closing exchange rate of USD/ZWL 1: 26,66 at 31 March 2020

For more details refer to note 10

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
24.9 Cash and Cash Equivalents				
Made up as follows:				
Cash and cash equivalents	**225 203**	2 050 374	**225 203**	264 091

	2020 ZWL Cents	2019 ZWL Cents	2020 ZWL'000	2019 ZWL'000
25. DIVIDENDS				
Prior year dividend paid	**—**	—	**—**	33 502
Interim	**6,75**	7,00	**86 111**	88 285
Final	**—**	2,50	**—**	31 704
Special	**—**	4,50	**—**	57 067
	6,75	14,00	**86 111**	210 558

Notes to the Financial Statements (continued)

for the year ended 31 March

26. RELATED PARTY TRANSACTIONS

26.1 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 142 of this report.

AB Inbev 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.

26.2 Related Party Transactions

Balances and 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.

INFLATION ADJUSTED

	Purchases of goods ZWL'000	Royalties, Technical & other fees ZWL'000	Rental payments ZWL'000	Amounts Owed by Related parties ZWL'000	Amounts Owed to Related parties ZWL'000
2020					
AB InBev Companies	4 632 395	**61 058**	—	**—**	(696 387)
Associates	1 007 395	**—**	—	**26 795**	(53 202)
Delta Pension Fund	—	**—**	64 125	**—**	—
	5 639 790	**61 058**	64 125	**26 795**	(749 589)
2019					
AB InBev Companies	231 220	**74 300**	—	**—**	(671 329)
Associates	384 253	**—**	—	**153**	(19 383)
Delta Pension Fund	—	**—**	3 145	**—**	—
	615 473	**74 300**	3 145	**153**	(690 712)

HISTORICAL

	Purchases of goods ZWL'000	Royalties, Technical & other fees ZWL'000	Rental payments ZWL'000	Amounts Owed by Related parties ZWL'000	Amounts Owed to Related parties ZWL'000
2020					
AB InBev Companies	1 484 742	**19 570**	—	**—**	(223 201)
Associates	322 883	**—**	—	**8 588**	(17 052)
Delta Pension Fund	—	**—**	20 533	**—**	—
	1 807 625	**19 570**	20 533	**8 588**	(240 253)
2019					
AB InBev Companies	21 174	**6 804**	—	**—**	(61 477)
Associates	35 188	**—**	—	**14**	(1 775)
Delta Pension Fund	—	**—**	288	**—**	—
	56 362	**6 804**	288	**14**	(63 252)

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 ZWL2,1 million (2019: ZWL2,1 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

26. RELATED PARTY TRANSACTIONS (continued)

26.3 Remuneration of Directors and Other Key Management

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

	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
Short-term benefits	**58 317**	64 839	**26 637**	5 935
Post-employment benefits	**6 590**	5 594	**3 275**	512
Share based payments	**8 528**	13 929	**3 373**	1 275
	73 435	84 362	**33 285**	7 722
Included in the above amounts are the following in respect of directors' emoluments:				
For services as directors	**6 331**	3 048	**2 734**	279
For managerial services	**23 056**	21 555	**10 330**	1 973
	29 387	24 603	**13 064**	2 252

26.4 Subsidiaries, Associates and Joint Ventures

Name	Country of Incorporation	Principal activity	Effective Interest 2020	Effective Interest 2019
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%
Mandel Training Centre P/L	Zimbabwe	Dormant	**75%**	75%
Food & Industrial Processors (Private) Limited	Zimbabwe	Starch Distributor	**49%**	49%
Schweppes Zimbabwe Limited	Zimbabwe	Beverages Manufacture	**49%**	49%
Afdis Holdings Limited / Afdis Limited	Zimbabwe	Beverages Manufacture	**50%**	50%
National Breweries Plc	Zambia	Sorghum Beer Manufacture	**70%**	70%
Nampak Zimbabwe Limited	Zimbabwe	Plastics & Paper Manufacture	**21%**	21%
PetrecoZim (Private) Limited	Zimbabwe	Plastics Recycling	**15%**	15%
Chibuku Holdings Plc	Mauritius	Holding	**100%**	100%
Delta Beverages South Africa	South Africa	Holding	**100%**	—

Food & Industrial Processors 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.

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 wield significant influence and as such all contributions towards the investment have been written off and are considered immaterial to the Group.

Notes to the Financial Statements (continued)

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
27. COMMITMENTS FOR CAPITAL EXPENDITURE				
Authorised by directors but not contracted for	**1 973 391**	1 048 125	**1 973 391**	135 000

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

28. PENSION FUNDS

Group operating companies and all employees contribute to one or more of the following independently administered pension funds. These include Delta Beverages Pension Fund, African Distillers Pension Fund and National Breweries Pension Trust Scheme.

28.1 Delta Group Pension Fund

The funds are independently administered defined contribution funds and are, accordingly, not subject to actuarial valuations.

28.2 National Social Security Authority Scheme

In Zimbabwe the Group Companies and all employees contribute to the National Pension Scheme whilst in Zambia they contribute to the National Pension Scheme Authority.

These are defined contribution schemes promulgated as compulsory national schemes. The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
28.3 Pension costs recognised as an expense for the year				
Group Pension Funds	**54 009**	50 647	**26 131**	4 638
National Social Security Authority Scheme / NPSA Fund Zambia	**5 325**	16 795	**2 069**	1 538
	59 334	67 442	**28 200**	6 176

29. FINANCIAL RISK MANAGEMENT

29.1 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 Financial Statements (continued)

for the year ended 31 March

29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Foreign Currency Management

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:

HISTORIC

	Liabilities		Assets		Net exposure	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
USD	**(1 554 657)**	(201 499)	**5 443**	4 635	**(1 549 214)**	(196 864)
Euro	**(18 102)**	(4 333)	**587**	5 805	**(17 515)**	1 472
Rand	**(115 049)**	(57 921)	**1 149**	2 168	**(113 900)**	(55 753)

The following table details the Group's sensitivity to a 10% and 22% increase in the ZWL Dollar against the Euro and South African Rand respectively. The 22% and 10% 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 ZWL Dollar strengthens or weakens in a favourable manner against the net exposure.

HISTORIC

	Euro Impact		Rand Impact		USD Impact	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
(Loss)/Profit	**(1 752)**	(147)	**(11 390)**	5 575	**(154 921)**	19 686

29.3 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.

29.4 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.

Notes to the Financial Statements (continued)

for the year ended 31 March

29. FINANCIAL RISK MANAGEMENT (continued)

29.4 Liquidity Risk Management (continued)

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.

INFLATION ADJUSTED

	Weighted average effective interest rate %	0-2 months ZWL'000	2-12 months ZWL'000	12-36 months ZWL'000	Total ZWL'000
31 March 2020					
Fixed interest rate	7,5	—	1 254 326	36 397	**1 290 723**
Trade and other payables		1 796 931	—	—	**1 796 931**
		1 796 931	1 254 326	36 397	**3 087 654**
31 March 2019					
Fixed interest rate instruments	7,5	—	376 122	818 648	**1 194 770**
Trade and other payables	—	1 953 077	—	—	**1 953 077**
		1 953 077	376 122	818 648	**3 147 847**

HISTORIC COST

	Weighted average effective interest rate %	0-2 months ZWL'000	2-12 months ZWL'000	12-36 months ZWL'000	Total ZWL'000
31 March 2020					
Fixed interest rate	7,5	—	1 254 326	36 397	**1 290 723**
Trade and other payables		1 796 931	—	—	**1 796 931**
		1 796 931	1 254 326	36 397	**3 087 654**
31 March 2019					
Fixed interest rate instruments	7,5	—	48 445	105 443	**153 888**
Trade and other payables	—	251 558	—	—	**251 558**
		251 558	48 445	105 443	**405 446**

Notes to the Financial Statements (continued)

for the year ended 31 March

29. FINANCIAL RISK MANAGEMENT (continued)

29.4 Liquidity Risk Management (continued)

FINANCING FACILITIES

Unsecured bank loan facility with various maturity dates through to January 2021 and of which:

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
Total available	**1 290 723**	1 863 334	**1 290 723**	240 000
Amount used	**(1 290 723)**	(1 194 770)	**(1 290 723)**	(153 888)
Amount unused	**—**	668 564	**—**	86 112

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

29.5 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.

29.6 Fair Value of Financial Instruments

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

29.7 Categories of Financial Instruments

	INFLATION ADJUSTED 2020 ZWL'000	INFLATION ADJUSTED 2019 ZWL'000	HISTORICAL 2020 ZWL'000	HISTORICAL 2019 ZWL'000
Financial assets				
Cash and bank balances	**225 203**	2 050 374	**225 203**	264 091
Financial asset - Fair value through profit and loss	**1 591 273**	—	**1 591 273**	—
Trade and other receivables	**364 571**	251 014	**364 571**	32 331
Loans	**73 107**	65 644	**73 107**	8 455
Available-for-sale financial assets	**10 062**	1 040	**10 062**	134
Financial liabilities				
Amortised cost:				
Borrowings	**1 290 723**	1 194 770	**1 290 723**	153 888
Trade and other payables	**1 715 972**	1 953 069	**1 357 069**	251 558

Notes to the Financial Statements (continued)
for the year ended 31 March

29. FINANCIAL RISK MANAGEMENT (continued)

29.8 Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising 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 20,47% in current year (2019: 19,98%).

29.9 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.

30. GOING CONCERN

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

The Board is concerned about the deteriorating operating environment as indicated by hyperinflation, rapid changes to the policy environment, weak local currency and the existence of multiple and disparate exchange rates. The shortages of foreign currency in the formal banking channels has caused delays in the settlement of overdue external obligations. The Group has foreign creditors and bank loans as is more explained in Note 21., the bulk of the debt being overdue. There are, however, ongoing engagements with lenders and suppliers to revise payment terms of existing obligations taking into account the market exigencies. Whilst the "Legacy liabilities" are covered by the Reserve Bank of Zimbabwe arrangements as explained under Note 10, the Company continues to accrue exchange losses that would significantly impact on the profitability of the Company in the event that they are not settled in line with the said RBZ arrangements.

The subsidiary Natbrew Zambia recorded losses in the last two financial years. This is attributed mainly to declining demand following increases in pricing driven by an escalation in cost of raw materials and packaging in response to currency depreciation and shortage of brewing cereals. The unit has recently witnessed a recovery in volume as local management are implementing various business recovery measures. The entity is trading out of the cash squeeze and is expected to return to profitability in the next financial year.

The Coronavirus (COVID-19) pandemic that spread through all countries of the world has materially altered the operating environment and the Group's business prospects. The pandemic will have negative impacts on its operations arising from the restrictions in social and economic activities, heightened safety and health requirements, changes in demand patterns of the Group's products and package offerings. The severity of the impacts cannot be reasonably estimated at this point in time. The Group will adopt mitigating measures to minimize the adverse impacts of the pandemic.

The Group's businesses in Zimbabwe and Zambia were allowed to operate, albeit at reduced levels during the lockdowns implemented by the authorities from April 2020. The businesses are adapting their operating models particularly to align product offerings and route to market to available distribution channels and consumption patterns. All the business units have remained cash generative and achieved above breakeven volume in April 2020.

Notes to the Financial Statements (continued)
for the year ended 31 March

31. SUBSEQUENT EVENTS

31.1 Acquisition of United National Breweries (Pty) Limited SA

The Group finalized the acquisition of 100% equity in United National Breweries Plc (UNB) effective 1 April 2020. UNB is the leading brewer of traditional beer and owns the Chibuku brand in South Africa. It is noted that South Africa has implemented very strict prohibitions on the sale and consumption of alcohol during the COVID-19 national lockdown. This will adversely affect most businesses in the sector.

31.2 COVID-19

The World Health Organisation (WHO) declared COVID-19 as a pandemic in January 2020. The Governments in Zimbabwe, Zambia and South Africa declared the pandemic as a national disaster and have followed the World Health Organisation (WHO) guidelines on awareness, hygiene and curtailed social and business activities since mid-March 2020. The national, regional and global responses that were implemented and may remain in place to counteract COVID-19 have pervasive and negative impacts on the economy and Company's business activities. The first quarter of the current trading year will be significantly subdued owing to the lockdown. Sales volume across the product categories will be depressed as consumers adjust to the new normal. However, the volume performance during the high alert levels of the lockdowns were above breakeven for all beverage categories. There are signs of recovery as the alert levels were eased at the end of May 2020.

The Group entities have implemented enhanced measures on hygiene, provision of sanitary equipment, disinfection and decongesting work places. The manufacturing and distribution operations have remained functional.

The Board cannot reasonably estimate the duration and severity of the pandemic at this stage as the COVID-19 pandemic is complex and rapidly evolving. Management have implemented mitigatory measures that will ensure that the Group remains in operation.

Company Statement of Profit or Loss And Other Comprehensive Income

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
REVENUE				
Dividend and other income	**261 711**	1 820 873	**99 942**	234 531
Administrative expenses	**(10 024)**	(6 188)	**(3 914)**	(797)
Monetary Loss	**(448 143)**	—	**—**	—
(Loss)/profit before tax	**(196 456)**	1 814 685	**96 028**	233 734
Taxation	**—**	—	**—**	—
(LOSS) / PROFIT FOR THE YEAR	**(196 456)**	1 814 685	**96 028**	233 734
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**—**	—	**—**	—
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(196 456)**	1 814 685	**96 028**	233 734

Revenue relates to dividends and management fees received from the subsidiaries, Delta Beverages (Private) Limited and from AFDIS Holdings Limited. 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

as at 31 March

		INFLATION ADJUSTED		HISTORICAL	
	Notes	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
ASSETS					
Non-current Assets					
Interest in associated companies	14, E	**70 418**	70 418	**9 069**	9 069
Interest in subsidiaries		**834 378**	834 378	**107 470**	107 470
Other investments		**293 444**	284 422	**46 561**	36 634
		1 198 240	1 189 218	**163 100**	153 173
Current Assets					
Loans to subsidiaries	B	**142 272**	811 442	**142 272**	104 515
Trade and other receivables	C	**9 863**	19 666	**9 863**	2 533
		152 135	831 108	**152 135**	107 048
Total Assets		**1 350 375**	2 020 326	**315 235**	260 221
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital		**98 975**	98 453	**12 789**	12 681
Share premium		**668 179**	644 519	**87 125**	83 015
Share option reserve		**43 881**	26 754	**8 642**	3 446
Change in functional currency reserve		**—**	170 029	**—**	21 900
Retained earnings		**457 800**	724 542	**125 139**	93 322
Total Equity		**1 268 835**	1 664 297	**233 695**	214 364
Current Liabilities					
Trade and other payables	D	**5 143**	11 258	**5 143**	1 450
Dividends payable		**76 397**	344 771	**76 397**	44 407
		81 540	356 029	**81 540**	45 857
Total Equity and Liabilities		**1 350 375**	2 020 326	**315 235**	260 221

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2020.

P Gowero
Chief Executive Officer

M M Valela
Executive Director - Finance

Company Statement of Financial Position (continued)

as at 31 March

A. INTEREST IN SUBSIDIARIES

Details of all subsidiaries are provided in the Group structure included on note 26.4. This is an interest in Delta Beverages (Private) Limited and African Distillers Limited recognised at cost.

B. LOANS TO SUBSIDIARIES

Loans to subsidiaries relate to 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 subsidiaries as well as dividends paid over to the share transfer secretaries, but not yet distributed to shareholders. There are no amounts that are past due or impaired.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
Dividend receivable from subsidiaries	8 072	—	8 072	—
Other Debtors	1 791	19 666	1 791	2 533
Total	9 863	19 666	9 863	2 533

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. INTEREST IN ASSOCIATED COMPANIES

Associated companies relate to investments in Nampak Zimbabwe Limited disclosed in note 14 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 Cash Flow

for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
Cash flow from operating activities				
(Loss)/Profit before tax	(196 456)	1 814 686	96 028	233 734
Non-cash items -				
Fair value adjustment of investment in associate	—	(440 042)	—	(56 678)
Less Fair value gain on financial assets	(3 357)	—	(3 357)	—
Less dividend to be included in as investing activities	(248 330)	(1 374 644)	(92 671)	(177 056)
Add Monetary loss	448 143	—	—	—
Cash generated from trading	—	—	—	—
Increase/(decrease) in working capital	689 986	349 607	(31 819)	45 030
Effects of IAS29 adoption	(871 656)	—	—	—
Cash (utilised in) / generated from operating activities	(181 670)	349 607	(31 819)	45 030
Net cash flow from operating activities	(181 670)	349 607	(31 819)	45 030
Cash flow from investing activities				
Dividend received from associate	—	3 043	—	392
Dividend received from equity instruments	112	—	43	—
Purchase of shares in associate	—	145 068	—	18 685
Purchase of equity instruments	(6 570)	—	(6 570)	—
Dividend received from subsidiaries	243 455	1 374 644	88 249	177 056
Net cash from investing activities	236 997	1 522 755	81 722	196 133
Cash flow from financing activities				
Dividend paid	(79 509)	(1 751 487)	(54 121)	(225 594)
Increase in shareholder funding	24 182	44 216	4 218	5 695
Share buy back	—	(165 091)	—	(21 264)
Net cash utilised in financing activities	(55 327)	(1 872 362)	(49 903)	(241 163)
Net decrease in cash and cash equivalents	—	—	—	—
Cash and cash equivalents at beginning of the year	—	—	—	—
Cash and cash equivalents at end of the year	—	—	—	—

Company Statement of Changes In Equity

for the year ended 31 March

INFLATION ADJUSTED

	Notes	Share Capital ZWL'000	Share Premium ZWL'000	Share Options Reserve ZWL'000	Change in functional currency ZWL'000	Retained Earnings ZWL'000	Total equity ZWL'000
At 1 April 2018		95 969	349 188	36 319	—	526 883	**1 008 359**
Profit for the year		—	—	—	—	1 814 685	**1 814 685**
Other comprehensive income		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	1 814 685	**1 814 685**
Transactions with owners:							
Share options exercised		862	43 354	—	—	—	**44 216**
Share buy back		—	—	—	—	(165 093)	**(165 093)**
Share cancellation		(257)	(160 161)	—	—	160 418	**—**
Transfer from share option reserve		—	—	(22 399)	—	22 399	**—**
Allotment of shares		1 879	412 138	—	—	—	**414 017**
Change in functional currency		—	—	—	170 029	—	**170 029**
Recognition of share based payments		—	—	12 834	—	—	**12 834**
Payment of dividends	24.3	—	—	—	—	(1 634 750)	**(1 634 750)**
At 1 April 2019		98 453	644 519	26 754	170 029	724 542	**1 664 297**
Loss for the year		—	—	—	—	(196 456)	**(196 456)**
Other comprehensive income		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	(196 456)	**(196 456)**
Transactions with owners:							
Share options exercised	19.5	522	23 660	—	—	—	**24 182**
Change in functional currency		—	—	—	(170 029)	170 029	**—**
Share based payment recognition		—	—	17 127	—	—	**17 127**
Payment of dividend	24.3	—	—	—	—	(240 315)	**(240 315)**
At 31 March 2020		98 975	668 179	43 881	—	457 800	**1 268 835**

Company Statement of Changes In Equity (continued)

for the year ended 31 March

HISTORICAL

	Notes	Share Capital ZWL'000	Share Premium ZWL'000	Share Options Reserve ZWL'000	Change in functional currency ZWL'000	Retained Earnings ZWL'000	Total equity ZWL'000
At 1 April 2018		12 361	44 976	4 678	—	67 863	**129 878**
Profit for the year		—	—	—	—	233 734	**233 734**
Other comprehensive income, net of tax		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	233 734	**233 734**
Transactions with owners:							
Share options exercised		111	5 584	—	—	—	**5 695**
Share buy back		—	—	—	—	(21 264)	**(21 264)**
Share cancellation		(33)	(20 629)	—	—	20 662	**—**
Share allotment		242	53 084	—	—	—	**53 326**
Transfer from share options reserve		—	—	(2 885)	—	2 885	**—**
Recognition of share based payments		—	—	1 653	—	—	**1 653**
Change in functional currency		—	—	—	21 900	—	**21 900**
Payment of dividends	24.3	—	—	—	—	(210 558)	**(210 558)**
At 1 April 2019		12 681	83 015	3 446	21 900	93 322	**214 364**
Profit for the year		—	—	—	—	96 028	**96 028**
Other comprehensive income, net of tax		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	96 028	**96 028**
Transactions with owners:							
Share options exercised	19.5	108	4 110	—	—	—	**4 218**
Change in functional currency		—	—	—	(21 900)	21 900	**—**
Share based payment recognition		—	—	5 196	—	—	**5 196**
Payment of dividend	24.3	—	—	—	—	(86 111)	**(86 111)**
At 31 March 2020		12 789	87 125	8 642	—	125 139	**233 695**

Group Statistics
for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL'000	2019 ZWL'000	2020 ZWL'000	2019 ZWL'000
SHARE PERFORMANCE				
PER SHARE (ZWL cents)				
Attributable earnings	**100,93**	86,84	**91,38**	11,19
Diluted earnings	**100,19**	85,76	**90,71**	11,05
Cash equivalent earnings	**86,82**	103,24	**44,34**	18,21
Dividends	**18,84**	108,69	**6,75**	14,00
Cash flow	**33,39**	153,54	**31,15**	20,18
Net asset value	**494,36**	475,53	**140,70**	61,58
Closing market price (ZWL cents)			**625,47**	225,00
ZSE industrial index			**1 512,46**	405,57
SHARE INFORMATION				
In issue (m's)			**1 279**	1 268
Market capitalisation (ZWL 000's)			**7 998 689**	2 853 368
Trading volume (m's)			**122,2**	70,6
Trading percentage (%)			**9,56**	5,57
RATIOS AND RETURNS				
PROFITABILITY				
Return on equity (%)	**20,39**	18,24	**64,91**	18,24
Income after taxation to total capital employed (%)	**17,33**	18,60	**57,83**	18,60
Pretax return on total assets (%)	**13,31**	14,69	**23,08**	13,45
SOLVENCY				
Long term debt to total Shareholders' funds (%)	**0,57**	13,13	**2,00**	13,13
Interest cover (times)	**12**	10	**15**	8
Total liabilities to total Shareholders' funds (%)	**75,52**	68,11	**198,14**	68,11
LIQUIDITY				
Current assets to interest free liabilities & short-term borrowings	**1,16**	1,17	**1,04**	1,17
PRODUCTIVITY				
Turnover per employee ($000's)	**1 680**	1 787	**835**	168
Turnover to payroll (times)	**6,17**	7,23	**5,51**	6,88
OTHER				
Number of shareholders	**6 717**	6 573	**6 717**	6 573

Sustainable Development Report

Our Purpose "We bring enjoyment and refreshment to our consumers by ...and growing our business sustainably for the betterment of our employees and communities".

We continue to adjust the key pillars of our sustainability framework to ensure their alignment to the UN Sustainable Development Goals (SDGs).

We Are Delta Corporation.

Brighter together

Our Group is a multi-beverage business with a focus on both alcoholic and non-alcoholic beverages. We do business in a way that improves livelihoods and helps build communities. We do this by delivering to our consumers refreshing and enjoyable high-quality products. In doing so, we create jobs, pay taxes, build skills; which demonstrates that business growth and sustainable development can be mutually reinforcing rather than be in conflict. The multiplier effect of our investments and business operations through the value chains is a catalyst for national development.

We know that many communities in which we operate across the countries face big challenges in their environments and societies, which we share with them. We strive for a Better, **BRIGHTER** World so that as we strengthen our business we also contribute to society. The challenges that we face require that we work **TOGETHER** with others to find and implement solutions. We believe in our Brands, Our Future.

Sustainability is Our Business

Bottling and Brewing great beverages depends on a healthy natural environment and thriving communities. We depend on water and other natural ingredients to bottle and brew our beverages and we are committed to sustainability initiatives.

We are building a company to last, bringing people ***Together*** for a ***Brighter*** and Better World, now and for future. That is why sustainability is not just part of our business, ***it is our business***.

"We want a ***Brighter*** and Better World where everyone has the opportunity to improve their livelihoods. And that means accelerating growth and social development across our value chain – from our growers to our retailers. We aim to build local programs that promote innovation, entrepreneurship and productivity."

Our program is informed by the United Nations Sustainable Development Goals (SDGs) and borrows from the refined programs of our strategic partners, AB InBev and The Coca-Cola Company under their 'Bringing People Together for a Better World" and 'Me, We, World" thematic projects respectively. We therefore track our progress and sustainability efforts against our internal benchmarks to best practice and other key indicators from the GRI standards and relevant UN Sustainable Development Goals.

Sustainable Development Report

Sustainability Goals

At Delta Corporation, we support the United Nations 2030 Agenda for Sustainable Development and embrace the 17 Sustainable Development Goals. We note the macro-economic challenges that constrain our ability to deliver on these commitments. We are working to contribute directly to many of these goals through our Sustainability Priorities such as Smart Agriculture, Water Stewardship and Waste Reduction and Smart Drinking. Our sustainability goals aim to deliver a measurable positive impact on the environment and our communities. We summarise these goals into 5 focus areas of Smart Agriculture, Water Stewardship, Climate Action, Circular Packaging and Smart Drinking.

SMART AGRICULTURE
100% of our direct farmers will be skilled, connected and Financially empowered.

WATER STEWARDSHIP
100% reduction of operational water usage.

CIRCULAR PACKAGING
100% of products should be in packaging that is Returnable or made from majority recycled content.

SMART DRINKING
We support the World Health Organization (WHO) target of reducing the harmful use of alcohol

"We can't accomplish our sustainability goals alone. As a leading local and regional corporate, we have to collaborate with governments, NGO partners and other stakeholders to tackle these monumental sustainability challenges".

Sustainable Development Report (continued)

SMART AGRICULTURE

We are Part of Zimbabwe's Agriculture

As a beverage manufacturer, we rely on agricultural crops to brew our beers and as sweeteners of our soft drinks. We are creating secure, sustainable supply chains for malting barley, maize and sorghum including key agricultural raw materials such as sugar and juicing fruits. We are helping farmers increase profitability, productivity and social development while reducing environmental impact.

We have taken a farmer-centric approach in our public commitment to ensure 100% of our direct farmers will be skilled, connected and financially empowered. Our barley, maize and sorghum contracting schemes engage over 9,000 farmers including both commercial and communal smallholder farmers. The sorghum contract scheme aims to integrate marginalised communities in our value chains and promote the cultivation of smalll grains and drought resistant crop varieties. We engage directly with farmers in our supply chain to help them to improve productivity while conserving natural resources. We partner staff from the department of research and specialist services in the ministry of agriculture to develop improved varieties that address the ever-changing barley industry.

We collaboratively work with seed houses to develop new crop varieties suited to local conditions, and work with farmers to improve their agricultural practices and operations. We believe technology has enormous potential to positively transform the future of farming and this is used during research.

We are investing in key enablers and lasting programs that will help improve their yields, profitability and stewardship of natural resources.

Smart Agriculture through dedicated supervisory and extension Work.
Smart Agriculture is our flagship agricultural development program which is led by our agronomists to help growers improve their productivity, profitability and natural resource efficiency. A key pillar of our contract schemes is providing farmers with the crop management protocols and training they need to successfully grow crops while also growing their businesses and improving their livelihoods. They assess farming practices against weather, soil and market data and give insights to improve productivity and environmental performance.

Both the summer and winter cropping programmes during the year 2019 crop proved to be challenging, with weather events threatening both quality and yield. The sorghum crop yields in the communal sector regressed due to the drought. This created a supply gap that had to be covered through imports. The focus is on increasing farmer resilience and reducing production volatility through improved breeding and crop management practices. We had to assist our key commercial farmers to acquire diesel generators to mitigate the supply disruptions from the power utility.

Sustainable Development Report (continued)

WATER STEWARDSHIP

Advancing Water Stewardship

We are a major consumer of water in our breweries and bottling plants and we commit to using the water resource sparingly.

Water is a key ingredient in all our products, so we value every drop of it. More importantly, clean water is a critical resource for the economic, social and environmental well-being of every community where we operate. We continue with efforts to increase our water efficiency beyond our factories to include the downstream farming activities and collaborating in efforts to protect watersheds.

To guide our water conservation efforts, we actively engage with local experts on watersheds, water systems and sustainable agriculture. These experts help us develop and implement strategies and measure the economic, environmental and social impacts of our efforts. In this respect we have seconded our executives to work with Zimbabwe National Water Authority regional catchment area councils.

Each year we make measurable progress in reducing the amount of water we use to brew beer and bottle our soft drinks and alternative beverages. We achieved this reduction by creating efficiencies in on-site water use. We have also focused on managing our water-related risks, protecting local watersheds, investing in community water-access programs and engaging our colleagues in our efforts. We work with City Councils to address water infrastructure and maintenance challenges. We have provided equipment and support to Local Authority maintenance teams to restore water (and electricity) to the industrial areas where we operate when there is a water distribution and reticulation infrastructure problem (e.g. pipe bursts).

Provision of Clean Water to Communities

This year we completed water reservoir projects at Melfort Old People's Home and Silobela Old People's Home, an institution run by the Jairos Jiri Association.

Sustainable Development Report (continued)

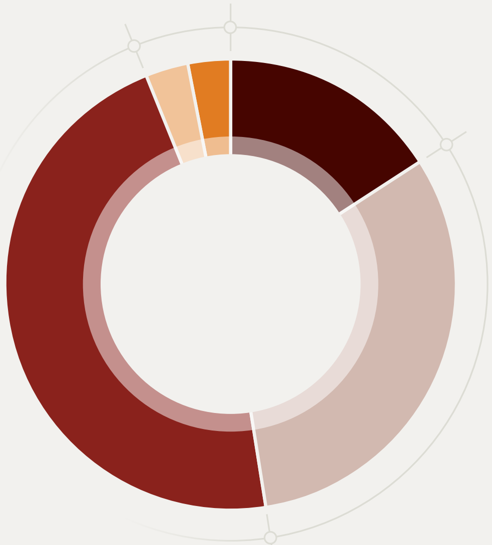
CIRCULAR PACKAGING

Circular Packaging

We will continue investing in returnable packs and support recycling initiatives of our PET, non-returnable bottles and cans.

We are constantly looking for ways to increase the recycled content in our packaging, to support the recovery and reuse of bottles, lightweight our packaging and continue to advocate for returnable solutions.

2020 VOLUME SPLIT BY PACK TYPE %



Returnable Plastic	16%
Returnable Glass	32%
Non Returnable Plastic	47%
Non Returnable Glass	3%
Cans	3%

We aim to achieve our circular packaging vision through four key levers:

1. **Recycle**
   - Increased recycled content in one-way packaging through supplier collaboration.
   - Increase supply of recycled content through post-consumer waste recovery programs with local partners.
   - Educate consumers to shift recycling attitudes. (MAD Campaign).
2. **Reuse**
   - Promote and protect returnable packaging.
3. **Reduce**
   - Reduce the amount of material we put into the market.
   - Reduce our carbon footprint.
4. **Rethink**
   - Innovate and scale new materials and products designed for circular economy.
   - Explore the use of alternative materials, technologies and designs for packaging materials.

Sustainable Development Report (continued)

CIRCULAR PACKAGING

Circular Packaging (continued)

In 2019 we were prioritizing the share of the returnable bottle packs in our businesses, moreso in an effort to conserve the scarce foreign currency. 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. We collaborate with a number of partners in recovering post-consumer waste and educating consumers. The initiatives on light-weighting of bottles and shrink-wrapping materials are ongoing. We also seek to minimize the amount of waste we send to landfill from our breweries through recycling initiatives, including using waste as fuel in our operations.

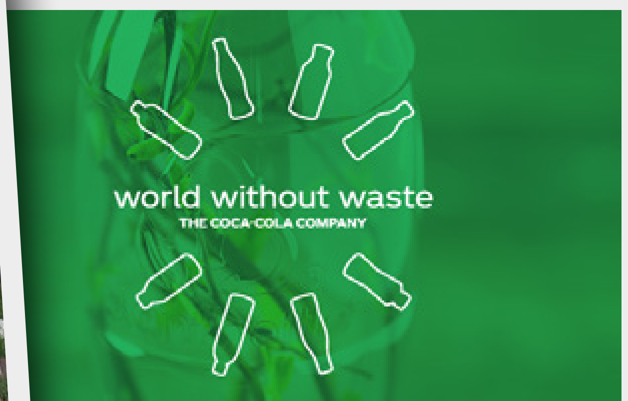
Reducing post-consumer packaging waste is an industry-wide challenge. We have partnered with local stakeholders to develop recovery and recycling solutions. The growth of the contribution of sorghum beer packaged in PET has increased the need for sustainable solutions to reduce litter from used primary packages such as PET and cans. We are working collaboratively with the environmental agency (EMA), local authorities 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.

The consumer waste cages that have been installed at major shopping centres are used to accumulate used cans, PET and glass bottles.

The used cans are crushed and pressed into tin cake for export. The change over from steel to aluminium cans is largely complete, which creates secondary usage of the used cans. PetrecoZim PET recycling factory is fully functional and can absorb all material that is recovered and delivered to it. This has now created income generating opportunities for waste collectors. We continued with the Make A Difference (MAD) campaign which enlists the support of community groups in taking care of the hygiene and cleanliness of the localities, discouraging littering particularly by motorists and the segregation of waste in the home. This has received a boost from the once a month National Clean-Up Day activities spearheaded by the Government. We are encouraging our employees to volunteer in the clean-up campaigns.

World Without Waste

The company borrows from the World Without Waste strategy of our global partners The Coca-Cola Company, with a goal of collecting a used bottle or can for every ONE that we sell. Our holistic plan focuses on the entire packaging lifecycle—from how packaging is designed and made to how it's recycled and repurposed.



CLIMATE ACTION

Climate Action

We will work closely with government, non-governmental organisations and environmental agencies to ensure we reduce our carbon emissions along the value chain.

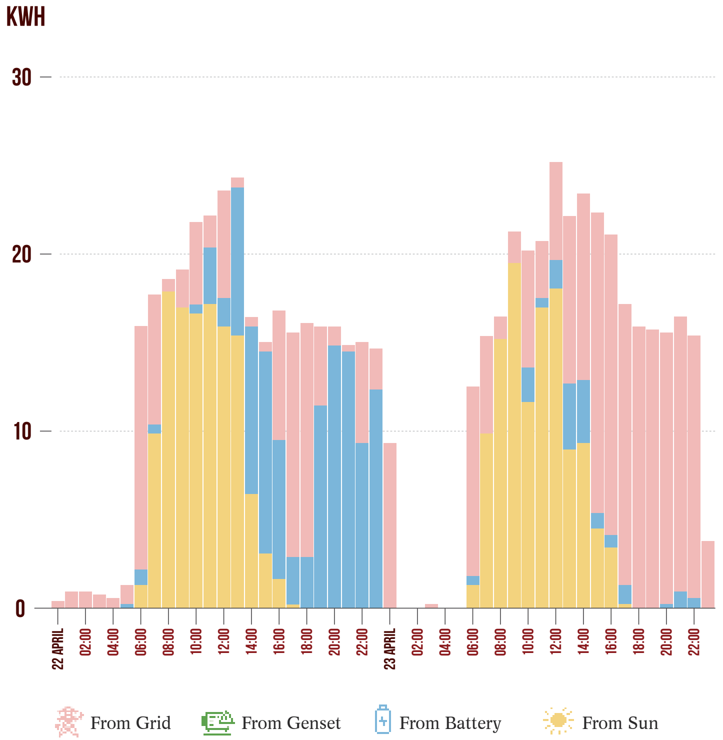
Conserving Energy and lowering Our Carbon Footprint

Climate change has far-reaching consequences for our business and for the communities where we live and work. Responsible Sourcing Policy requires all business partners to observe applicable laws and regulations concerning the environment. We also require suppliers to measure and commit to reducing their energy use in manufacturing and transportation.

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. We are on a program to phase-in CO_2-Based HFC-free coolers as the HFC refrigerants in our coolers use less energy and have lower global warming potential. This also includes use of solar powered and low energy demand equipment. Our production centres track the usages of energy against both internal and international benchmarks as part of the business key performance indicators. Other key initiatives include the light-weighting of primary and secondary packaging, use of light weight trailers, use of natural lighting, installation of energy management devices and LED lighting. This year we celebrated the commissioning of the one megawatt solar plant at the Schweppes Zimbabwe. The Sable House (Delta Head Office) is now relying more than 60% on solar energy.

The Sustainability and Environmental Council, consisting of the Business Unit leadership, meets every quarter to track and review performance against industry, statutory standards or internal benchmarks.

SABLE HOUSE ENERGY CONSUMPTION



Sustainable Development Report (continued)

Growing World

Supporting small enterprises and communities to thrive

As part of our commitment to help communities thrive, we have a responsibility to help the small businesses in our supply chain. From the suppliers that help power our production to the retailers that connect with our consumers every day, small businesses play a vital role as an engine of economic growth and employment. They are critical to the success of our business operations.

We value our relationships with our small business partners and recognize the challenges many face in sustaining and growing their operations, such as limited business skills and the need for affordable financial services and infrastructure. As their business partner, we believe we can help them address these barriers to unlock their entrepreneurial potential and enable us to grow together.

In 2018, we revamped our retailer development programme to holistically focus on business skills, financial inclusion and infrastructure development. The Retailer Development Programme is designed to equip our retailers, particularly the small sized outlets, with basic business management skills to help improve their businesses and incomes. The training modules cover areas such as financial management, product handling, understanding beer business and responsible retailing and environmental awareness. A total of 1 765 retailers have been trained since 2018.

Into the future, the programme will increase focus on women owned small retail outlets, and women farmers.

Sustainable Development Report (continued)

Our communities

The Group provides direct employment to over 4 800 people and indirectly by supporting livelihoods through both our upstream and downstream value chain partners in sourcing inputs and the distribution and retailing 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.

Investment in Education and Training

Our investment in education includes the school bursaries program which supports A-Level up to University scholars and has so far benefited over 700 students. In the current year, we had a total of 86 students. The beneficiaries are selected with the help of the Ministry of Primary and Secondary Education. Our bursary scheme program is also complimented by our Delta Technical Institute (DTI) that develops artisans for the group from A-Level students. Over 1 300 artisans have graduated from the institute over the years most of whom are absorbed in various jobs within the organisation. On the other hand, Mandel Training Centre focuses on imparting managerial skills to graduate trainees through its extended programs like the Graduate Development Program and Supervisory Development Program.

A key pillar of our direct support to communities is the Delta Schools Infrastructure Program whose aim is to work collaboratively with the chosen community to construct learning facilities at one or two primary schools a year. This initiative includes construction of model classroom blocks, supply of furniture and other amenities. Communities are encouraged to participate by contributing their labour to mould bricks and supply water during construction in order to instill a sense of ownership which is important for maintaining the facilities. We handed over two model classroom blocks and two sets of ablution facilities to Chihambakwe Primary School, Gutu district of Masvingo in 2019.

Sustainable Development Report (continued)

Growing World (continued)

Supporting Disaster Relief Efforts

The company responds to disasters, provides humanitarian relief as well as ad-hoc requests for donations. Where we can, we support worthy causes to deliver positive change in the communities where we operate. These programs are guided by the Group's ethics and donations policies which exclude donations to certain areas such as:

- 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

In March 2019, we responded to the Cyclone Idai disaster by providing drinking water to the affected region. In partnership with World Vision we rehabilitated 12 boreholes in ward 17 in Chimanimani that were damaged by Cyclone Idai. Overall, 860 individuals (106 men, 150 women, 290 boys and 317 girls) benefitted from the rehabilitation of the twelve boreholes. The rehabilitation will help them in the short and longer term to maintain access to safe water. The World Vision also flushed and disinfected two contaminated water points.

Sustainable Development Report (continued)

We also partnered GOAL Zimbabwe during the Cyclone Idai Disaster. The funding from Delta was primarily used to support distribution and logistics costs related to the distribution of Non-Food and Food Items provided from other donors such as OFDA, UNCHR, United Refineries and Cangrow Trading.

We were able to reach over 5 200 households approximately 25 000 individuals affected by the Cyclone Idai across Buhera, Chimanimani, Chipinge and Mutare District.

We also furnished 25 schools with desks and chairs in the region affected Cyclone Idai.

Given the size of the COVID-19 crisis, Delta in its own unique way made a cash donation of **ZWL5 000 000** to the Government of Zimbabwe's COVID-19 Disaster Fund in March 2020. This was augmented by a further **ZWL1 million** worth of medical accessories delivered for the immediate needs of frontline health staff and law enforcement officers.

Volunteering in Communities

Right across our business, our people are passionate about empowering communities. We encourage these efforts through numerous volunteering opportunities. Since 2016, we have run with the Employee Christmas Charity activity where employees donate clothing and grocery items for a stipulated charity organisation. In 2019 donations were made for Melfort Old People's Home. The donation amounted to about ZWL10 000. It gave every employee the opportunity to be of service to others.

Another key initiative was getting employees volunteer to be designated drivers during major marketing events like the Castle Tankard, Castle Lager National Braai Day and July Festival. Since 2016, 124 employees have volunteered to be part of this program.

Delta employees participate in the National Clean-Up Campaign launched by His Excellency the President of the Republic of Zimbabwe as part of the #DeltaForGood campaign.

Coca-Cola Global 5 by 20 Initiative

1,800+ women empowered across the country

Our Coca-Cola 5 by 20 program provides women entrepreneurs with business training, access to financial services and connections with peers and mentors.

Since 2016, 1 000 women through Tose Respite Care Centre who are parents or guardians of children with disabilities (CWDs) were trained on sustainable income generating projects. Certificates of participation were issued to the attendants.

The same women were also trained on Children Rights and Disability Rights as enshrined in the United Nations Convention on Rights of Persons with Disabilities (UNCRPD) and the Zimbabwe constitution.

A further 800 women have benefited from the program since 2016 through Chiedza Child Care. These women have been trained on poultry income generating programs and start up small tuckshop businesses.

We believe in empowering our people, creating equal opportunities and building inclusion. The Company continues to celebrate and inspire Women in the organisation through The **Coca-Cola Women's Business Resource Group, Women's linc**, which is focused on engaging, inspiring and developing the women of The Coca-Cola Company to drive total business performance and establish a strong reputation as a great place to work for women. The program also challenges women by inviting successful women in various fields to motivate female employees of the Company to aim higher.

Sustainable Development Report

Making A Positive Impact

We want every experience with a beer to be a positive one. We believe the harmful use of alcohol is bad not only for our consumers, our colleagues, and our families but also for our business.

For these reasons and more, we support the World Health Organization's (WHO) global target of a 10% or greater reduction in the harmful use of alcohol by 2025, as well as with the focus within the UN Sustainable Development Goals to strengthen the prevention of harmful use of alcohol.

Our smart drinking goals

We are using our Smart Drinking Goals as benchmarks to shift social norms and behaviours around harmful alcohol use while improving our own business practices. We recognise that partnerships are essential to achieving our goals and are taking a multi-stakeholder approach. We have been collaborating with public health experts to help reduce the harmful use of alcohol. These goals are intended to serve as a laboratory for identifying, testing and implementing evidence-based programs that are independently evaluated.

Social norms and social marketing

We work with our global partners to use our marketing capabilities to influence social norms and individual behaviors around smart drinking. We have updated our Smart Drinking Commercial Communications Code (SDCC) to continue marketing our beers in a responsible way by not appealing to underage consumers, by not depicting irresponsible alcohol consumption, and by putting safeguards in place on our digital platforms. The updated Code includes an internal review and approval process to ensure compliance. We believe that our policies on employee behaviour, commercial communication, product labelling and the company-wide education programmes reinforce high levels of conduct in relation to alcohol consumption.

Influencing social norms and behaviour

Our Goal is to influence social norms and individual behaviours to reduce harmful use of alcohol by investing in dedicated social marketing campaigns and related programs.

Our 6 Core Principles

1. Our beer adds to the enjoyment of life for the overwhelming majority of our consumers.
2. We care about the harmful effects of irresponsible consumption.
3. Alcoholic drinks are for adults, and consumption is a matter of individual judgement and accountability.
4. Information provided to consumers about alcohol consumption should be accurate and balanced.
5. We engage stakeholders and work with them to address irresponsible consumption.
6. 6. We expect our employees to aspire to high levels of conduct in relation to alcohol consumption.

Sustainable Development Report (continued)

In 2019, for the fourth consecutive year we have run with the "Designated Driver Campaign" in partnership with the Traffic Safety Council of Zimbabwe for major events. We use breathalysers to test alcohol levels at major events like the Castle Tankard, July Festival and the Castle Lager National Braai Day. To date, over 4 600 consumers have been tested and 64 have requested for a designated driver to take them home after an event.

We have refreshed the "Drink Responsibly" campaign to motivate consumers to moderate consumption of alcohol so they can live their fullest lives. Through this campaign and targeted intervention, we continue to change alcohol consumption behaviours and challenge social norms.

We have been working with 12 universities in Zimbabwe under the BOOST Fellowship partnership since 2015 where tertiary students undertake projects that communicate, and advance behaviour change around alcohol in their communities and at their campuses.

The Pledge <18 campaign advocates against underage drinking by encouraging young people to commit to this cause through signing their pledges. The programme partners ZIMPACT, BOOST Fellowship and the National Blood Services.

Promoting Low Alcohol Beer

We continue to build our portfolio of great-tasting low-alcohol beer. The low alcohol beer brands such as Golden Pilsener, accounted for approximately 8% of the F20 beer volume. We are engaging the authorities to review the basis of charging excise duty from an ad-valorem to alcohol content basis. This will incentivise the producers to innovate and make the low alcohol variants more accessible.

Labeling and Alcohol Health Literacy

Through our Sales and Marketing Compliance Committee (SMCC) we monitor that all labelling of our beer products complies to the legislation and that any advertising materials by the Company, and its trade customers carry the necessary health warnings. This includes the use of the various labelling and icons such as "do not drink and drive", "not for sale to under-18" and "do not drink alcohol whilst pregnant" icons were added.

Sustainable Development Report (continued)

Making A Positive Impact (continued)

Responsible Consumption

Tackling road safety together

Creating safer roads for our people and local communities

We are committed to doing our part to improve the communities where we live by improving road safety. Road safety is a deeply personal issue for us - our 5,000 employees and their families use roadways every day. We have a fleet of 250 heavy vehicles, 600 light motor vehicles which travel over 12 million kilometres every year. We recognize that most underlying road safety risk factors are ultimately within human control. We also recognize that impaired driving is one of the important road safety risk factors to address. Eliminating drinking and driving is an essential component of our smart drinking commitments and our company Dream in creating a better world. We believe that when you drive you should not drink, so we fully support all targeted legislation and enforcement measures to reduce impaired driving, including strict Blood Alcohol Content (BAC) limits and enforcement.

Since 2017, we have expanded our Road Safety program "Taming the Traffic Jungle" in partnership with the Traffic Safety Council, distributing more than 650 000 fliers across the country especially during holiday periods.

We continue to work with ZABMA, government and local partners to implement road safety intervention programs.

We commissioned a section of Bulawayo Road at Fairbridge near Bulawayo in a small measure to reduce road traffic accidents around the area.

Taking Action and Expanding Choice

People's tastes and preferences are changing, so we're changing, too. Driven by our passion for consumers, we have been shifting our mindset and culture, as well as the way we measure our success, resulting in bold action to transform our portfolio.

Gradually reducing sugar across our entire portfolio

Making smaller, more convenient packages so controlling sugar intake is easier

Offering more new drinks that provide benefits like nutrition and hydration

Giving people the information, they need to make informed choices

Sustainable Development Report (continued)

Responsible retailing and consumption

a) Responsible retailing

- We enlist the support of our retailers in advocating for responsible alcohol consumption through our retailer training program.
- Collaboration with local authorities, the Liquor Licensing Board and the police to ensure compliance to the trading regulations.
- Contribution to development of alcohol policies.
- Guidance to retailers, advertising agents and the media on alcohol communication and advertising.

b) Strengthening our internal governance systems

We continue training employees in the Alcohol Intelligence Quotient (AIQ) and the Alcohol Behaviour & Communication (AB&C) Programmes. We subject all marketing material to review by the compliance committee which has an external and independent chairperson. We continue to run the responsible drinking icons on adverts and beer labels. We place age gates on all websites that link to information on alcoholic products and reference to informative websites.

tapintoyourbeer.com

In addition to the initiatives on alcoholic beverages we also have specific programs that relate to our sparkling and nutritious beverages. Our longstanding commitment to consumers' well-being begins with ensuring that each 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 the country.

Work Place Safety

Making Safety A Priority

The safety of our employees and the communities is critical to our business. We are committed to doing everything possible to create a safe work environment. We encourage employees and contractors to follow safe practices and make healthy choices in our workplaces and local communities. This has become even more imperative following the advent of the coronavirus (COVID-19) pandemic which spread throughout the world from December 2019. We have responded by adopting the measures on physical distance, hand washing and sanitisation and use of appropriate protective clothing as recommended by the World Health Organisation (WHO) and national governments.

We continued enrolling our Managers and Team Leaders in the NSSA Occupational Safety Health and Environment Management Course to improve safety leadership, coaching and overall safety culture. This program has been identified as one of our key pillars for creating safety ownership at every level of the organisation. We have included modules on safety in driver training, sales and distribution academy and apprenticeship training.

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 our associates and contractors. 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.

Sustainable Development Report (continued)

Making A Positive Impact (continued)

Work Place Safety (continued)

Making Safety A Priority

Five manufacturing plants completed the year 2019 without a single lost time incident (LTI) as we implement the NSSA Vision Zero. At the 2019 NSSA Occupational Health and Safety Awards Ceremony held in October 2019, Delta Beverages scooped a total of fifteen (15) awards with Lagers Southerton Plant and Masvingo Sorghum Brewery winning the Sectoral Gold Awards in their respective provinces.

The Company received the inaugural award for "Best Environmental Leadership in Business", which was sponsored by the Environmental Management Agency (EMA.

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. Our clinics provide free anti-retroviral drugs and are accredited for testing and counselling. The general awareness of health issues has increased driven by the Wellness Program, for which the Company continues to be recognised through various awards. Our employees are encouraged to adopt healthy lifestyles to reduce the risks of ailments associated with stress. Most of the employees participate in workplace sporting teams such as soccer, darts, running and Zumba classes.

Hiring and developing diverse talent

Our people are what matters most. They are the ones committed to achieving our goals. We recruit, develop and retain colleagues we believe can make us a better company, a company that will last. We employ in excess of 4000 employees of which 75% are permanent. There is a focus on increasing the ratio of female employees particularly at 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. 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 programs which aim to increase the role and ratios of female employees in the organisation and therefore address the diversity issues. This year the Chief Executive hosted over 100 female managerial employees at a function to encourage them to develop themselves and build their confidence to aspire to greater roles in and out of the organisation.

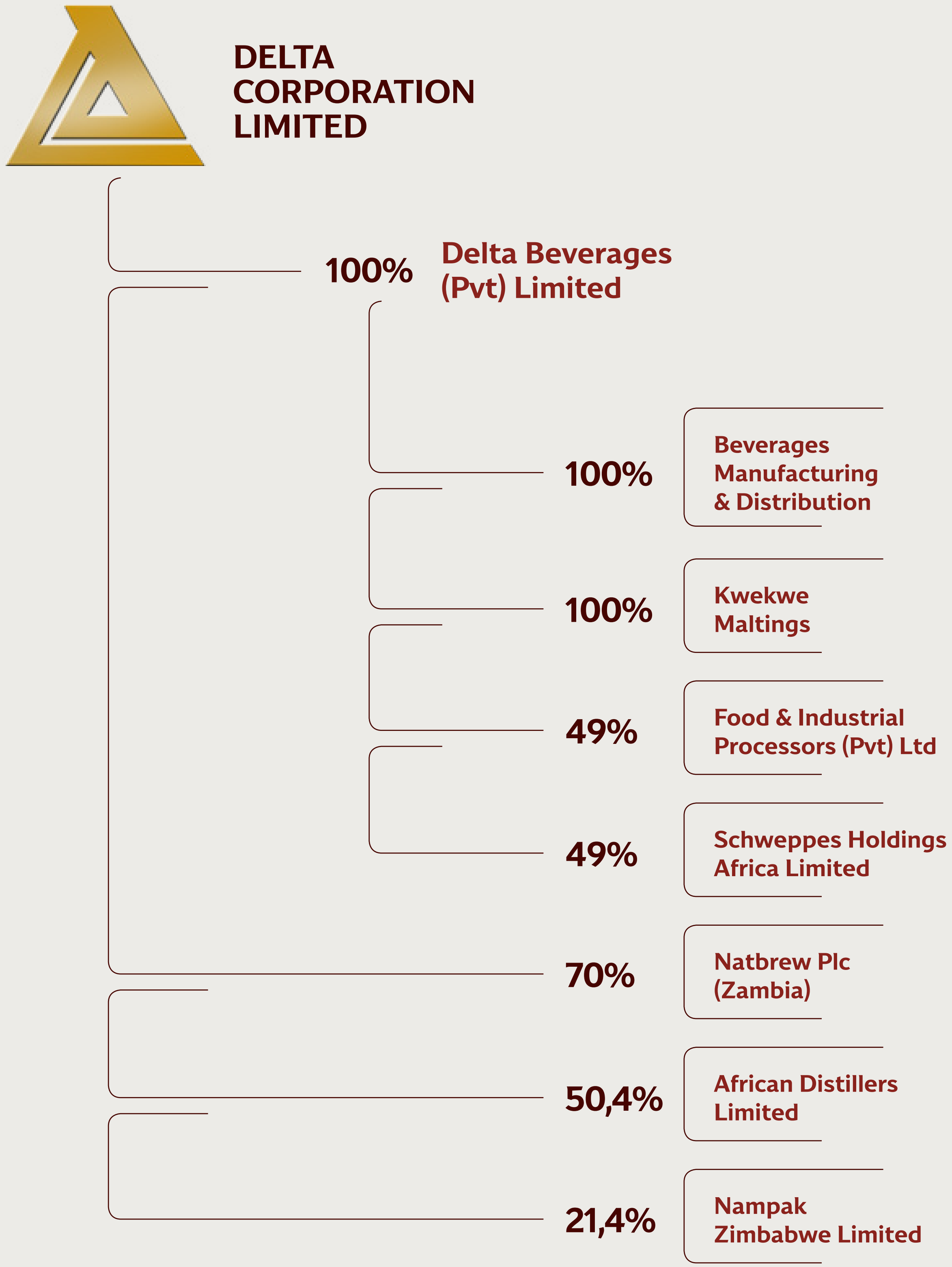
Measuring Employee Engagement

The business operates in a contracting economy which has reduced its capacity to create new jobs and offer new promotional opportunities. We however maintain focus on career development for our employees, whether in their current or for future roles noting that individual employees have a responsibility to take charge of their own development, albeit with support from their managers. Our training institutions, Mandel Training Centre and the Delta Technical Institute, continued with training programs even during this economic downturn. The Group has maintained the 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 its subsidiary and associated companies are registered in Zimbabwe except for Natbrew Plc which is incorporated in Zambia.

Portfolio of Businesses

ACTIVITIES

Delta Beverages (Pvt) Limited

LAGER BEER BUSINESS

Brewing Lager Beer, 2 Breweries
Castle Lager, Castle Lite, Golden Pilsener, Lion Lager, Carling Black Label, Zambezi Lager, Bohlinger's Lager, Eagle Lager
Imported Brands: Castle 1895 Draught, Castle Milk Stout, Carling Blue Label, Redds, Flying Fish

TRADITIONAL BEER BUSINESS

Brewing Sorghum Beer, 9 Breweries
Chibuku, Chibuku Super and Thabani

SPARKLING BEVERAGES BUSINESS

Bottling Carbonated Sparkling Beverages, 3 Bottling Plants
Coca-Cola, Coca-Cola Light, Coke Zero, Fanta, Sparletta, Sprite, Sprite Zero, Schweppes, Burn, Powerplay, Monster, Novida

TRANSPORT AND DISTRIBUTION BUSINESS

Provision and maintenance of primary and secondary distribution vehicles & the distribution of beverage products
23 Heavy Vehicle Workshops, 23 Delta Beverage Centres & 2 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

Subsidiaries and Associates

SCHWEPPES HOLDINGS AFRICA LIMITED

Bottling of Non-carbonated cordials, 2 Plants
Mazoe, Calypso, Ripe & Ready, Fruitade, Still Water (Schweppes & BonAqua), Minute Maid, Fuze Tea

AFRICAN DISTILLERS LIMITED

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

NATIONAL BREWERIES PLC – ZAMBIA

5 Traditional Beer Breweries (3 Operational),
5 Distribution Depots
Chibuku Super, ShakeShake

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

E Fundira	Bsc Econ
S J Hammond	B.Comm; CA(Z) ~
Dr C C Jinya	B A Econ, DBS (Honoris Causa) *
J A Kirby	B Acc: CA(SA) ~*
A S Murray	B A Maths & Econ, MBA *
T Moyo	B.Acc; CA(Z) *
L E M Ngwerume	BA; MBA; IMS
T N Sibanda [N1]	B Acc; CA(Z) *
L A Swartz	BA (Hons); Dip HR

* Member of the Audit Committee ~ Member of the Remuneration Committee
N1- Mr T N Sibanda retired from the Board on 31 December 2019

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)	Operations Director – Beverages
M P Karombo	B Tech (Mgmt); MBA; MCIM	Operations Director – Beverages
M Gambiza	B. Compt (Hons) CA(Z)	General Manager – Sparkling Beverages
A Makamure	B. Acc (Hons) FCA(Z), LLB	Company Secretary / Corporate Affairs Director
D Mange	B.Sc; MBL	Director – Information Technology
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,	General Manager – Sorghum Beer
M R Makomva	B. Acc (Hons); FCA(Z); MBL	Managing Director – Natbrew
C Z Gombera	BBS (Hons); MBA	Managing Director – Afdis

Board of Directors

Canaan Farirai Dube
(LLB; MBA) – Chairman of the Board of Directors

Canaan Dube joined the board in February 2004 and was appointed as Chairman in August 2010. He is a member of the Remuneration and Nominations committees. Canaan is a senior partner with Law Firm Dube, Manikai and Hwacha. He sits on the boards of Edgars Stores Limited, Bata Zimbabwe (Pvt) Ltd, Surburban Medical Centre and Quality Corporate Governance Centre (Pvt) Ltd t/a Zimbabwe Leadership Forum. He has previously served on the boards of Barclays Bank Zimbabwe and Midlands State University Council, which he chaired. He is studying for a doctorate, focusing on corporate governance.

Pearson Gowero
(Bsc Econ (Hons); MBL) – Group Chief Executive Officer

Pearson Gowero was appointed as Chief Executive in June 2012. Mr Gowero 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. Mr Gowero sits on the board of Seed Company Zimbabwe and the boards of the Company's subsidiary and associate companies notably Delta Beverages, Natbrew Plc (Zambia), United National Breweries (RSA), African Distillers Limited and Nampak Zimbabwe.

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 both the Remuneration and Nominations committees. He is currently on leave pending retirement from Old Mutual where he was the Managing Director of CABS, the banking unit of Old Mutual. Mr Hammond 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. He also chairs the board of governors of Peterhouse Group of Schools.

Board of Directors (continued)

Charity Chiratidzo Jinya
(B.A Econ; DBS (Hons Causa), Fellow Institute of Bankers)

Dr Charity Chiratidzo Jinya joined the board in April 2016 and was appointed to the audit committee in April 2020. She has recently retired from Nedbank where she was the Managing Director of Nedbank Zimbabwe Bank. Dr Jinya was recently the President of the Bankers Association of Zimbabwe. She joined the board of Old Mutual Investment Group (Zimbabwe) in May 2020. Dr Jinya had a long career in banking, having also served as managing director and executive director of leading listed banks in Zimbabwe and Uganda. She was crowned as the Director of the Year 2015 awarded by the Institute of Directors, Zimbabwe. She is involved with various charities in the education and church sectors and youth mentorship programmes.

Jonathan Andrew Kirby
(B.Acc; CA(SA)

Jon Kirby joined the board in August 2012. He is a member of the Remuneration Committee and Audit Committee. Mr Kirby retired from the AB InBev Group in July 2017 where he was the Vice President Finance of the Africa Zone and a long-time Finance Director of the then SABMiller Africa, a group he joined in 1992. He has held various finance positions in SABMiller Africa and Asia (now AB InBev) and sat on a number of subsidiary company boards. He is a director on the boards of ZamBeef Products Plc Zambia and Consol Glass (Pty) (South Africa).

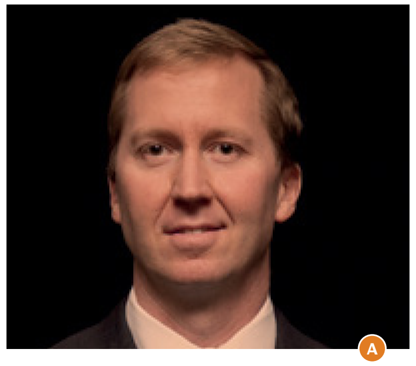
Todd Moyo
(B.Acc; CA (Z)

Todd Moyo joined the board in April 2016. He is currently the Managing Director of Datlabs (Private) Limited. He sits on a number of boards and is currently non-executive chairman of National Foods and PPC Zimbabwe. Todd participates in a number of charitable trusts and committees in the education, medical services and civic arenas. He actively participates in the activities of professional associations such as the Institute of Chartered Accountants of Zimbabwe and industry bodies such as the Confederation of Zimbabwe Industries.

A Member of the Audit Committee

R Member of the Remuneration Committee

Board of Directors (continued)



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 Infrastructure Development Bank of Zimbabwe, Old Mutual Nigeria and Standard Telephone & Cables and chairs the board of Axia Corporation. He retired from the position of Chief Executive of Old Mutual Zimbabwe in 2012 after serving the group for a number of years.

Matlhogonolo Mothibedi Valela
(B Tech (Accounts), CA (Z) – Executive Director Finance

Matlhogonolo Valela was appointed as Executive Director - Finance in June 2011. Mr Valela joined the Group in December 1996 as an accountant at the then 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, United National Breweries (RSA) and Schweppes Holdings Africa.

Andrew Scott Murray
(MBA Finance, BA (Maths & Economics)

Andrew Murray joined the Board in July 2017 as a representative of Anheuser-Busch In-Bev. He is currently the Vice President Finance for AB In-Bev Africa Zone. He joined AB In-Bev in 2013 and was most recently the Global Director for Mergers and Acquisitions, having worked in special projects with a focus on business processes optimisation. He had previously worked as team leader and consultant manager at Bain & Co, a leading global strategy consulting firm.

A Member of the Audit Committee

R Member of the Remuneration Committee

Board of Directors (continued)

Emma Fundira
Bsc Econ (Hons)

Mrs Emma Fundira joined the Board in January 2019. Mrs Fundira is the Managing Director and co-founder of Finesse Advisory Services, a financial consultancy which provides corporate financing and asset management solutions. She had a career in merchant banking with the country's leading financial institutions. Emma holds a BSc Economics (honours) from the University of Zimbabwe where she has also lectured in economics. Mrs Fundira is currently a non-executive director of the Reserve Bank of Zimbabwe, Cimas Medical Aid Society, Boost Fellowship and a Trustee of African Women's Entrepreneurship Program. She has recently served on the boards of First Capital Bank Zimbabwe (formerly Barclays Bank and Nampak Zimbabwe. She has served on the boards of leading private schools.

Lucia Adele Swartz
BA (Psychology & Geography), Dip HR

Ms Lucia Adele Swartz joined the Board in January 2019 as a representative of AB InBev, where she is the Vice President People at the Africa Zone. Lucia holds a degree in Psychology and Geography from the University of Western Cape and diplomas in human resources and management. Ms Swartz joined AB InBev Africa (formerly SABMiller Africa) in February 2015, having worked in senior human capital roles at Sappi Limited where she worked for 13 years. She has also worked for leading international companies such as Seagram Spirits & Wine Group, BP and Reckitt & Coleman. She serves on the boards of AB InBev entities such as Tanzania Breweries and SAB Limited. She has served as a non-executive director of New Clicks and other AB InBev subsidiaries.

Richard Rivett-Carnac
BCom BBS CA(SA)

Mr Richard Rivett-Carnac is the alternate director to the AB InBev representative directors. Mr Rivett-Carnac is a chartered accountant and is currently director responsible for mergers and acquisitions and treasury at the Africa Zone in South Africa. He has spearheaded the company in its divesture from the bottling and sorghum beer entities. He has previously worked for SABMiller in both South Africa and the United Kingdom on mergers and acquisitions, public flotations, and various due diligence processes. He has also worked for an investment bank and as portfolio analyst.

Group Management Committee

The profiles of the Chief Executive and Finance directors are included under Board of Directors.

Etherton Runyararo Mpisaunga
BSC (HONS) - Operations Director – Sorghum Beer

Etherton Mpisaunga was appointed as Operations Director – Beverages in 2010. Mr Mpisaunga is currently overseeing the Sorghum Beer operations in both Zimbabwe and the region. He initially joined the Group in 1984 and left in 1992 to work for The Coca-Cola Company. He rejoined the Group in 1995 and has held various senior management positions within the Beverages Business operations and Beer marketing.

Maxen Phillip Karombo
B. TECH (MGMT.); MBA; MCIM – Operations Director Beverages

Maxen Karombo was as Operations Director responsible for the Lager Beer and Soft Drinks business units in April 2018 and remains in charge of Group Marketing. He 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 serves on the board of Schweppes Holdings Limited as a company representative. He is a non-executive director of Leonard Cheshire Disability Trust of Zimbabwe, and recently served on the boards of CBZ Bank and Zimnat Life Assurance

Moses Gambiza
B. COMPT (HONS); CA (Z) – General Manager – Sparkling Beverages

Moses Gambiza was appointed General Manager – Sparkling Beverages in April 2014. Mr Gambiza joined the Group in 2000 as a Financial Controller at the then National Breweries. He held various positions in finance until his appointment to the Group Management Committee as General Manager– Southern Region in May 2013.

Group Management Committee (continued)

Alex Makamure
B. ACC (HONS); FCA(Z), LLB (HONS) – Company Secretary/Corporate Affairs Director

Alex Makamure was appointed as Company Secretary in January 2006. Mr Makamure currently has oversight on Group Treasury, Corporate Affairs and Supply Chain and other services such as tax administration, group accounting and executive compensation. 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 a company representative. Alex is the non-executive chairman of African Sun Limited and a board member at Medical Investments Limited (Avenues Clinic).

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. Mr Mange held various management positions before his appointment as General Manager Information Technology in 2007.

Group Management Committee (continued)

The profiles of the Chief Executive and Finance directors are included under Board of Directors.

Dr Munyaradzi Godfrey Nyandoroh
BSC (HONS) (UZ); MSC (UZ); PHD (KENT) – General Manager – Lager Beer Business

Dr 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 Agricultural Services department in 2002, and as General Manager – Beverages Operations for the Southern Region and thereafter the Northern Region.

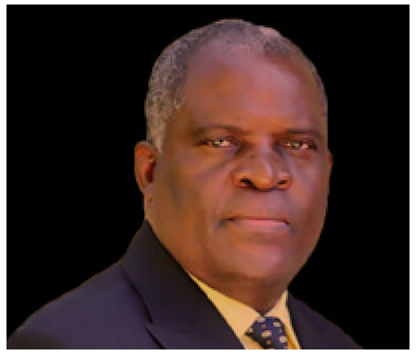
Marshall Pemhiwa
BSC. (HONS) PSYCH; HR DIP; DIP OCC. PSYCH; MBA – Human Resources Director

Marshall Pemhiwa was appointed as Human Resources Director in April 2011. Marshall 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 is a past president of the Institute of People Management and is involved in committees at Domican Convent School Harare.

Tichafa Rinomhota
BSC ENG – General Manager – Sorghum Beer Business

Tichafa Rinomhota was appointed the General Manager – Sorghum Beer in April 2017. Mr Rinomhota was the Group Technical Director from 2011 to 2017. 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.

Group Management Committee (continued)



Martin Rutendo Makomva
B Acc (Hons) FCA(Z) MBL – Managing Director, National Breweries Plc - Zambia

Martin Makomva re-joined the Group in January 2020 as Managing Director of National Breweries. Martin served as Managing Director of MegaPak Zimbabwe for fourteen years and transferred to Nampak Zimbabwe with the unit following its demerger from Delta in 2014. He first joined Delta at Chibuku Breweries Division in 1987 becoming the division managing director in 1993 Mr Makomva is a keen livestock breeder and serves on the councils of the Brahman Breeders Society of Zimbabwe and the Zimbabwe Herd Book.

Cecil Gombera
BA (HONS); MBA – Managing Director – African Distillers Limited

Cecil Gombera was appointed as Managing Director in July 2013.

He joined the company in October 2012 as the Chief Operating Officer and Executive Director.

Mr Gombera is a seasoned marketing practitioner having worked for a number of fast-moving consumer goods companies such as Lyons, Natbrew (Delta Lager Beer Division) and Unilever and for many years. He also worked for a clothing label.

Notice to Members

Notice is hereby given that the 73rd 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 2020 at 12 30 hours for the purposes tabulated below. Shareholders will be asked to connect and attend the meeting virtually via the link: https://eagm.creg.co.zw/eagmzim/Login.aspx

ORDINARY BUSINESS

1. **STATUTORY FINANCIAL STATEMENTS**
   To receive and adopt the Financial Statements for the year ended 31 March 2020 together with the Report of Directors and Auditors thereon.

2. **TO APPOINT DIRECTORS**
   Mr S J Hammond retires from the Board on 31 July 2020 and therefore does not seek re-election. Per policy, Messrs C F Dube, and L E M Ngwerume retire annually whilst Mr T Moyo is due to retire by rotation. All being eligible, they will offer themselves for re-election. Election of directors will be by individual motions.

3. **DIRECTORS FEES**
   To approve the directors' fees for the financial year ended 31 March 2020.
   *(**Note:** The consolidated directors' emoluments are included in the notes to the financial statements and in the Report of the Remuneration Committee).*

4. To appoint Auditors for the current year and to approve their remuneration for the year past. Members will be asked to appoint Deloitte & Touche as auditors for the ensuing year. *(**Note:** Deloitte & Touche or their predecessors have been the Company's auditors for many years. The audit will be re-tendered for the F22 financial year in line with the Zimbabwe Stock Exchange Practice guidelines).*

SPECIAL BUSINESS

1. **SHARE APPRECIATION RIGHTS SCHEME - 2020**
   To Resolve with or without amendments:

   That the "Delta Corporation Limited Share Appreciation Rights Scheme - 2020" be and is hereby authorised for implementation and that the Directors can allocate up to 35 000 000 (Thirty-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.

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 128 of the Companies and Other Business Entities Act (Chapter 24:31) 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 5% (five percent) above and 5% (five percent) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange, as determined over the 5 (five) business days immediately preceding the date of 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.

Notice to Members (continued)

SPECIAL BUSINESS (continued)

2. **SHARE BUY BACK** (continued)
   It will be recorded that, in terms of Companies and Other Business Entities 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.

3. **ADOPTION AND SUBSTITUTION OF A NEW ARTICLES OF ASSOCIATION FOR THE COMPANY**
   To resolve as a special resolution, the adoption and substitution of a new Articles of Association for the Company compliant with the requirements of the new Companies and Other Business Entities Act (Chapter 24:31) and the new ZSE Listing Requirements (Statutory Instrument 134/2019).

   NOTE: In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24;31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

   BY THE ORDER OF THE BOARD

   A Makamure
   Company Secretary

   Sable House
   Northridge Close
   Borrowdale
   Harare
   Zimbabwe
   25 June 2020

Shareholders Analysis

SIZE OF SHAREHOLDING	NUMBER OF HOLDERS	%	ISSUED SHARES	%
1 to 5 000	**5 204**	77,48	**4 490 572**	0,35
5 001 to 10 000	**346**	5,15	**2 446 049**	0,19
10 001 to 25 000	**369**	5,49	**5 931 400**	0,46
25 001 to 50 000	**212**	3,16	**7 694 092**	0,60
50 001 to 100 000	**171**	2,55	**12 688 567**	0,99
100 001 to 500 000	**256**	3,81	**59 805 713**	4,66
Over 500 000	**159**	2,36	**1 191 404 797**	92,76
	6 717	**100,00**	**1 284 461 190**	**100,00**

CATEGORY				
Local Companies	**759**	11,3	**116 982 961**	9,1
Foreign Companies	**11**	0,2	**526 990 994**	41,0
Pension funds	**376**	5,6	**164 589 054**	12,8
Nominees, Local	**159**	2,4	**30 099 076**	2,3
Nominees, Foreign	**65**	1,0	**234 469 533**	18,3
Insurance Companies & Banks	**46**	0,7	**165 626 254**	12,9
Resident Individuals	**4 681**	69,7	**35 418 074**	2,8
Non Resident - Individuals	**232**	3,5	**2 234 826**	0,2
Investments & Trusts	**218**	3,2	**5 288 162**	0,4
Fund Managers	**29**	0,4	**843 437**	0,1
Deceased Estates	**98**	1,4	**428 805**	0,0
Other Organisations	**43**	0,6	**1 490 014**	0,1
	6 717	**100,0**	**1 284 461 190**	**100,0**

Included in the category of 'Over 500 000 shares' is Delta Employee Share Participation Trust Company Private Limited which holds 14 233 211 shares on behalf of 2 650 employees who participate in the scheme.

TOP TEN SHAREHOLDERS

SHAREHOLDER	2020	%	2019	%
AB InBev Zimbabwe BV (NNR)	**311 264 215**	24,2	304 066 533	23,9
Stanbic Nominees (Pvt) LTD NNR	**276 794 738**	21,5	296 829 286	23,3
Rainer Inc.	**193 137 519**	15,0	193 137 519	15,2
Old Mutual Life Assurance Co.	**154 891 658**	12,1	155 012 722	12,2
Standard Chartered Nominees - NNR	**34 814 725**	2,7	44 820 288	3,5
Old Mutual Zimbabwe Ltd	**30 707 755**	2,4	34 296 028	2,7
National Social Security Authority (NPS)	**24 996 694**	1,9	23 585 731	1,9
Browning Investments NV	**22 178 835**	1,7	22 178 835	1,7
National Social Security Authority (WCIF)	**17 508 575**	1,4	15 650 630	1,2
Delta Employees Share Participation Trust Co.	**14 238 211**	1,1	14 238 211	1,1
Other	**203 928 265**	16,0	169 980 206	13,3
	1 284 461 190	**100,0**	**1 273 795 989**	**100,0**

Shareholders Analysis (continued)

MAJOR SHAREHOLDERS	2020	%	2019	%
Old Mutual	**185 599 413**	14,4	189 308 750	14,8
AB InBev entities	**526 580 569**	41,0	519 382 887	40,8
	712 179 982	**55,4**	**708 691 637**	**55,6**
RESIDENT and NON RESIDENT SSHAREHOLDERS				
Resident	**495 671 764**	38,6	465 516 956	36,5
Non-Resident	**788 789 426**	61,4	808 279 033	63,5
	1 284 461 190	**100,0**	**1 273 795 989**	**100,0**

SHARE PRICE INFORMATION

Mid Range Price (ZWL cents) at:	
30 June 2019	340,0
30 September 2019	401,0
31 December 2019	340,0
31 March 2020	625,0
Price Range:	
Highest: 14 February 2020	866,0
Lowest: 01 April 2019	225,0

CALENDAR

73rd Annual General Meeting	31 July 2020
Financial Year End	31 March 2021
Interim Reports:	**Anticipated Dates:**
6 months to 30 September 2020	November 2020
12 months to 31 March 2021 and	
Final dividend declaration	May 2021
Dividend Payment Date – final	June 2021
Annual Report Published	July 2020

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Notes


CASTLE LAGER
CARLING Black Label BEER
GOLDEN PILSENER
ZAMBEZI
Chibuku Super
Coca-Cola
Schweppes
FANTA