Delta Corporation
LIMITED

Annual Report 2021

Brighter together

Delta Corporation LIMITED

Brighter together

Our Vision

To be the most admired Beverage Company in the Region.

Our Mission

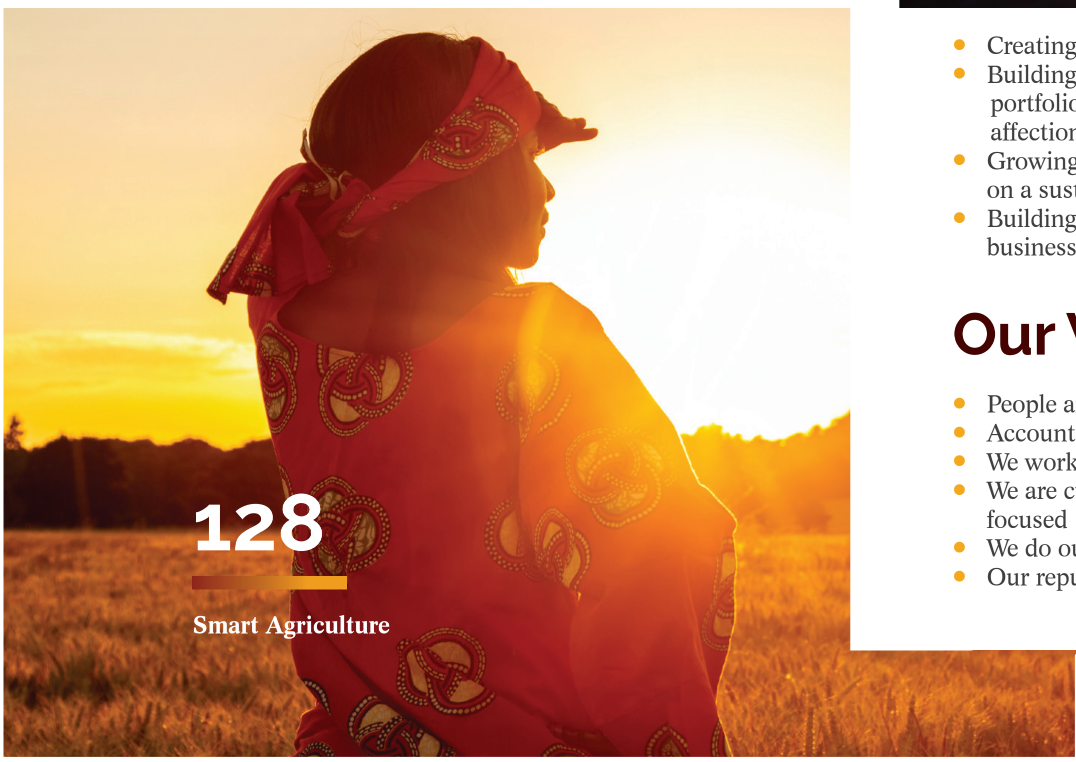
We bring enjoyment and refreshment to our consumers by nurturing our brands and growing our business sustainably for the betterment of our employees and communities

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



128

Smart Agriculture

Contents

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.

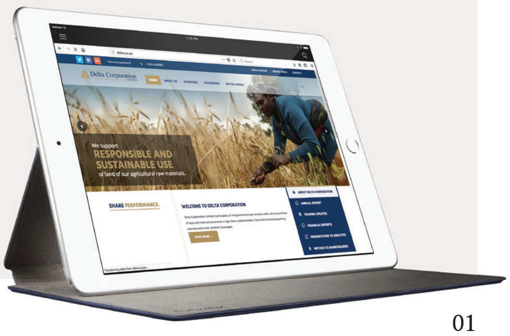
Brighter together

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

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

www.delta.co.zw



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, 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. The sparkling beverages franchise now covers the whole country following consolidation of the Manicaland Province in March 2021. In addition, the wines and spirits portfolio are under subsidiary company, African Distillers Limited, which manufactures branded wines, spirits and 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. The Company acquired the 49% equity stake in Schweppes Zimbabwe in 2009. 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 Africa 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, the financial condition or results of operations in future periods.

Unfavourable general economic and political conditions in the country

The political environment in Zimbabwe, 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 efforts on international re-engagement were scuppered by the handling of post-election demonstrations and other measures that are viewed as restrictive as reported in various platforms. Concerns have been raised about the recent amendments to the 2013 Constitution which various stakeholders have considered to be retrogressive.

The country has not been able to access the much-needed external funding mostly due to political considerations. The economic environment in Zimbabwe remains unstable, which increases the overall risk of doing business. The fiscal and monetary policies implemented in 2018 and early 2019 have set the country on an uncertain path; the Transitional Stabilisation Plan was not fully implemented and has since been replaced by the National Development Strategy 1. Consumer incomes have been eroded by the resurgent hyperinflation and currency depreciation. The economy is continuously impacted by droughts and natural disasters, with further blows from the coronavirus (COVID-19) pandemic. The impacts of COVID-19 have been felt across the globe due to the disruptions to economies and loss of lives. There are however signs of positive structural changes to the economy.

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 situation has greatly improved following the introduction of the foreign currency auction system and the partial dollarization of the economy. There are challenges relating to the multiple exchange rates and distorted values of goods and services and ripple effects on competitive product pricing.

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, the use of 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 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, which could be terminated on notice.

The Corona virus (COVID-19) has led to the periodic disruptions to business activities as the authorities implement various lockdown measures to contain the spread of the virus. There are heightened risks of employees contracting the disease within the work environment, which requires significant changes to the practices on hygiene, office design for social distancing and sharing of equipment and off-site supervision of staff whilst working from home.

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 and Direct 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 in addition to policy changes relating to the currency used for settlement of some tax heads. This increases the uncertainties in the positions adopted by the Company with respect to income tax and some indirect taxes.

b) Policies

The policy environment remains unpredictable which impacts on our ability to plan for the future. Of particular note are issues related to currency management, exchange control and bank use policies which affect the access to hard currency and local bank notes or digital money transfers, 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 bank 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 ZW$. 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 challenges 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, fruit juices, 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 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
GROUP SUMMARY (ZW$'000)				
Revenue	**40 446 986**	29 074 811	**33 206 284**	4 193 260
Earnings before interest, tax depreciation and ammortisation	**12 150 454**	8 895 102	**9 154 718**	1 415 472
Profit after tax	**6 383 583**	3 674 513	**7 498 827**	1 037 942
Attributable earnings	**6 752 043**	4 337 251	**8 028 492**	1 165 564
Net Funds	**(1 258 131)**	(3 641 794)	**(1 258 131)**	(1 065 520)
Total Assets	**46 064 818**	38 291 549	**23 201 441**	5 421 026
Market capitalisation	**59 462 087**	7 998 689	**59 462 087**	7 998 689
SHARE PERFORMANCE (ZW$ cents)				
Earnings per share				
Attributable earnings basis	**525,50**	340,03	**624,84**	91,38
Cash equivalent earnings basis	**538,49**	312,26	**476,48**	44,34
Cash flow per share	**739,23**	132,52	**429,58**	31,15
Dividends per share	**161,32**	22,99	**150,00**	6,75
Net asset value per share	**2 027,08**	1 665,17	**615,69**	140,70
Market price per share	**4 622**	625,47	**4 622,08**	625,47
FINANCIAL STATISTICS (%)				
Return on equity (%)	**25,22**	**20,01**	**100,26**	**64,91**
Operating margin (operating income to net sales) %	**30,76**	**28,60**	**30,15**	**35,97**

Financial Highlights (continued)

for the year ended 31 March 2021

	Inflation Adjusted	Historical Cost
Revenue	increased by 39% to ZW$40,45 billion	increased by 692% to ZW$33,21 billion
Operating Income	increased by 47% to ZW$10,71 billion	increased by 557% to ZW$8,65 billion
EBITDA	increased by 37% to ZW$12,15 billion	increased by 547% to ZW$9,15 billion
Headline Earnings per Share	increased by 47% to ZW$471,02 cents	increased by 605% to ZW$575,11 cents

Chairman's Letter

To Shareholders

Dear Shareholder

The trading conditions during the year under review were largely driven by the world-wide restrictions to social and economic activity implemented by authorities in response to the advent of the novel coronavirus (COVID-19) pandemic.

The measures included lockdowns, restrictions on travel anad social gatherings and limiting the sale or consumption of alcoholic beverages.

The Zimbabwean economy was affected by the depreciation of the local currency and prevalence of multiple exchange rates, hyperinflation, and the reduced business activity arising from the COVID-19 lock downs. Consumer disposable incomes were further eroded by high inflation and low pay increases.

Historic Cost Group Revenue

↑ **692%**

In historic cost terms, the Group recorded revenue of ZW$33 billion to achieve a 692% growth on the comparative year.

Some measure of macro-economic stability was registered following the relaxation of the use of foreign currency for domestic transactions and implementation of the foreign currency auction system. There were improvements in business performance during periods when the lockdown restrictions were relaxed, particularly during the last quarter of the calendar year 2020.

South Africa implemented bans on the sale of or trading in alcoholic beverages for most of the financial period. The Zambian economy was adversely affected by the depreciation of the Kwacha, high inflation and weakening economic fundamentals.

Effects of Coronavirus (COVID-19) on the business

The World Health Organisation (WHO) declared COVID-19 as a pandemic on 11 March 2020. The pandemic has significantly impacted global, domestic, and human economic activity as governments implement measures to mitigate the transmission of the virus.

In Zimbabwe and Zambia, the businesses were permitted to operate albeit at reduced levels during the various phases of lockdowns. South Africa adopted more stringent measures including bans on the sale of alcohol and restricting trading hours. The selling and distribution of beverages has been curtailed by the restrictions on movement and social gatherings, closure of on-premise consumption outlets and prohibition of other commercial and social activities that were deemed to pose a risk of spreading COVID-19. Business performance improved as the restrictions were relaxed, following declining infection rates in most countries.

The Group will continue to adjust its operating model and response to the COVID-19 pandemic, based on the best available medical and safety advice in order to avoid or reduce transmission of the disease through its activities. The Group recorded a total of 5 fatalities attributed to COVID-19 out of 175 confirmed positive cases since the advent of the pandemic in March 2020.

Chairman's Letter to Shareholders (continued)

Trading Performance

Lager Beer

Lager beer volume grew by 17% compared to prior year. The volume recovery was mostly during the second and third quarters following the relaxation of the COVID-19 restrictions. The Group adopted strategies to stimulate demand through competitive pricing in an environment of weak consumer demand and currency related distortions in value chain costs.

There are ongoing efforts to inject additional glass bottles to drive volume and enhance consumer choice of brand and pack. The business will benefit from the opening of more trade channels as the COVID-19 restrictions are eased.

Sorghum Beer

In Zimbabwe, the sorghum beer volume declined by 7% compared to prior year, reflecting a notable recovery in the second half of the year. The sector was adversely affected by the limited access to key trade channels such as bars, beerhalls and bottle stores which were closed during most phases of lockdowns. The business relied on imported maize for most of the year.

Sorghum beer volume at Natbrew Plc (Zambia) grew by 6% over last year. The business faces significant competitive pressure from the illegal trading in bulk beer in addition to the cost pressures arising from the escalation in the cost of imported materials due to the impact of currency depreciation.

The South African entity, United National Breweries, was closed for extended periods as the authorities implemented very strict prohibitions on the sale and consumption of alcohol under the COVID-19 national lockdown measures. The entity is implementing volume recovery measures.

Sparkling Beverages

Sparkling beverages volume grew by 33% over last year, albeit from a low base. The business recorded a notable recovery in market share on the back of consistent product supply and competitive pricing. The category benefits from increased social and economic activities which were significantly curtailed during lockdowns.

"There are ongoing efforts to inject additional glass bottles to drive volume and enhance consumer choice of brand and pack. The business will benefit from the opening of more trade channels as the COVID-19 restrictions are eased."

Chairman's Letter to Shareholders (continued)

The Group had its franchise territory extended to cover Manicaland Province at the end of the financial period. There were some constraints in the supply of key raw materials such as sugar and carbon dioxide which affected market supply during the period under review.

African Distillers

The entity recorded a volume growth of 31% compared to the prior year, driven by the spirits and ready to drink categories. The wine category was adversely affected by the limited trading through on-premise consumption outlets during hard lockdowns.

Schweppes Holdings Africa

The beverage volume was 1% below prior year indicating a notable recovery in main line crushes and syrups and the benefits from the relaunch of the Minute Maid Juice drinks. Volume was further impacted by the limited supply of sugar in addition to the extended COVID-19 lock downs.

Nampak Zimbabwe Limited

The entity is benefiting from the volume recovery in the beverages sector. The order fulfillment rate has been negatively impacted by the shortages of key raw materials such as resins and tinplate from the international markets and the COVID-19 related disruptions to international shipping and freighting.

Financial Performance

In inflation adjusted terms, the reported earnings before interest and tax (EBIT) of ZW$10,7 billion is 32% above prior year. This reflects benefits from the volume recovery, inflation driven stock holding gains and tighter cost management.

In historic cost terms, the Group recorded revenue of ZW$33 billion to achieve a 692% 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 557% over last year. Net finance cost of ZW$195,9 million is a result of settlement discounts on foreign liabilities and foreign exchange gains. The Group remained cash generative closing the year with a net funding of ZW$1,3 billion.

The Group foreign currency exposure from legacy debt arrangement reduced to US$18,8 million. Capital expenditure of ZW$2,2 billion was below planned replacement levels due to foreign currency constraints at the front end of the year. This includes the acquisition of the bottling assets of Mutare Bottling Company.

Outlook

The Zimbabwean economy is projected to recover as the impact of the COVID-19 pandemic declines in response to the mitigatory measures and as the population adapts to living with the virus. The easing of the lockdown restrictions across the region is expected to rekindle economic activity and consumer spending. The improved cereals harvest will restore food security, reduce pressure on foreign currency required for imports and unlock discretionary spending. The businesses in Zimbabwe are expected to record a recovery in volume on the back of improved access to foreign currency through domestic Nostro sales, a stable exchange rate and slower inflation.

The business in Zambia is expected to benefit from the election related activities during the year.

Chairman's Letter to Shareholders (continued)

The Company will continue placing the safety and health of its workers first, abiding by best practice and protocols dictated by the authorities while seeking to leverage any opportunities to recover volume and achieve profitability.

Management Changes

Mr Pearson Gowero steps down, on retirement, as Chief Executive Officer and director of the Company on 30 June 2021, drawing to a close a distinguished career with the Group spanning nearly 25 years. Pearson was appointed as the Chief Executive Officer in June 2012, having joined the Group in March 1997. He started at Chibuku Breweries in marketing and rose to become the Divisional Managing Director. He was appointed to the Delta board in 2003 as Executive Director responsible for the beverages business sales and distribution operations. Mr Gowero was seconded to SABMiller Africa in 2006 where he served as Managing Director of Zambian Breweries Group until his return to Delta as Chief Operating Officer in 2011.

↑ 17%

Lager beer volume grew by 17% compared to prior year. The volume recovery was mostly during the second and third quarters following the relaxation of the COVID-19 restrictions.

Pearson has provided leadership to the Group during a period of significant business challenges in the operating environment.

The Board and management of Delta wish to thank Mr Gowero for his valued contribution to the Group and wish him well in his retirement and future endeavours.

The Board announced on 25 March 2021 that Mr Matlhogonolo Valela had been appointed as Chief Executive Officer with effect from 1 July 2021. Matts has been the Group Finance Director since July 2011. He will immediately assume the role of Chief Operating Officer.

Mr Valela joined the Group in December 1996 and has occupied various roles of increasing seniority in operational finance and accounting, becoming the Group Treasurer in 2003.

Matts is a Chartered Accountant who served articles with Schmulian & Sibanda Chartered Accountants and holds a Bachelor of Technology - Accountancy degree from the University of Zimbabwe. He has participated in leadership and executive development programmes run by leading global institutions.

The Board congratulates Mr Valela on his appointment and is confident that he will leverage his wealth of knowledge, strategic insights and passion to drive business growth.

Mr Alex Makamure has been appointed as the Group Finance Director with effect from 1 April 2021. Alex is currently the Company Secretary and Group Treasurer with functional responsibility for Corporate Affairs and Supply Chain.

Mr Makamure joined the Group in 1998 as Finance Manager at Chibuku Breweries Division becoming Divisional Finance Director in 2002.

He served as the General Manager Finance for the combined beverages business from 2003 until his appointment as Company Secretary in January 2006.

Alex is a Chartered Accountant (FCAZ) who served articles with Coopers & Lybrand. He holds a Bachelor of Accountancy degree from the University of Zimbabwe and a Bachelor of Laws(LLB) degree from the University of London.

The Board congratulates Mr Makamure on his appointment and wishes him success in this position.

Directorate

The Board advises of the pending retirement of the Chairman Mr Canaan Dube who is not seeking re-election at the forthcoming annual general meeting on 30 July 2021. Mr Dube has been a director since 2004 and was Chairman from 2010. The Board pays tribute to Mr Dube for his distinguished service to the Company over the years.

Dividend

The Board declared a final dividend of ZW$105 cents per share to be paid on 06 July 2021. This brings the total dividend for the year to ZW$150 cents per share.

Appreciation

I wish to thank all employees and my fellow Directors for their individual and collective contribution to the health of our Company.

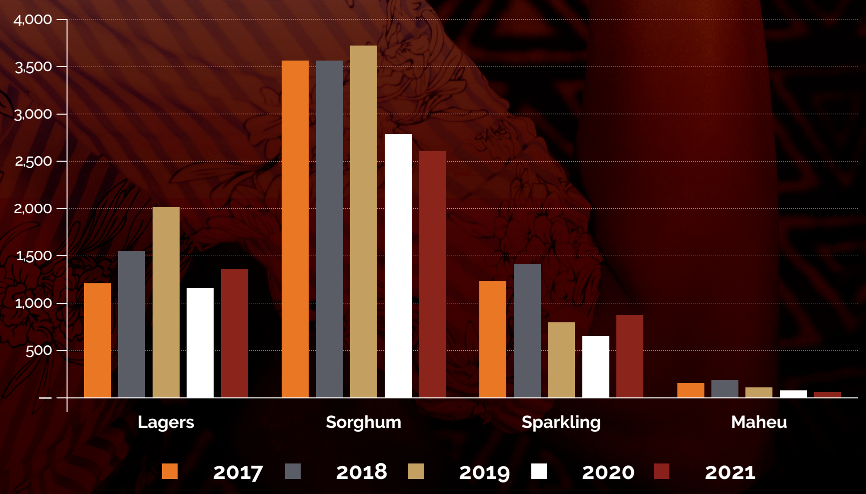
For and on behalf of the Board

CF Dube
Chairman
9 June 2021

REVIEW OF OPERATIONS

Beverages Business Overview

Beverage Volume Performance '000HLS



Beverages Business Overview

We continue to innovate and Build Brilliant Brands, with a clear focus on the core brands. We endeavour to align our customers and consumer preferences with their choice brands and packs and indeed the varied consumption occasions or settings through segmented execution.

- The volume outturn reflects the effects of the COVID-19 impacts on social and economic activities as most countries implemented measures to contain the spread of the virus. The lockdowns, curfews and restrictions on trading and consumptions of beverages were more pronounced in the first and fourth quarters. The businesses in Zimbabwe and Zambia were allowed to operate during most phases of lockdowns albeit at reduced levels. South Africa implemented more stringent bans on the trading in and consumption of alcoholic beverages.
- The Zimbabwean economy experienced a resurgence of hyperinflation with year on year inflation peaking at 837.5% in July 2020. This forced the Group to change pricing frequently in line with the replacement cost pricing model which aims to protect working capital by tracking both exchange rates and inflation. These frequent price changes affected consumer demand.
- The business benefited from the introduction of a foreign currency auction system and partial re-introduction of the multi-currency trading system. The business has generated sufficient foreign currency from domestic sales to cover imports of key raw materials and to reduce the legacy foreign liabilities.
- The Zimbabwe operations witnessed a promising recovery in volumes and profitability benefiting from the more stable pricing in foreign currency and the relaxation of the COVID-19 lockdowns in the second and third quarters. It is noted, however, that to attract the foreign currency, keener US$ prices were rolled out.
- The improved access to foreign currency has allowed the business to reduce the backlog on plant maintenance, replacement and expansion programs.

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.
- The advent of COVID-19 has highlighted the need to redesign outlets in order to meet the hygiene standards, social distancing and other recommended protocols.
- We continue to innovate and **Build Brilliant Brands,** with a clear focus on the core brands. We endeavour to align our customers and consumer preferences with their choice brands and 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**. There were setbacks in F21 due to the reduced direct interface with our customers under COVID-19. The restrictions placed on some channels, consumption settings and occasions limited the consumers' choice of brands and packs. These initiatives will be revived to ensure that our customers access brands and packs that are relevant to their consumer base. We support the Premium category to drive incremental and top line growth whilst the Affordable category ensures that consumers continue to access our high-quality beverages.

- In view of the escalation in inflation and declining disposable incomes, we journeyed on **creating a cost competitive business** through driving a profitable mix and cost containment. This was complemented by strengthening our human capital 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. This is why we are 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 communities that they operate in.
- 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. In the current year, we placed particular emphasis on compliance with COVID-19 protocols and promotion of AT-HOME consumption.

REVIEW OF OPERATIONS

Lager Beer Business

Lager Beer Business

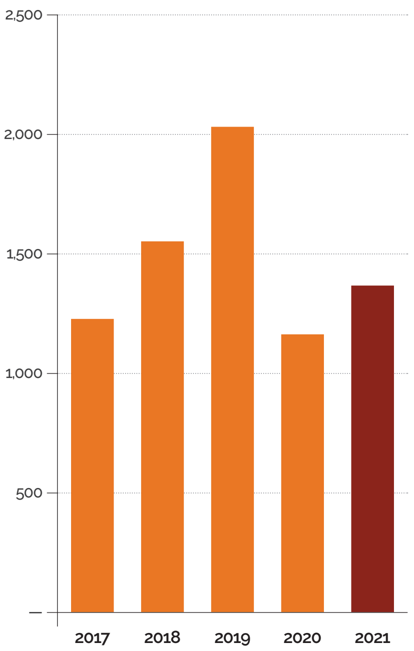
Lager Beer volume at 1.35 million hectolitres for the year F21 was 17% above prior year but still trails the historical average of the post dollarization period.

There was a notable recovery in performance in the second and third quarters following the relaxation of the COVID-19 restrictions. The demand was driven by affordable pricing and the switch to stable US$ pricing in most outlets. There were disparities in local currency retail prices as traders adopted varied approaches to setting prices by applying either exchange rates or tracking inflation factors. The volume was anchored on the mainstream brands led by Castle Lager and Carling Black Label mainly in the quart pack. This was supported by the injection of new glass. There is an ongoing investment program to unlock packaging capacity which is constrained by the limited glass float.

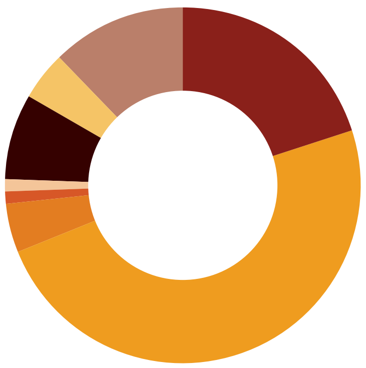
The premium category was negatively impacted by the supply constraints on one-way glass and the downtime on packaging plant. There is a regional shortage of glass due to loss of production capacity during COVID-19 lockdowns.

There were significant changes to the trade channels arising from the COVID-19 regulations. The route to market relied mostly on the supermarket and wholesale channels due to limited delivery windows. Most on-premise outlets such as bars, restaurants and night clubs were closed for extended periods during the year to manage the risk of spreading COVID-19.

Lager Beer Volume Performance - ‘000 HLS



Lager Beer Trade Channel % Sales Contribution



Bar	18%
Bottle Store	44%
General Dealer	4%
Hotels	1%
Restaurants	1%
Supermarkets	7%
Other	4%
Wholesale	11%

We continue to work collaboratively with traders to encourage compliance with the periodic adjustments to trading conditions under the different levels of lockdowns. It is imperative that the alcohol trade remains within formal licenced outlets to avoid slipping into informal channels as a reaction to over-regulation. This included campaigns on adherence to COVID-19 protocols.

The manufacturing platform was largely stable although there were limitations in the packaging capacity due to higher demand for the quart pack, which is preferred for the home consumption occasion. Efforts were made to accelerate plant maintenance, benefiting from the improved access to foreign currency in the later part of the year. The supply of cans has improved. The improvement in access to foreign currency will enable full supply of all brands and packs.

Lager Beer Business (continued)

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 thorough the sponsorship of sport and the arts.

Castle Lager

Castle Lager brought our consumers together safely from the comfort of their own homes during the year through the modified execution of key consumer activations. The brand was at the forefront of spreading awareness on responsible drinking, the COVID-19 virus and adherence to the COVID-19 prevention measures on various social media platforms with emphasis on encouraging at-home consumption. The brand could not leverage on its sponsorship of the Castle Lager Premier Soccer league as well as the Castle Lager Africa 5s campaign as these were cancelled due to COVID-19. The brand however maintained its association with football through engagements with fans on social media platforms. The popular annual Castle Lager National Braai Day Campaign was delivered through social and digital media platforms under the highly impactful *'Braai Pa Den/Braai Edladleni'* promotion. Consumers were encouraged to purchase their Castle Lager as well as braai packs through various online ordering platforms. The Castle Tankard Horse Race could not run during the year due to COVID-19 restrictions.

Carling Black Label

Carling Black Label continued to flight the Carling Champions campaign to celebrate and recognize the daily efforts of hardworking consumers.

Although direct engagements with our consumers in trade were limited due to COVID-19 restrictions, the brand continued to own the Friday consumption occasion through the *"Thank Carling It's Friday"* and *"Carling Vibes"* radio programmes. The highly successful and engaging *"Carling Vibes Xtra Show"* was launched on the brand's Facebook Page. The show was streamed live online and showcased several top local artists. It also carried the Responsible drinking and COVID-19 awareness messaging which was shared on social media platforms whilst encouraging at-home consumption by our Champions.

Premiumize and Invigorate With Zambezi Lager

Zambezi Lager focuses on the outdoor drinking occasion as epitomised by the Mighty Zambezi Bonfire events. The campaign was awarded two Marketing Excellence Awards by the Marketers Association of Zimbabwe for *"Integrated Promotional Campaign of the Year"*, and *"Best Social Media Campaign of the Year"* for 2020.

A complementary new campaign, "The Mighty Zambezians" was launched to identify, celebrate, and reward loyal Zambezi consumers who demonstrate a high level of pride and brand love for Zimbabwe's Own Lager. In addition, the brand participated in the Global Beer Responsibility Day Campaign "The Way of the Zambezians", to raise awareness and educate consumers on the importance of responsible drinking.

Zambezi Lager brand was a proud Gold Sponsor of the Kariba International Tiger Fishing Tournament for 2020.

Castle Lite

Castle Lite continued to differentiate itself through the launch of the Easy Flow Can pack with its trademark "cold" indicators. The brand activations were curtailed by the restrictions on outdoor musical shows.

Golden Pilsener

Golden Pilsener hosted a two-day mentorship boot camp with renowned business leaders, Dr Divine Ndhlukula and Dr Lance Mambondiani as guest speakers. Lucky consumers had the opportunity to experience to interface and benefit from their tutelage.

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.

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. A total of 18 280 tonnes was delivered under the 2020 winter barley scheme from 3 448 hectares grown by our 43 farmers. Over 600 hectares was lost to frost damage and power outages. The average yield declined to 5,3 tonnes per hectare due to the challenges with low irrigation water sources following successive droughts. There is increasing competition from other winter cropping schemes which are generously supported by Government. The Company continues to explore opportunities to improve the returns 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

Sparkling Beverages Business

Sparkling Beverages volume grew by 33% to 0.9million hectolitres. The recovery trajectory remains encouraging despite the adverse impacts of the COVID-19 pandemic.

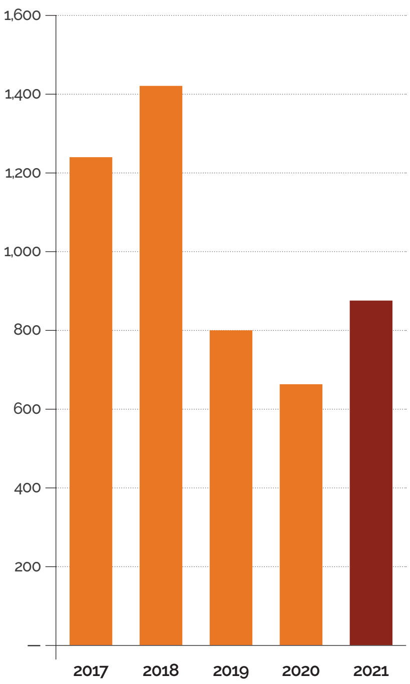
The business benefited from the improved access to imported raw materials as the Group generated foreign currency through domestic sales. Demand was subdued during hard lockdowns which severely limited the social activities and occasions that drive consumption. Product supplies improved during the year although there were some challenges arising from limited availability of sugar and carbon dioxide in the third and fourth quarters. The rollout of the "without sugar" offerings was slower than anticipated due to the reduced marketing activities under the COVID-19 restrictions.

Market share has recovered in response to consistent product supply despite the distortions in selling prices emanating from the disparate sourcing and cost of foreign currency to different players in the market. There was preference for take-home packs and one-way bottles during the lockdowns.

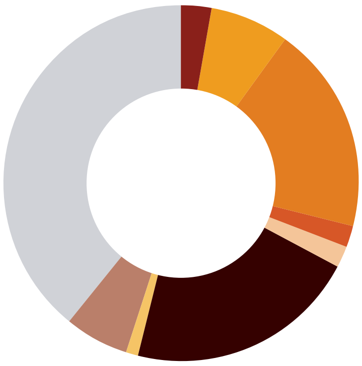
Territory Expansion

The Company will now supply sparkling beverages to the entire country after concluding the purchase of the bottling assets of Mutare Bottling Company in March 2021 who operated the franchise covering Manicaland.

Sparkling Beverages Volume Performance - '000 HLS



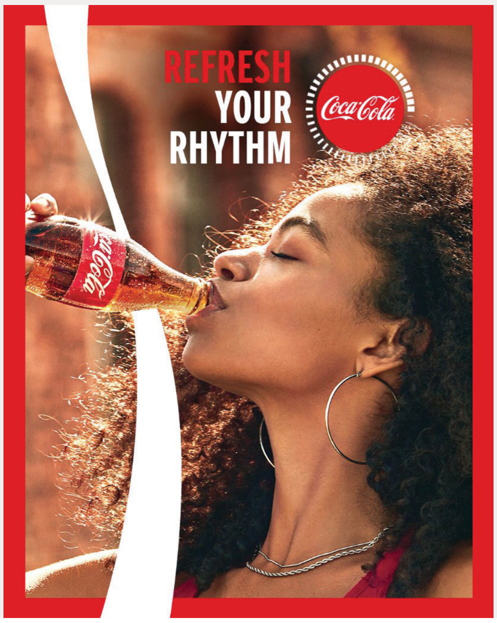
Sparkling Beverages Trade Channel % Sales Contribution



Bar	3%
Bottle Store	7%
General Dealer	19%
HORECA	2%
QSR	2%
Supermarkets	21%
PFM	1%
Other	6%
Wholesale	39%

The transaction will ensure a more effective utilisation of the production and distribution capacity and also ensure that our consumers in Manicaland can access the full range of Coca-Cola brands and packs.

During the lockdowns, trading was limited to fewer channels mainly wholesalers and supermarkets. We are working collaboratively with the authorities to upgrade and rationalise the location of the informal markets for compliance to WHO COVID-19 guidelines and through provision of suitable vending equipment. A total of 500 vending trolleys were distributed during the period of which 470 went to female vendors.



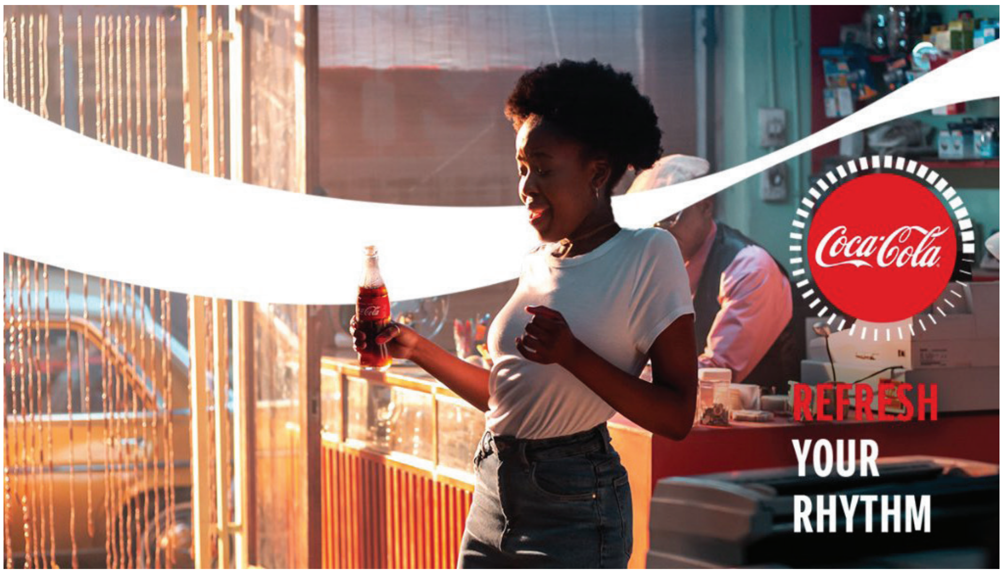
Sparkling Beverages Business

In The Market With Our Sparkling Beverages Brands

The key brand sponsorships could not be executed due to the COVID-19 pandemic, and the resultant lockdowns imposed by the authorities. Focus was shifted towards the COVID-19 Response campaign which included the "Stay Safe" messaging.

The "Stay Safe" COVID-19 response campaign was meant to advocate for "at home" consumption through the "Take Me Home" displays on 1L and 2L packs. We also partnered with online food aggregators who were organising home deliveries during the lockdown periods. We remain focused on ensuring our brands and packs are available for those wishing to order through online platforms.

"Stay Safe" COVID-19 Response Message Stay Safe Instore Display Activations



The brand amplified its refreshment credentials through radio commercials on radio and television under the "Refresh Your Rhythm" campaign.

The Coca-Cola brand is expected to resume sponsorships of its flagship sporting and musical properties as the country readjusts from the ravages of the COVID-19 pandemic.

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.
- This year, the Zimbabwe Chapter of The Coca-Cola Women's Linc spearheaded the construction of classroom blocks at Cheuchi in Mhangura district. The women's LINC is a network of women employed in the Coca-Cola system that is focused on establishing work environments as great places for women to flourish and grow.

REVIEW OF OPERATIONS

Maheu Business

The Maheu business remained depressed due to challenges on the supply of key ingredients and packaging materials.

There are concerted efforts to align value chain costs in order to avail competitively priced beverages. The product category faces competition from alternative meal replacement products and has seen increased interest from new players.

The Shumba Maheu Brand sponsorships of various schools sporting activities were curtailed due to the COVID-19 pandemic.

REVIEW OF OPERATIONS

Sorghum Beer Business – Zimbabwe

Sorghum Beer Business – Zimbabwe

REVIEW OF VOLUME PERFORMANCE

The volume for the year of 2,6 million hectolitres was 7% below prior year.

The volume decline was largely a result of the COVID-19 pandemic restrictions on the operations of the key trading channels such as bars, bottle stores and the on-premises consumption liquor outlets. Access into rural markets was constrained by the limited trading hours due to lockdowns and curfews. The performance gradually improved as the lockdown measures eased. The contribution of Chibuku Super grew to 81% from 65% in the prior year, as the traders preferred the longer shelf-life product compared to the standard Chibuku in the Scud returnable bottles.

The retail prices increased frequently during calendar year 2020, reflecting the faster inflation and the cost pressure from imported materials such as maize and packaging.

Trade Channel Performance

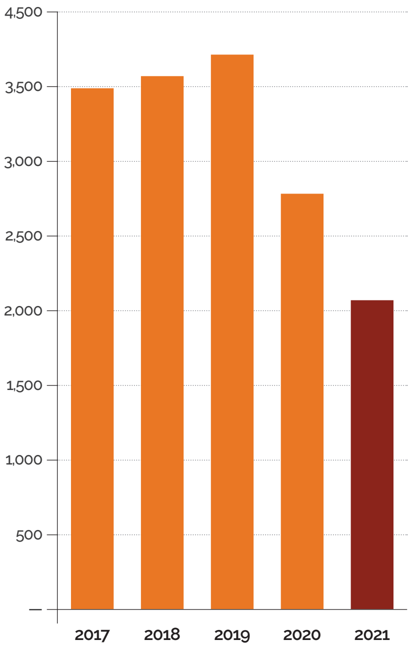
The trade channel performance indicates a growth in the wholesale and supermarket contribution and declines in bars, bottle stores and other on-premise consumption outlets as the latter category operated intermittently under the lockdown regulations.

The Company continues to work collaboratively with the authorities and traders to lessen the impact of periodic changes to trading conditions as lockdown levels are adjusted. There have resulted in financial losses from product expiry.

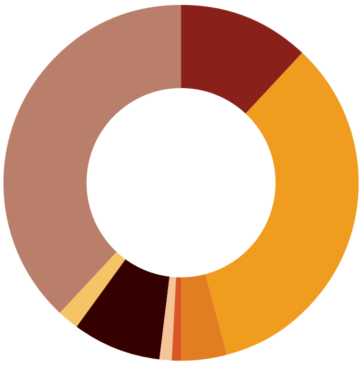
Nourishing The Bonds Of Brotherhood

We continue to connect and engage with consumers through the 'Forever' campaign which aims at anchoring the brand ethos as the catalyst that nourishes the bonds of brotherhood whilst celebrating the everlasting goodness of the Chibuku product.

Sorghum Sales Volumes HL (000s)



Sorghum Beer Trade Channel % Sales Contribution



Bar	12%
Bottle Store	34%
General Dealer	4%
Hotels	1%
Restaurants	1%
Supermarkets	8%
Other	2%
Wholesale	38%

Sorghum Beer Business – Zimbabwe

Rewarding Our Consumers

We continue to foster bonds of friendship with our loyal consumers through promotions such as the Chibuku Double-Double and Chibuku Super Surprise. The winning consumers were rewarded with exciting prizes such as cellphones, gas stoves, fridges, solar systems and branded merchandise. We have enhanced the use of secure digital platforms to run promotional draws in order to conform with the COVID-19 protocols.

Chibuku Super Soccer Cup – Kicked Into Touch By Covid-19

The 2020 addition of the Chibuku Super Cup could not run due to the COVID-19 pandemic. This will return in 2021 with an improved sponsorship package and format.

Promoting Responsible Drinking

The 'Responsible Drinking' campaign was rolled out to educate consumers on the importance of drinking safely and to encourage traders to adhere to COVID-19 operating guidelines. This included an advert which was aired on ZTV and radio, posters, social distancing stickers and free masks supplied to outlets. The messaging also advocated drinking from home during lockdowns.

Celebrating Our Culture And Safeguarding Our Heritage

Unfortunately, the COVID-19 pandemic resulted in the cancellation of our annual events such as Chibuku Neshamwari Traditional Dance Festival and Chibuku Road to Fame through which we celebrate and showcase our rich musical heritage and explore new talent. The brand is synonymous with sharing, friendship and cultural heritage, whilst exploring opportunities to fuse with contemporary dance and music genres to connect with the younger generations.

Growing Livelihoods With Sorghum

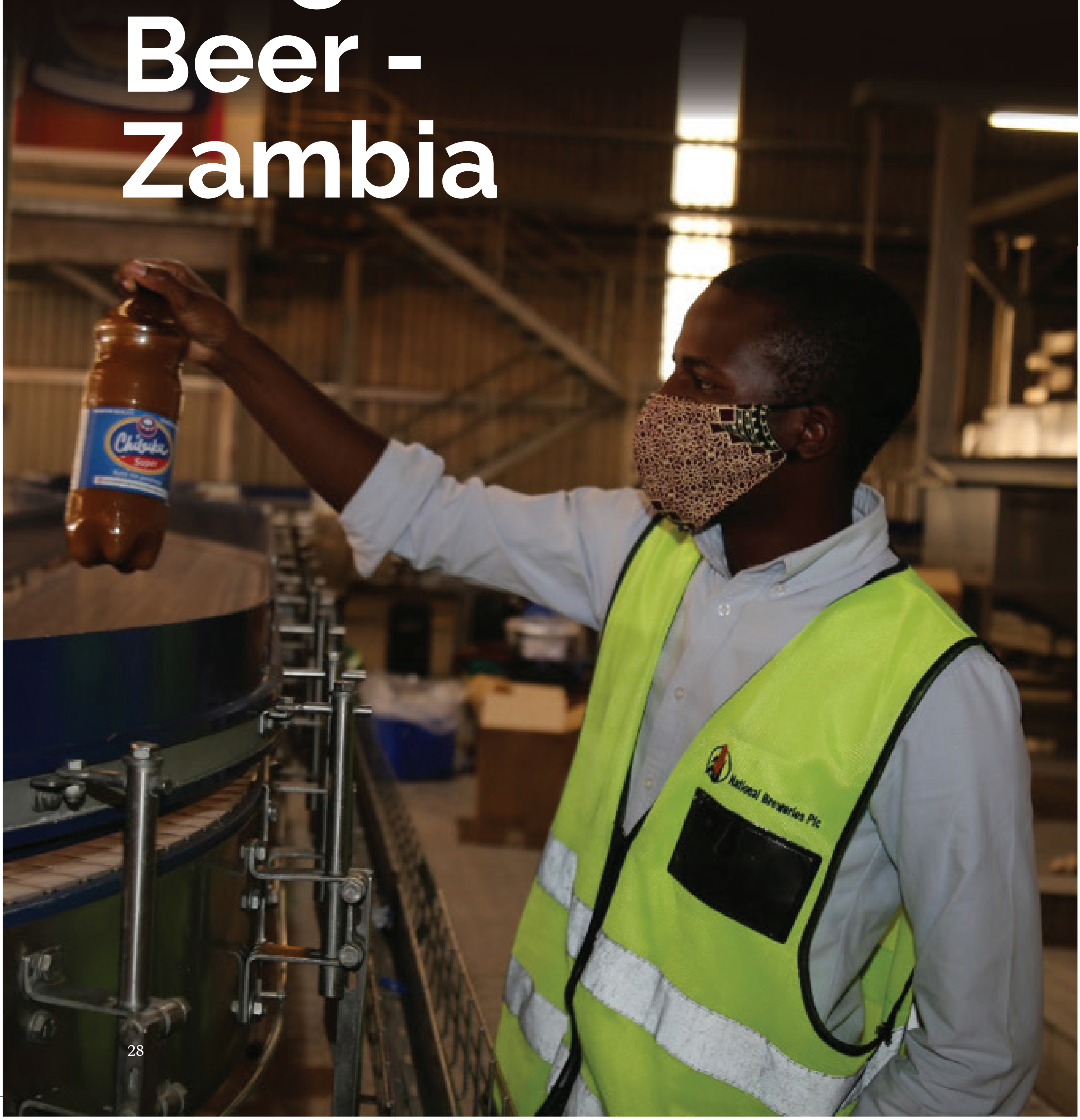
Our sorghum contract scheme had to source 13 000 tonnes of grain. The output from the 2019/20 contracts was severely impacted by the drought, thus forcing the business to supplement with imported grain and malt from the region. The scheme contracts both commercial, communal and small-scale farmers to grow sorghum. Over 10 000 communal/ small scale farmers and 50 commercial farmers have been contracted for the 2020/2021 season which promises to register improved yields in view of the good rains and improving agronomic practices. The contract scheme impacts and uplifts the livelihoods of close to 10 300 families.

Growing Our Capabilities

The Business continues to invest in the development of both capital equipment and human capabilities. Whilst there were setbacks arising from the COVID-19 pandemic, training and development programs continued to run benefiting from the upgrade of digital platforms which allow remote learning. Linkages were developed with the original equipment manufacturers which allow online training of technical teams and the diagnosis and solving of equipment breakdowns.

REVIEW OF OPERATIONS

Sorghum Beer - Zambia



Sorghum Beer - Zambia

REVIEW OF VOLUME PERFORMANCE

The volume outturn at 0.8 million hectolitres was 6% above the previous year reflecting a very difficult and constantly changing trading environment.

The COVID-19 pandemic posed a unique challenge to the Traditional Beer industry as the operations of bars and other key trade channels were closed or severely restricted. This resulted in the shorter shelf life products such as Shake Shake and Scud being withdrawn from the market. This created space for the competitors' illegal bulk beer offerings. The business was, for some period able to respond through the longer shelf life Chibuku Super which remained accessible through wholesalers and Supermarkets. The growth in the illegal bulk beer products has also been spurred by the declining macro-economic conditions which result in consumers settling for cheaper lower quality products. There are ongoing engagements with regulators on the need to enforce legal compliance in the sector in order to protect the consumer by offering quality certified products and to create a level playing field.

Joining the fight against COVID-19

National Breweries joined the fight against the COVID-19 pandemic by donating cash to the Ministry of Local Government to assist in the enforcement of the health and safety protocols. There were also donations of PPE and hand sanitisers to the Lusaka, Ndola and Kitwe City Councils for use by frontline staff.

Our brands intensified the communication of the awareness and safety messages through the press and social media.

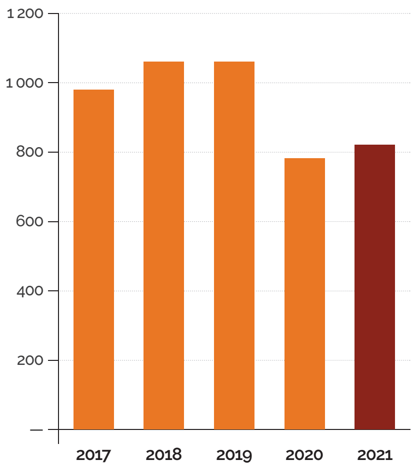
Safely connecting with consumers

The Chibuku Super #PaBondiNiZii encouraged consumers to enjoy their favourite Chibuku Super brand in the safety of their homes.

Improving our capability

There are ongoing initiatives to improve the production capacity by accelerating the restoration of key plant, addressing process losses and focusing beer quality. The business is benefitting from working collaboratively with colleagues from Delta Beverages to impart new skills, support the graduate trainee program and put in place standard operating procedures across the business.

Volumes in 000s HL



Sorghum Beer - South Africa

Sorghum Beer - South Africa

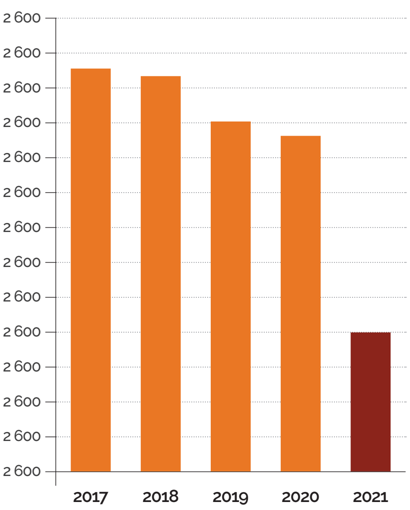
INTRODUCTION TO UNITED NATIONAL BREWERIES (UNB)

The leading producer of Traditional African Sorghum Beer.

Busines Overview

- UNB is South Africa's leading producer of traditional African sorghum beer.
- Holds a leading market position in the non-clear beer space in South Africa.
- Currently operates 2 Breweries, Tlokwe and Phelindaba that are located in the North West and Gauteng Provinces of South Africa.
- There are currently 42 depots in use; 20 of which are owned, the remainder being rented over periods of 6 to 12 months.
- Also owns Isithebe malting plant in KwaZulu Natal.
- Majority of company's product is sold in the Northern and Eastern regions of South Africa and UNB has placed its brewery and depot network accordingly.

Sorghum - South Africa Volume Performance - HLS'000



The Company has a rich History

Pre 1990

→ Started out as scattered breweries under the control of various Development Boards, Municipalities and Management Boards.

1990

→ Operations were amalgamated under the control of Industrial Development Corporation.

1991

→ UNB is privatised and listed on the Johannesburg Stock Exchange (JSE).

2002

→ UNB is delisted from the JSE. Company also acquires the iconic Chibuku brand.

Post 2012

→ Diageo plc (Diageo) acquired a 50% stake in UNB in **2012** and increased its holding to 100% in **2015**.

2020

→ Delta acquision completed in April 2020.

The Sorghum Beer volume for the year to March 2021 declined by 58% to 0.8 million hectolitres as the business operated intermittently due to the COVID pandemic lockdowns, alcohol trade and consumption bans and related restrictions on Off-Premise Consumption limitations as well as the related economic downturn. The restrictions on weekend trading affected the peak consumption periods for this sector. The retail trade could not hold sufficient stock of the short shelf-life products due to the high risks of product expiry and the short lead times given on each variation of the lockdown orders.

The pack mix moved in favour of the 1 litre pack in response to the safety concerns around bulk packs in an environment of COVID-19.

The strict alcohol bans resulted in the mushrooming of home brews and illicit liquor trade.

Sorghum Beer - South Africa (continued)

Our Route to Market

The market is serviced through a national footprint of 42 distributors and depots which operate on a call and collect basis. The depots also cover deliveries to outlets through Direct Driver Sales Persons (DSP). Most liquor traders experienced viability challenges and would require support to re-establish their enterprises arising from the limited trading in 2020 and the losses arising from beer expiry. The focus is on growing the outlet universe and improving the ambiance in bars.

Direct delivery	8%
DSP Delivery	31%
Call & Collect	61%

New Consumption Moments

We are expanding our capacity to tap into the dry beer market which feeds into the home brew market. In this vein a dry beer plant was commissioned at Tlokwe Brewery to package both Commercial Malt and Instant Beer Powder. The malt is fed from the malt plant at Isethebe in Kazulu Natal.

Sorghum Beer - South Africa (continued)

Non-Acholic Offering

The Company produces Ukhozi Mageu as its primary non-alcoholic offering. The sales of Maheu declined during the year due to the closure and/or reduced activity at mines and schools. The focus is on expansion of the flavour range.

Our Production Footprint

In view of the depressed volume and distruptions arising from COVID-19, the production was done from Phelindaba Brewery whilst the Tlokwe plant was used for Maheu and the new instant beer powders. This unfortunately increases the cost of freighting product across the country. The impact of utility outages also becomes more pronounced.

The malt plant at Isethebe has been increased to cater for the malt channelled towards beer powders and commercial malt sales.

Growing Sorghum Supplier Relationship

UNB has been the proud supplier of quality Sorghum Beer for many years and recently expanded its product range through the introduction of dry base products needed in the market. This will increase requirements for sorghum grain.

United National Breweries partners with some twenty farmers annually to grow and supply sorghum for malting and brewing. This partnership is in line with the country's broad based black economic empowerment (BBBEE) programs. There are plans to expand this program to other less privileged farmers in the Eastern Cape and Kwa Zulu Natal provinces.

REVIEW OF OPERATIONS

Transport and Logistics

Transport and Logistics (continued)

The Company endeavours to improve the route to market and distribution logistics for the convenience of our customers. The business advocates 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. There are ongoing improvements to our digital platforms to broaden the e-commerce offerings in a secure environment.

The Company operates an internal fleet of prime movers, trailers and forklifts primarily focusing on direct to store deliveries across the country. The fleet is maintained through our network of workshops countrywide. In this financial year, our fleet travelled a combined total of 9.5 million kilometres, down on prior due to the lower business activity arising from the COVID-19 pandemic.

About 90% of the freighting volume was moved by internal fleet, as the business focuses on fleet utilisation and vehicle turnaround. The freighting fleet is being deployed to service subsidiary and associate companies.

There is continuous training of drivers to operate new vehicle models with particular focus on road safety. The localised training school continues to collaborate with the Traffic Safety Council of Zimbabwe to create awareness and enhance 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 the 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 conflicts of interest that do arise.

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 imported inputs has been challenging particularly due to the shortages of foreign currency and the pricing distortions characterising the Zimbabwean economy. The Company's financial dealings have strictly been in accordance with the laws and regulations in each market.

REVIEW OF OPERATIONS: SUBSIDIARIES

African Distillers Limited

African Distillers Limited (continued)

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

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

Afdis posted a 31% growth in volume for the twelve months to March 2021 whilst revenue grew by 750% in historical cost terms. The volume performance was driven by the spirits and ready to drink categories. The wines category was adversely affected by limited trading in key on-premise consumption outlets such as restaurants which were periodically closed under the COVID-19 lockdowns.

The business benefits from its association with Distell who are also one of the major shareholders who avail on franchise basis their brands and technical assistance to the business.

REVIEW OF OPERATIONS: ASSOCIATES

Schweppes Holdings Africa Limited

Schweppes Holdings Africa Limited (continued)

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

The product portfolio currently includes cordials, fruit juices, bottled water and iced tea. The Company has value chain investments, BeitBridge Juice Company which processes fruit juices mainly oranges and Best Fruit Processors which produces tomato paste for both local and export markets.

The entity achieved revenue of ZW$3.3 billion for the financial year to December 2020 (in historical cost terms), an increase of 590% over prior year. The beverages volume declined by 1% for the year to March 2021, indicating some recovery in the second half of the year following the disruptions arising from the COVID-19 related lockdowns in the first half. The business benefited from the improved access to foreign currency through domestic sales and the auction platform. There were, however, some product supply outages in the quarter to 31 March 2021 due to limited supplies of sugar. The Minute Maid Juice drinks were re-launched during the year in a refreshed look and increased flavour range. There was improved supply of processing fruit as the company supported farmers with inputs and extension services.

Revenue

590%

The entity achieved revenue of ZW$3.3 billion for the financial year to December 2020 (in historical cost terms), an increase of 590% over prior year

REVIEW OF OPERATIONS: ASSOCIATES

Nampak Zimbabwe

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 Limited's Zimbabwe 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

Nampak reported some notable volume recovery at MegaPak and Carnaud MetalBox in the half year to 31 March 2021 driven by beverages related packaging materials. Hunyani recorded improved sales into the commercial sector, reflecting overall business recovery as the lockdowns are relaxed. Performance during calendar year 2020 was negatively impacted by the COVID-19 induced economic decline and the inadequate foreign currency required for imported materials. Exports into the region have slowed down due to loss of competitiveness arising from hyperinflation and the mandatory surrender of 40% of export proceeds.

Report of the Directors

The Directors present their 74th Annual Report together with the Audited Financial Statements of the Group for the year ended 31 March 2021.

Year's Results

The year's results are presented in Zimbabwean Currency ZW$ which was promulgated as the functional currency in the country in February 2019. The Group reports inflation adjusted financials in line with IAS 29. This report is based on the historical cost figures.

	ZW$'000
Revenue	33 206 284
Operating Income	8 646 267
Net Finance Income	(195 911)
Share of Associates Income	583 419
Profit Before Tax	9 033 775
Profit attributable to Owners	7 389 557
Less Dividends	
Dividends Paid (total 45 cents per share)	578 776
Dividends Declared (total 105 cents per share)	1 350 803
Add	
Distributable Reserves at the beginning of the year	1 553 466
Distributable Reserves at the end of the year	6 961 015

Property, Plant And Equipment

Capital expenditure (inclusive of returnable containers) for the year to 31 March 2021 totalled ZW$156,0 million. The capital expenditure for the year to 31 March 2021 is planned at ZW$256 million. The Company purchased the bottling assets of Mutare Bottling Company during the year. The Company acquired United National Breweries (Pty) Limited, a manufacturer of traditional sorghum beer in South Africa at the beginning of the financial year.

Associates

The Company's effective shareholding in Schweppes Holdings Africa Limited is at 49% and 21,46% in Nampak Zimbabwe.

Share Capital

The authorised share capital of the Company has been restated to ZW$ at ZW$14,0 million comprising 1 400 000 000 ordinary shares of ZW$0,01 (one cent) each. A total of 7 650 365 shares were allotted in accordance with the share option schemes. The ordinary shares in issue are 1 292 111 555.

Accordingly, the issued share capital is now ZW$101,4 million comprising nominal capital of ZW$12,9 million and share premium of ZW$88,5 million. The number of shares currently under option is 34 508 000 of which 34 495 000 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 an interim dividend of ZW$45 cents per share and a final dividend of ZW$105 cents per share. This brings the total dividend in respect of the year ended 31 March 2021 to ZW$150 cents per share.

Reserves

The movements in the Reserves of the Group and the Company are shown in the Consolidated Statement of Comprehensive Income, Group 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 2020. The authority is due to expire at the conclusion of the next annual general meeting in July 2021. 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 2021.

Report of the Directors (continued)

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. 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' of the directors are set out on pages 146 to 149. Mr S J Hammond retired from the board at the conclusion of the annual general meeting on 31 July 2020 having served as a director since 2000. Mr J Mushosho was appointed to the Board on 1 August 2020. Mr A S Murray resigned from the Board on 6 November 2020 after serving as a director since 2017. He was replaced by Mr R T Rivett-Carnac on the same date. Mr Rivett-Carnac was serving as his alternate.

Mr P Gowero is scheduled to retire from the Company and as a director on 30 June 2021. He was appointed as the Chief Executive Officer in June 2012, having joined the Group in 1997. He will be replaced as Chief Executive by Mr M M Valela. Mr A Makamure was appointed to the Board on 1 April 2021 as the Executive Director - Finance.

Mr C F Dube retires from the Board and as Chairman at the conclusion of the next annual general meeting on 30 July 2020. Per policy, Mr L E M Ngwerume retires annually whilst Mr J A Kirby is due to retire by rotation. Messrs J Mushosho and R T Rivett-Carnac retire at the end of their interim appointments. 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 18 of the financial statements.

Auditors

Members will be asked to appoint Ernst & Young as Auditors for the Company for the ensuing year. Deloitte & Touche, who have been auditors have been rotated out in line with the provisions of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Regulations.

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 guiding framework and also draws guidance and best practices from the Belgian Code on Corporate Governance. 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.

Annual General Meeting

The 74th Annual General Meeting of the Company will be held at 1230 hours on Friday 30 July 2021 as a virtual meeting and partial physical attendance at the Registered Office of the Company at Sable House, Borrowdale, Harare.

By Order of the Board

C F Dube	P Gowero	A Makamure
Chairman	Chief Executive	Company Secretary
		9 June 2021

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 have been aligned to the provisions of the new COBE Act.

A Makamure
Company Secretary
9 June 2021

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 146 to 149.

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 2020 to 31 March 2021)

NAME OF DIRECTOR	Main Board/AGM		Audit Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Mr P Gowero	6	6	2	2	5	5
Mr C F Dube	6	6	—	—	5	5
Mrs E Fundira	6	6	—	—	3	3
Mr S J Hammond	3	3	—	—	3	3
Dr C C Jinya	6	6	2	2	—	—
Mr J A Kirby	6	6	2	2	3	3
Mr T Moyo	6	6	2	2	—	—
Mr A S Murray	5	5	1	1	—	—
Mr J Mushosho	3	3	—	—	—	—
Mr LEM Ngwerume	6	6	—	—	3	3
Mr R T Rivett-Carnac	3	3	1	1	—	—
Ms L A Swartz	6	6	—	—	3	3
Mr M M Valela	6	6	2	2	—	—

- Messrs S J Hammond and A S Murray resigned from the Board during the year, whilst Messrs J Mushosho and R Rivett-Carnac joined during the year.
- The membership of committees was altered during the year

Report of the Remuneration Committee

The Remuneration Committee submits its second 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 Director's 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.

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.

Report of the Remuneration Committee (continued)

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.

Key Activities During The Current Year

The key activities of the Committee related to:

i) **Remuneration and Board Fees:** Zimbabwe experienced a surge in inflation, an unstable exchange and adverse impacts on the business arising from the COVID-19 pandemic. Austerity measures were adopted to manage the payroll cost whilst maintaining a reasonable reward to employees. More frequent pay and fees adjustments were implemented to respond to the rise in inflation.

ii) The Share Appreciation Rights Scheme 2020 was presented to and approved at the July 2020 annual general meeting. Grants were made from both the 2018 and 2020 share schemes.

iii) The Committee was tasked with process of selecting and recommending to the Board the Chief Executive Officer and other senior management positions.

iv) Review of the Committee's terms of reference to align with the Board Charter, the revised Articles of Association and legislation.

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 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.

	HISTORIC COST
	At March 2021 ZW$ Annual
Base Fee	
Board Chairman	2 532 000
Other Directors	1 553 000
Committe Chair	
Audit	1 553 000
Remuneration	776 000
Nominations	388 000
Committe Membership	
Audit	966 000
Remuneration	388 000
Nominations	388 000

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

	HISTORIC COST	
	2021 ZW$'000	**2020 ZW$'000**
Short Term	**324 840**	26 637
Post-Employment	**23 637**	3 275
Share Based	**24 819**	3 373
Total Directors and Key Management	**373 296**	**33 285**
Included in the amounts above are the following with respect of directors' emoluments:		
For services as directors	**17 885**	2 734
For managerial services	**121 893**	10 330
	139 778	**13 064**

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 ZW$281,1 million (2020 – ZW$42,9 million).

Retirement of Remuneration Committee Chairman

The Committee pays tribute to the former committee chairman, Mr S J Hammond who retired from the Board on 31 July 2020.

Signed on Behalf of The Board

L E M Ngwerume
Remuneration Committee Chairman

Report of the Audit Committee

The Audit Committee submits its 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, as the country uses a dual currency framework despite the promulgation of the of ZW$ as the sole legal tender whilst it remains permissible to use foreign currency to settle domestic transactions. There is a discernible disparity between the official auction exchange rate and the widely applied market exchange rates. The 2020 Auditors' Report contained a modified opinion on the financial statements in relation to the opening balances arising from the change in the functional currency from USD to ZW$ in February 2019.

iii) The appropriateness of the going concern basis of accounting was debated, noting the macro-economic instability in Zimbabwe and the adverse impacts of the COVID-19 pandemic. The businesses in Zimbabwe and Zambia were allowed to operate, albeit at reduced levels, during the various levels of lockdowns and restrictions implemented to mitigate the spread of the virus. The South African business traded for limited periods during the year due to stringent bans on sale or trading in alcoholic beverages.

iv) The exchange rate risk relating to foreign liabilities has been reduced significantly as the business is generating sufficient foreign currency through domestic sales. The legacy foreign liabilities are covered by the settlement arrangements with the Reserve Bank of Zimbabwe.

v) 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, estimation of the containers in the market and the assessment of impairment assets.

vi) The Committee noted that the tax legislation in Zimbabwe with respect to currency of settlement of certain taxes and the transitional arrangements to use ZW$ as the functional currency creates 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.

Report of the Audit Committee (continued)

- Received reports from the Audit Manager on identified frauds and losses. Of concern was the heightened risk of thefts and robberies as the country reverted to the use of foreign currency cash. No major occurrences were reported during the year. The work also 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, Information Communication Technology governance and network security.
- The Committee received representations from Management under the Bi-Annual Letter of Internal Representation which incorporates reportable issues relating to workplace 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 high inflation in Zimbabwe and Zambia and the tight cashflow position of the foreign subsidiaries as they were adversely affected by the COVID-19 lockdowns and changes to the business operating environment.

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 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 considered the Practice Guidelines from the Zimbabwe Stock Exchange with respect to audit firm rotation and undertook a selection of new auditors.

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

Change of Auditors

The Board approved the appointment of Ernst & Young Chartered Accountants as the auditors for the F22 financial year. The Committee members extend their appreciation to the outgoing auditors, Messrs Deloitte& Touche.

T Moyo
Audit Committee Chairman


A LEGACY OF EXCELLENCE
FINEST BEER OF AFRICA
Charles Glass
FOUNDER BREWMASTER
CASTLE
LAGER
Alcohol may be hazardous to health if consumed in excess, the operation of machinery or driving after the consumption of alcohol is not advisable
INTERNATIONALLY ACCLAIMED
BREW OF DISTINCTION
DEDICATED TO QUALITY
1895
CASTLE
LAGER

Annual Financial Statements

for the year ended 31 March 2021

Directors' Responsibility for Financial Reporting

for the year ended 31 March 2021

Delta Corporation Limited's (Group and Company) ("Delta") directors are required by the Companies and Other Business Entities Act (Chapter 24:31) 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 inflation adjusted consolidated and separate 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 inflation adjusted consolidated and separate financial statements incorporate full and responsible disclosure in line with the International Financial Reporting Standards and best practice.

The directors have reviewed the Group's budget and cash flow forecast for the year to 31 March 2022. 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 inflation adjusted consolidated and separate financial statements and their report appears on pages 53 to 60.

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 Group's and Company's internal financial control process. The control system includes written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility for operating the system is delegated to the executive directors who confirm that they have reviewed its effectiveness.

They consider that it is appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal financial control system is monitored through management reviews, representation letters on compliance signed by the senior executive responsible for each major entity and a comprehensive program of internal audits. In addition, the Group's and 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 inflation adjusted consolidated and separate financial statements have been prepared under the supervision of A Makamure FCA(Z), Executive Director Finance, a registered Public Accountant, PAAB Number P0318, and have been audited in terms of the Companies and Other Business Entities Act (Chapter 24:31).

The inflation adjusted consolidated and separate financial statements for the year ended 31 March 2021, which appear on pages 61 to 123 were approved by the Board of Directors on 29 May 2021 and are signed on its behalf by:

C F Dube
Chairman

P Gowero
Chief Executive Officer
9 June 2021

Deloitte.

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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

Opinion

We have audited the inflation-adjusted consolidated and separate financial statements of Delta Corporation Limited (the Group and Company) set out on pages 61 to 123, which comprise the inflation-adjusted consolidated and separate statements of financial position as at 31 March 2021, and the inflation-adjusted consolidated and separate statements of profit or loss and other comprehensive income, the inflation-adjusted consolidated and separate statements of changes in equity and the inflation-adjusted consolidated and separate statements of cash flows 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, the inflation-adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of the Delta Corporation Limited as at 31 March 2021 and its inflation adjusted consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of inflation adjusted consolidated and separate financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation-adjusted consolidated and separate financial statements of the current period. 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.

Independent Auditor's Report (continued)

Report on the audit of the inflation-adjusted consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in the audit
Valuation of RBZ legacy debt asset	
As a result of foreign currency shortages in the country, the Group was constrained in regard to settlement of its foreign obligations as they fell due, in respect of loans and for supplies. This led to the accumulation of its long-outstanding foreign liabilities, amounting to US$92 million as at 22 February 2019, comprised of loans of US$43 million and payments due to suppliers of US$49 million. The Group agreed on a settlement plan with the Reserve Bank of Zimbabwe ("RBZ") based on the exchange control directives RU102 and RU28 of 2019 on the long-outstanding foreign liabilities as at 22 February 2019. The Group registered these foreign liabilities with the RBZ as required by those regulations, and in the prior year transferred to the RBZ the ZW$ equivalent of the foreign liabilities at a rate of US$1:ZW$1. Per the settlement plan, the Group was to procure the necessary foreign exchange from the interbank market and settle its legacy debts, whereupon the RBZ would then refund the amount of the foreign exchange, so settled at the ruling interbank rate of the day. In the current financial year, the Group managed to access minimal amounts of foreign exchange through the foreign currency auction, with foreign currency sales being the Group's primary foreign currency generator. It is this earned foreign currency that the Group has been using to expunge its legacy obligations. The valuation of this RBZ receivable as a financial derivative is both quantitatively and qualitatively material to the Group's financial statements, and requires certain subjective management assumptions to be made with respect to the discount rate to be applied, the country risk premium to be used therein, the cash flows arising annually and the spot exchange rate to be used. Note 4.21 to the inflation-adjusted consolidated financial statements includes details on the accounting policies pertaining to the embedded derivatives. Note 10 further provides detailed information with respect to the legacy debt.	In addressing the key audit matter, we performed the following procedures: • Reviewed the relevant Statutory Instruments and Exchange Control Directives issued by the RBZ in respect of legacy debts and blocked funds to establish their applicability to, and implications on the Group; • Reviewed written communications and undertakings between the Group and RBZ in respect of the Company's legacy debts; • Verified payments to RBZ by the Group in the current year to cover additional legacy debts being registered in the current year; • Assessed the competency, objectivity and independence of management's expert; • Reviewed calculations in respect of the valuation and proposed accounting treatment of the Group's financial asset submitted by the Group's management's expert to ensure alignment with our expectations; • Assessed the inputs into the valuation model for reasonableness, accuracy and completeness; • Performed re-computations of management's expert's calculations; and • Evaluated the appropriateness and adequacy of the financial statement disclosures. The valuation of the RBZ Blocked Funds/Legacy Debts was found to be appropriate and in line with the relevant financial reporting standards, together with the disclosures made in the inflation adjusted consolidated financial statements.

Independent Auditor's Report (continued)

Report on the audit of the inflation-adjusted consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in the audit
Impact of going concern matters arising at the foreign subsidiaries on the Group	
As disclosed in Note 30, the Group's foreign subsidiaries, United National Breweries (Proprietary) Limited ("UNB") South Africa and National Breweries Plc ("Natbrew") Zambia, have recorded losses in the current financial year, with these losses subsisting for a lengthy period of time in the case of Natbrew. The impact of Covid-19 in the current year has further worsened business performance across the foreign jurisdictions in which the Group's foreign subsidiaries operate. Management have performed forward looking assessments in assessing the future outlook of these foreign entities. The nature of these assessments involves significant judgement and complexities. Whilst the Group has pledged continued operational and financial support to its foreign subsidiaries, further uncertainty in respect of the ability of these subsidiaries' ability to continue in operation as going concerns for the foreseeable future results from the fact that the impact of Covid-19, going forward, remains relatively unknown, as well as forecasted cash flow deficits in respect of Natbrew that are yet to be adequately mitigated.	Our audit procedures involved evaluating the impact of the conclusions made by the auditors of the Group's foreign subsidiaries on the overall going concern assumption of the Group. In doing so we performed the following procedures: • Robustly challenging the component auditors of Natbrew and UNB in respect of their assessment of the entities' ability to continue in operation as going concerns for the foreseeable future, through meetings discussing the financial and operational state and health of the operations, as well as current and forecasted impact of Covid-19 on the businesses; • Held discussions with Group management to understand their plans to sustain the foreign businesses into the foreseeable future; • Reviewed the Group's forecasted budgets and stress tested these to evaluate the impact of support that has been committed by the Group on its going concern status; • Evaluated the reliability and reasonableness of the inputs into management's forecasts, budgets and cash flows models; and • Reviewed the disclosures made by management for adequacy with regards to the conclusions made for the foreign subsidiaries. We concluded that, while the foreign subsidiaries' ability to continue in operation as going concerns into the foreseeable future was challenged, overall the Group remains a going concern for the foreseeable future, and that the disclosures contained in the financial statements are appropriate and adequate.

Independent Auditor's Report (continued)

Report on the audit of the inflation-adjusted consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in the audit
Determination of uncertain tax matters	
As disclosed in Note 11.4.2, the interpretation of fiscal legislation in Zimbabwe is complex and has, in instances, resulted in differences of interpretation of the relevant legislation, specifically regarding the currency of settlement of certain tax obligations. These differences in interpretation ultimately result in the need to comply with International Financial Reporting Interpretation Committee (IFRIC) 23, "Uncertainty over Income Tax Treatments". In assessing this area as a key audit matter, we have considered the following: • The high degree of auditor judgement and subjectivity in applying procedures to these areas; • High level of judgement applied by management in interpreting certain legislation; • The level of uncertainty involved given multiple policy changes in the country as well as currency movements; and • The input of legal counsel in assessing these uncertain tax treatments.	In addressing the key audit matter, we performed the following procedures: • Obtained an understanding of the Group's tax risk environment; • Held discussions with management to understand the approach taken with regards to the settlement of the Group's tax obligations; • Involved our tax specialists who performed the following: – Reviewed management's tax assessments to evaluate the Group's judgements and estimates in determining uncertain tax positions; – Performed re-calculations of the Group's tax obligations to assess accuracy thereof; and – Assessed how management has interpreted new developments in the tax legislation in the current financial year and how this interpretation affected the Group's tax positions. • Inspected correspondence in the current financial year between the Group and the relevant tax authorities; • Reviewed the legal opinions sought by management and evaluated these against the positions taken by management; and • Reviewed disclosures made by management against the requirements of IFRIC 23. We concluded the treatment and disclosures made by management was appropriate and in accordance with IFRIC 23.

Independent Auditor's Report (continued)

Report on the audit of the inflation-adjusted consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in the audit
Compliance with International Accounting Standard ("IAS") 21 "The Effects of Changes in Foreign Currency Rates" requirements	
IAS 21 requires that foreign currency transactions be recorded, on initial recognition in the entity's functional currency at the spot exchange rate between the functional currency and the foreign currency. The spot exchange rate is defined as the exchange rate for immediate delivery. The current financial year has seen the RBZ initially fixing the exchange rate at US$1:ZW$25 and, subsequently, introducing an interbank foreign currency auction. These developments, among others, have seen the exchangeability of the local currency against the US$ come into question and, as such, the determination of an appropriate exchange rate has been a key focus area within the accounting fraternity. As disclosed in Note 2, the Group embarked on an estimation process in determining an appropriate spot rate that more faithfully suited the Group's economics and pricing dynamics. This estimation process involved a significant level of both subjective and objective judgements and inputs on management's part: • Price and exchange rate parity in respect of the Group's sales and purchases; and • The applicability of a group wide exchange rate derived from the analysis of a few key cost drivers in the business. As the Group has a significant number of foreign currency transactions, and considering that the Group uses the same exchange rate regime in the consolidation of its foreign subsidiaries, the appropriateness of the exchange rates used in the financial year was a significant area of focus.	We focused our testing on the areas of judgement applied by management in determining the internal exchange rates. Procedures performed included the following: • Tested management's application of the exchange rate estimation process for compliance with IAS 21 and technical guidance issued in this regard by recognised accounting bodies; • Performed technical consultations on the appropriateness of estimating an exchange rate in the context of the requirements of IAS 21; • Obtained and reviewed the detailed technical write-up from management explaining their process of estimation in determining the exchange rates; • Obtained an understanding of the assumptions used and assessed the reasonableness of the assumptions used therein; • Performed an evaluation to assess the source of management's foreign currency requirements during the financial year as a key driver of the applicability of the estimation process; • Assessed the reasonableness of the use of a single centrally determined exchange rate by the various components of the Group through details testing of transactions; • Evaluated the appropriateness of assumptions applied in the estimation process; • Tested foreign currency transactions and balances to determine that the exchange rates used were in line with the estimated rate for that particular period as well as the closing rate; and • Assessed the disclosures made by management against the requirements of IAS 21. Overall, we have concluded that the accounting treatment and disclosures made are appropriate and in accordance with the requirements of IAS 21.

Independent Auditor's Report (continued)

Report on the audit of the inflation-adjusted consolidated and separate financial statements

Key Audit Matter	How the matter was addressed in the audit
Possible impairment of the assets of National Breweries (Zambia) Plc	
As disclosed in Note 32, Natbrew has been recording losses for the last three financial years. In the current year the performance of the entity was further worsened by the COVID-19 pandemic which affected consumer incomes, and therefore, impacted the demand for the entity's products. As a result, these conditions triggered an assessment of the impairment of the assets of Natbrew in accordance with International Accounting Standard (IAS) 36, "Impairment of Assets". Significant judgement is involved when performing such assessments, which are made with reference to the value in use, based on cash flow forecasts for each identifiable cash generating unit (CGU). This impairment assessment process involved a significant amount of judgement and estimation in determining the future cash flows of the entity. Key areas in this context were the following: • The forecasted cash flows, which also include the anticipated growth rate, is based on judgement rather than observable data. • The discount rate applied is subjective and involves complex calculations.	In evaluating the possible impairment of Natbrew, we reviewed the value in use calculations prepared by management, with a particular focus on the growth rates and discount rate. We performed various procedures including the following: • We obtained an understanding of the controls in place for the preparation of the cash flow forecasts; • Inquired with Group management about their views on the possible impairment of Natbrew; • Held discussions with component auditors to understand the scope of work being undertaken; • Tested the inputs used in determining the forecasted cash flows for completeness, accuracy and reasonableness; and • Involved our corporate finance specialists who performed the following: – Reviewed management's assumptions in determining the discount rate which was based on the weighted average cost of capital; – Reviewed the arithmetic accuracy of the computations provided; and – Challenged management's computations with respect to the use of certain parameters in determining the terminal value, discount rate and resultant value in use. Overall, we have concluded that the accounting treatment and disclosures made are appropriate, in all material respects, and in line with the requirements of IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the consolidated and separate historic cost financial information, which we obtained prior to the date of this auditor's report and the Annual Report. The other information does not include the inflation-adjusted consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation-adjusted consolidated and separate 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Independent Auditor's Report (continued)

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 and separate financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company 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 ad 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 inflation adjusted 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 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/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted 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 inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation-adjusted 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.

Report on Other Legal and Regulatory Requirements

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

- **Section 193(1)**
  The inflation-adjusted consolidated and separate financial statements have been properly drawn up in accordance with the Act and do give a true and fair view of the state of the Group and Company's affairs as at 31 March 2021.

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

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Brian Mabiza
Partner
PAAB Practice Certificate Number 0447
10 June 2021

Consolidated Statement of Profit or Loss And Other Comprehensive Income

for the year ended 31 March 2021

		INFLATION ADJUSTED		*HISTORIC COST	
	Notes	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
REVENUE	8	**40 446 986**	29 074 811	**33 206 284**	4 193 260
NET OPERATING COSTS	9.1	**(29 733 133)**	(21 795 739)	**(24 560 017)**	(2 876 483)
OPERATING INCOME		**10 713 853**	7 279 072	**8 646 267**	1 316 777
Finance cost		**(128 576)**	(545 479)	**(68 872)**	(82 151)
Finance income		**401 424**	225 313	**381 133**	37 567
Exchange losses		**(804 307)**	(80 425)	**(191 540)**	(4 148)
Movement in legacy debt	10	**(316 632)**	(174 662)	**(316 632)**	(51 288)
Net monetary loss		**(1 491 181)**	(2 001 835)	**—**	—
Share of profit of associates	14.2	**777 397**	367 302	**583 419**	34 568
Profit before taxation		**9 151 978**	5 069 286	**9 033 775**	1 251 325
Taxation	11.1	**(2 768 393)**	(1 394 773)	**(1 534 948)**	(213 383)
PROFIT FOR THE YEAR		**6 383 585**	3 674 513	**7 498 827**	1 037 942
Other comprehensive income for the year:					
Foreign exchange differences on translation of foreign operations		**699 948**	257 985	**638 935**	125 380
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7 083 533**	3 932 498	**8 137 762**	1 163 322
Income for the year from operations attributable to:					
Owners of the parent		**6 752 043**	4 337 251	**8 028 492**	1 165 564
Non-controlling interest		**331 490**	(404 753)	**109 270**	(2 242)
		7 083 533	3 932 498	**8 137 762**	1 163 322
Weighted average shares in issue (millions)	5.5	**1 284,9**	1 275,5	**1 284,9**	1 275,5
EARNINGS PER SHARE (ZW$ CENTS)					
Headline earnings basis		**471,02**	319,81	**575,11**	81,55
Diluted earnings basis		**463,42**	317,46	**565,83**	90,71
Attributable earnings basis		**525,50**	340,03	**624,84**	91,38

* Historic cost results are included as supplementary information. Refer to Note 4.2.

Consolidated Statement of Financial Position

as at 31 March 2021

		INFLATION ADJUSTED		*HISTORIC COST	
	Notes	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	**23 236 368**	19 992 473	**7 259 288**	1 642 092
Right of use of asset	13	**119 739**	87 682	**59 622**	25 747
Investment in associates	14.2	**2 301 963**	1 524 535	**661 755**	78 336
Intangible assets – Trademarks and Goodwill	15.1	**4 362 173**	1 635 279	**2 788 743**	61 849
Investments and loans	15.2	**489 192**	283 233	**489 192**	83 169
		30 509 435	23 523 202	**11 258 600**	1 891 193
Current Assets					
Inventories	16	**7 667 510**	4 477 562	**4 457 412**	764 725
Trade and other receivables	17	**1 777 488**	1 220 869	**1 777 488**	364 571
Other assets	18	**2 690 266**	2 839 456	**2 287 822**	568 376
Current tax asset		**36 478**	47 718	**36 478**	15 685
Financial assets at fair value	18.2	**1 615 828**	5 419 110	**1 615 828**	1 591 273
Cash and cash equivalents		**1 767 813**	763 632	**1 767 813**	225 203
		15 555 383	14 768 347	**11 942 841**	3 529 833
Total Assets		**46 064 818**	38 291 549	**23 201 441**	5 421 026
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	19	**337 202**	337 061	**12 865**	12 789
Share premium		**2 278 001**	2 275 496	**88 565**	87 125
Share options reserve		**214 159**	149 438	**41 042**	9 696
Foreign currency translation reserve		**1 157 973**	217 545	**799 008**	132 714
Retained earnings		**22 070 033**	18 289 577	**6 967 524**	1 553 466
Adjustment arising from change in non-controlling interest		**(39 596)**	(29 281)	**(6 509)**	(1 107)
Equity attributed to equity holders of the parent		**26 017 772**	21 239 836	**7 902 495**	1 794 683
Non-controlling Interests		**757 381**	431 956	**105 496**	23 584
Total shareholders' equity		**26 775 153**	21 671 792	**8 007 991**	1 818 267
Non-current Liabilities					
Long-term borrowings	21.1	**1 663 989**	184 599	**1 663 989**	36 397
Deferred tax liabilities	11.3	**5 087 873**	3 620 230	**1 008 175**	166 619
		6 751 862	3 804 829	**2 672 164**	203 016
Current Liabilities					
Short-term borrowings	21.2	**1 361 955**	4 220 827	**1 361 955**	1 254 326
Lease liability	22	**193 640**	96 822	**177 123**	28 431
Trade and other payables	23.1	**7 174 816**	5 909 367	**7 174 816**	1 357 069
Provisions	23.2	**1 880 251**	1 800 689	**1 880 251**	528 756
Dividends payable		**1 444 861**	293 038	**1 444 861**	86 048
Current tax liability	24.4	**482 280**	494 185	**482 280**	145 113
		12 537 803	12 814 928	**12 521 286**	3 399 743
Total Equity and Liabilities		**46 064 818**	38 291 549	**23 201 441**	5 421 026
Net asset value per share (ZW$ Cents)		**2 027,08**	1 665,17	**615,69**	140,70

The financial statements were approved by the Board of Directors and authorised for issue on 9 June 2021.

* Historic cost results are included as supplementary information. Refer to Note 4.2

P Gowero
Chief Executive Officer

M M Valela
Chief Operating Officer

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

		INFLATION ADJUSTED		*HISTORIC COST	
	Notes	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Cash flow from operating activities					
Cash generated from operating activities	24.1	**11 538 015**	7 192 316	**7 397 243**	875 741
Increase in working capital	24.2	**(2 508 351)**	(5 669 740)	**(1 957 065)**	(477 521)
Cash generated from operations		**9 029 664**	1 522 576	**5 440 178**	398 220
Finance cost		**(128 576)**	(545 479)	**(68 872)**	(82 151)
Finance income		**401 424**	225 313	**381 133**	37 567
Exchange losses		**(1 120 939)**	(255 090)	**(508 172)**	(55 436)
Effects of IAS 29		**(1 816 356)**	(6 008 847)	**—**	—
Income taxation paid	24.4	**(1 228 513)**	(121 247)	**(1 110 168)**	(21 713)
Net cash flow from / (utilised in) operating activities		**5 136 704**	(5 182 774)	**4 134 099**	276 487
Cash flow from investing activities					
Increase in loans and investments		**(205 959)**	(56 143)	**(406 023)**	(74 580)
Purchase of shares in subsidiary and brands		**(2 048 808)**	—	**(601 614)**	—
Purchase of property, plant and equipment to expand operations		**(1 827 130)**	(603 437)	**(1 643 040)**	(105 592)
Purchase of property, plant and equipment to mantain operations		**(622 766)**	(171 509)	**(588 683)**	(50 362)
Proceeds from disposal of property, plant and equipment		**56 588**	28 378	**56 588**	6 418
Net cash flow utilised in investing activities		**(4 648 075)**	(802 711)	**(3 182 772)**	(224 116)
Cash flow from financing activities					
Dividends paid	24.3	**(676 971)**	(272 570)	**(600 111)**	(54 650)
Repayment of borrowings	24.6	**(627 495)**	(43 252)	**(627 495)**	(40 827)
Loans raised	24	**1 836 041**	—	**1 836 041**	—
Increase in shareholder funding	24.7	**2 645**	82 352	**1 516**	4 218
Share buy back		**(18 668)**	—	**(18 668)**	—
Net cash generated from / (utilised in) financing activities		**515 552**	(233 470)	**591 283**	(91 259)
Net increase /(decrease) in cash and cash equivalents		**1 004 181**	(6 218 955)	**1 542 610**	(38 888)
Cash and cash equivalents at beginning of year		**763 632**	6 982 587	**225 203**	264 091
Cash and cash equivalents at end of the year	24.8	**1 767 813**	763 632	**1 767 813**	225 203

* Historic cost results included as supplementary information. Refer To Note 4.2

Consolidated Statement of Changes In Equity

for the year ended 31 March 2021

INFLATION ADJUSTED

	Notes	Share Capital ZW$'000	Share Premium ZW$'000	Share Options Reserve ZW$'000
At 1 April 2019		335 284	2 194 922	103 671
Profit for the year		—	—	—
Other comprehensive income, net of tax		—	—	—
Total Comprehensive Income for the year		—	—	—
Transactions with owners:				
Share options exercised		1 777	80 575	—
Recognition of share based payments		—	—	45 767
Deferred tax adjustment		—	—	—
Foreign Currency Translation reserve - prior year balance		—	—	—
Effects of IAS 29		—	—	—
Change in functional currency		—	—	—
Transfer to retained earnings		—	—	—
Dividends declared	24.3	—	—	—
At 1 April 2020		337 061	2 275 497	149 438
Profit for the year		—	—	—
Other comprehensive income, net of tax		—	—	—
Total Comprehensive Income for the year		—	—	—
Transactions with owners:				
Share options exercised		141	2 504	—
Recognition of share based payments		—	—	64 721
Effects of IAS 29		—	—	—
Forfeiture of shares		—	—	—
Dividends declared	24.3	—	—	—
Share buyback		—	—	—
Adjustment arising from change in ownership		—	—	—
At 31 March 2021		337 202	2 278 001	214 159

Non-Distributable Reserve ZW$'000	Foreign Curreny Translation Reserve ZW$'000	Retained Earnings ZW$'000	Change in ownership ZW$'000	Attributable to owners of the parent ZW$'000	Non-Controlling Interests ZW$'000	Total equity ZW$'000
7 872 480	—	9 887 971	(29 281)	20 365 047	866 255	**21 231 302**
—	—	4 079 266	—	4 079 266	(404 753)	**3 674 513**
—	257 985	—	—	257 985	—	**257 985**
—	257 985	4 079 266	—	4 337 251	(404 753)	**3 932 498**
—	—	—	—	82 352	—	**82 352**
—	—	—	—	45 767	—	**45 767**
(2 551 507)	—	—	—	(2 551 507)	—	**(2 551 507)**
—	193 975	(193 975)	—	—	—	**—**
—	(234 415)	47 147	—	(187 269)	—	**(187 269)**
(33 408)	—	—	—	(33 408)	—	**(33 408)**
(5 287 565)	—	5 287 565	—	—	—	**—**
—	—	(818 397)	—	(818 397)	(29 546)	**(847 943)**
—	217 545	18 289 577	(29 281)	21 239 836	431 956	**21 671 792**
—	—	6 052 095	—	6 052 095	331 490	**6 383 585**
—	706 013	—	—	706 013	(6 065)	**699 948**
—	706 013	6 052 095	—	6 758 108	325 425	**7 083 533**
—	—	—	—	2 645	—	**2 645**
—	—	—	—	64 721	—	**64 721**
—	232 322	—	—	232 322	—	**232 322**
—	2 093	—	—	2 093	—	**2 093**
—	—	(2 252 971)	—	(2 252 971)	—	**(2 252 971)**
—	—	(18 668)	—	(18 668)	—	**(18 668)**
—	—	—	(10 315)	(10 315)	—	**(10 315)**
—	1 157 973	22 070 033	(39 596)	26 017 772	757 381	**26 775 153**

Consolidated Statement of Changes In Equity (continued)

for the year ended 31 March 2021

*HISTORIC COST

	Notes	Share Capital ZW$'000	Share Premium ZW$'000	Share Options Reserve ZW$'000
At 1 April 2019		12 681	83 015	3 921
Profit for the year		—	—	—
Other comprehensive income, net of tax		—	—	—
Total Comprehensive Income for the year		—	—	—
Transactions with owners:				
Share options exercised		108	4 110	—
Deferred tax adjustment		—	—	—
Recognition of share based payments		—	—	5 775
Foreign Currency Translation reserve		—	—	—
Change in functional currency		—	—	—
Transfer to retained earnings		—	—	—
Dividends declared	24.3	—	—	—
At 1 April 2020		12 789	87 125	9 696
Profit for the year		—	—	—
Other comprehensive income, net of tax		—	—	—
Total Comprehensive Income for the year		—	—	—
Transactions with owners:				
Share options exercised		76	1 440	—
Forfeiture of shares		—	—	—
Recognition of share based payments		—	—	31 346
Dividends declared	24.3	—	—	—
Foreign Currency Translation reserve		—	—	—
Share buy back		—	—	—
At acquisition reserves		—	—	—
At 31 March 2021		12 865	88 565	41 042

* Historic cost results are included as supplementary information. Refer to Note 4.2

Non-Distributable Reserve ZW$'000	Foreign Curreny Translation Reserve ZW$'000	Retained Earnings ZW$'000	Change in ownership ZW$'000	Attributable to owners of the parent ZW$'000	Non-Controlling Interests ZW$'000	Total equity ZW$'000
297 748	—	373 976	(1 107)	770 234	32 763	**802 997**
—	—	1 040 184	—	1 040 184	(2 242)	**1 037 942**
—	125 380	—	—	125 380	—	**125 380**
—	125 380	1 040 184	—	1 165 564	(2 242)	**1 163 322**
—	—	—	—	4 218	—	**4 218**
(63 734)	—	—	—	(63 734)	—	**(63 734)**
—	—	—	—	5 775	—	**5 775**
—	7 334	(7 334)	—	—	—	**—**
(1 263)	—	—	—	(1 263)	—	**(1 263)**
(232 751)	—	232 751	—	—	—	**—**
—	—	(86 111)	—	(86 111)	(6 937)	**(93 048)**
—	132 714	1 553 466	(1 107)	1 794 683	23 584	**1 818 267**
—	—	7 389 557	—	7 389 557	109 270	**7 498 827**
—	666 294	—	—	666 294	(27 358)	**638 936**
—	666 294	7 389 557	—	8 055 851	81 912	**8 137 763**
—	—	—	—	1 516	—	**1 516**
—	—	2 093	—	2 093	—	**2 093**
—	—	—	—	31 346	—	**31 346**
—	—	(1 958 924)	—	(1 958 924)	—	**(1 958 924)**
—	—	—	—	—	—	**—**
—	—	(18 668)	—	(18 668)	—	**(18 668)**
—	—	—	(5 402)	(5 402)	—	**(5 402)**
—	799 008	6 967 524	(6 509)	7 902 495	105 496	**8 007 991**

Notes to the Financial Statements

for the year ended 31 March 2021

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

The financial statements are presented in the ZW$ currency that was designated as the sole transactional, functional and reporting currency through Statutory Instrument 33 of 2019 (SI33/19) dated 22 February 2019 and Statutory Instrument 142 of 2019 (SI142/19) dated 24 June 2019.

The Government of Zimbabwe promulgated Statutory Instrument 85 of 2020 (SI85/20) which permitted the use of foreign currencies for domestic transactions. The Monetary Authorities introduced the Foreign Exchange Auction Trading System in June 2020. Whilst the Company was able to access foreign currency for some period during the year, it was not able to access this platform due to the rules relating thereto. There is a significant disparity between the auction exchange rates and the rates reflected by comparing the market prices of goods and services quoted in alternative currencies. The Zimbabwe businesses have relied mostly on foreign currency obtained through the sale of products on the domestic market in line with the multicurrency framework. International Accounting Standard 21 (IAS21) requires an entity to determine the functional currency based on the economic environment in which it operates. The entity does not believe that the official exchange rates prevailing during the financial year were, at all times, fairly reflective of the currency exchangeability and as such, has used an estimation process, which is allowed by IAS 21, with reference to the selling prices of goods in ZW$ compared to US$. Therefore, the exchange rate applied in translating the revenues to the reporting currency and as the spot rate used in translating other foreign currency denominated transactions has at times differed from the official rates.

The Directors have concluded that it is appropriate to report in the ZW$ currency. The Directors would, however, like to advise users to exercise caution in the use of these consolidated and seperate inflation adjusted financial statements in relation to the reporting currency and conversion to comparative currencies.

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 2020.

Amendments to IFRS 3, Business Combinations

The Group has adopted the amendments of IFRS 3 for the first time in the current year. The amendment is aimed at resolving the difficulties that arise when an entity determines whether it has acquired or disposed of a business or a group of assets.

The application of these amendments has had an impact on the Group's consolidated financial statements as there were such transactions.

Refer to note 4.3 which outlines the basis of consolidation.

Amendments to IAS 1, Presentation of Financial Statements, and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

The Group has adopted the amendments of IAS 1 and IAS 8 for the first time in the current year.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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)

The intention is to clarify the definition of 'materiality' and how it should be applied. The amendments also improve the explanations of the definition and ensure consistency across all IFRS Standards. The new definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

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

Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures

In the current year, the Group has applied the amendments to the above that is effective for annual periods that begin on or after 1 January 2020.

The intention is to provide temporary but mandatory relief from specific hedge accounting requirements to address potential effects of the uncertainty in the lead up to IBOR reform (IBOR reform – Phase 1). New proposals have been issued to provide additional relief post-IBOR reform (IBOR reform – Phase 2), including relief related to debt and lease modifications, hedge accounting documentation, and disclosure requirements. The comment period ended on May 25, 2020 and the final amendments are expected in Q3 2020.

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

Amendments to IFRS 16, Leases, COVID-19-Related Rent Concessions

The Group has adopted the amendments of IFRS 16 for the first time in the current year.

The intention is to permit lessees not to assess whether eligible COVID-19 related rent concessions are lease modifications, and account for them as if they were not lease modifications. Eligible rent concessions are those arising as a 'direct consequence' of COVID-19 and for which:

- the revised consideration for the lease remains 'substantially the same' or is less than the consideration for the lease before the concession;
- any reduced payments were originally due on or before June 30, 2021; and
- there are no other 'substantive' changes to the lease.

For lessees, this is an optional practical expedient to be applied consistently to all lease contracts with similar characteristics and in similar circumstances. The practical expedient is not available to lessors.

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

Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9

IFRS 17 provides the first comprehensive guidance to accounting for insurance contracts under IFRS Standards. It aims to increase transparency and to reduce diversity in the accounting for insurance contracts. The effective date of IFRS 17 is pending a two-year deferral to 2023, to be confirmed by the IASB Board mid-2020. Early adoption is permitted.

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 2021

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

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 IAS 1	Presentation of Financial Statements
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets
Further Amendments to IFRS 3	Business Combinations
Amendments to IAS 16	Property, Plant and Equipment (PPE)

[1.] Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements
Effective for annual periods beginning on or after 1 January 2022.

The intention is to clarify that the classification of liabilities as current or noncurrent is based solely on a Company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a Company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.
In response to COVID-19, the effective date is pending a one-year deferral to 2023, to be confirmed by the IASB Board mid-2020. Early adoption is 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.

Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets
Effective for annual periods beginning on or after 1 January 2022.

The intention is to clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a Company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfil the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract.

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.

Further amendments to IFRS 3, Business Combinations
Effective for annual periods beginning on or after 1 January 2022.

The intention is to update references in IFRS 3 to the revised 2018 Conceptual Framework. To ensure that this update in referencing does not change which assets and liabilities qualify for recognition in a business combination, or create new Day 2 gains or losses, the amendments introduce new exceptions to the recognition and measurement principles in IFRS 3.

An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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

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

Further amendments to IFRS 3, Business Combinations (continued)
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.

Amendments to IAS 16, Property, Plant and Equipment (PPE) – Proceeds before Intended Use
Effective for annual periods beginning on or after 1 January 2022.

The intention is to introduce new guidance. Proceeds from selling items (e.g. samples) before the related PPE is available for its intended use can no longer be deducted from the cost of PPE. Instead such proceeds should be recognized in profit or loss, together with the costs of producing those items (to which IAS 2 applies). Accordingly, a Company will need to distinguish between:

- costs of producing and selling items before the PPE is available for its intended use; and
- costs of making the PPE available for its intended use.

Making this allocation of costs may require significant estimation and judgement. Companies in the extractive industry in particular may need to monitor costs at a more granular level.

The amendments apply retrospectively but only for new PPE that reach their intended use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. They can be early adopted.

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.

Annual Improvements to IFRS Standards 2018–2020 Cycle
Effective for annual periods beginning on or after 1 January 2022.

Amendments to IFRS 1, First-time Adoption of IFRS, simplify the application of IFRS 1 by a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent. If such a subsidiary applies IFRS 1.D16(a), then it may elect to measure cumulative translation differences at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

Amendments to IFRS 9, Financial Instruments, clarify which fees to include in the '10 percent' test for derecognition of financial liabilities. A borrower includes only fees paid or received between itself and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendments to Illustrative Examples accompanying IFRS 16, remove the illustration of payments from the lessor for lessee-owned leasehold improvements. As previously drafted, this example was not clear about whether the payments meet the definition of a lease incentive.

Amendments to IAS 41 Agriculture, remove the requirement to exclude cash flows for taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13.

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 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of Compliance

The inflation adjusted 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.

4.2 Basis of Preparation

The inflation adjusted 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 and the auditors have not expressed an opinion.

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 2021 are as follows:

	Index	Conversion Factor
31 March 2021	2 759,8	1,00
31 March 2020	810,4	3,41
Average CPI for the 12 months to:		
Average March 2021	2 083,5	1,49
Average March 2020	382,9	10,63

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

- All corresponding figures as of, and for, the prior 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 except for foreign subsidiaries;
- Monetary assets and liabilities for the current year, are not restated because they are already stated in terms of the measuring unit current at statement of financial position 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 statement of financial position 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 statement of financial position date. Depreciation and amortization amounts are based on the restated amounts;
- Profit or 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 statement of financial position date;
- Gains and losses arising from net monetary asset or liability positions are included in the profit or loss statement; and
- All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of Preparation (continued)

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 statement of profit or loss 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 Schweppes Holdings Limited and Nampak Zimbabwe. Schweppes Holdings Limited has a 31 December year end and Nampak Zimbabwe Limited has a 30 September year end. The results and reserves of subsidiaries and associated companies are included from the effective dates of acquisition up to the effective dates of disposal.

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

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Basis of Consolidation (continued)

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, ZW$ 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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Property, Plant and Equipment (continued)

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 2021

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. Categories of financial assets such as loans and trade receivables are assessed for impairment on a collective basis. 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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Employee Benefits (continued)

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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Held for trading investments (HFT))

HFT financial assets are non-derivatives that are either designated as HFT 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

HFT 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 HFT investments measured at cost.

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

Other financial instruments

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

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) and excludes value added tax. Intra-group revenue which arises in the normal course of business is excluded from Group revenue.

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

Interest income

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

Rental income

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

Dividend income

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

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Taxation (continued)

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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Leases (continued)

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.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Provisions (continued)

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.

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 non-financial assets**
  These assets are assessed for indicators of impairment at each reporting date. Irrespective of whether there is any indication of impairment, the Group tests these assets for impairment annually. An impairment loss is recognized in profit or loss, equal to the amount by which the carrying amount of an asset or a cash-generating unit exceeds the higher of its fair value less cost to sell and its value in use.

  When impairments reverse due to change in circumstances, reversals are limited to the initial impairment, what the carrying amount would have been net of depreciation if the impairment was not recognized and the newly calculated recoverable amount.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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 (continued)

- **Impairment of non-financial assets** (continued)
  Financial assets are grouped at Group level, which is the lowest level for which separately identifiable cash flows are available (cash-generating units). The assets within a cash-generating unit can include a combination of board-approved projects and mineral resources outside the approved mine plans.

  Refer to note 4.10 and note 4.11

- **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 of account**
  The financial statements are presented in the ZW$ currency that was designated as the sole transactional, functional and reporting currency through Statutory Instrument 33 of 2019 (SI33/19) dated 22 February 2019 and Statutory Instrument 142 of 2019 (SI142/19) dated 24 June 2019.

  The Government of Zimbabwe promulgated Statutory Instrument 85 of 2020 (SI85/20) which permitted the use of foreign currencies for domestic transactions. The Monetary Authorities introduced the Foreign Exchange Auction Trading System in June 2020. Whilst the Company was able to access foreign currency for some period during the year, it was not able to access this platform due to the rules relating thereto. There is a significant disparity between the auction exchange rates and the rates reflected by comparing the market prices of goods and services quoted in alternative currencies. The Zimbabwe businesses have relied mostly on foreign currency obtained through the sale of products on the domestic market in line with the multicurrency framework. International Accounting Standard 21 (IAS21) requires an entity to determine the functional currency based on the economic environment in which it operates. The entity does not believe that the official exchange rates prevailing during the financial were, at all times, fairly reflective of the currency exchangeability and as such, has used an estimation process, which is allowed by IAS 21, with reference to the selling prices of goods in US$vs ZW$. Therefore, the exchange rate applied in translating the revenues to the reporting currency and as the spot rate used in translating other foreign currency denominated transactions has at times differed from the official rates.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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 (continued)

- **Currency of account** (continued)
  The Directors have concluded that it is appropriate to report in the ZW$ currency. The Directors would, however, like to advise users to exercise caution in the use of these consolidated and separate inflation adjusted financial statements in relation to the reporting currency and conversion to comparative currencies.

- **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 18.2 the legacy foreign liabilities are covered by a deposit with the Reserve Bank of Zimbabwe at the exchange rate of US$1: ZW$1. 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 has 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	Manufacture and distribution of lager beer (malt and sorghum based clear beers).
Sparkling Beverages	Manufacture and distribution of carbonated soft drinks and alternative non-alcoholic beverages.
Sorghum Beer	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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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.

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 1,64% for 2021 and 0,74% in 2020 respectively.

The weighted number of shares was:

	2021 Number of Shares in millions	2020 Number of Shares in millions
Ordinary shares	**1 275,5**	1 257,5
Share options	**9,4**	18,0
Weighted average number of shares	**1 284,9**	1 275,5

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

6. COUNTRY OF INCORPORATION AND CURRENCY

All Group companies are incorporated in Zimbabwe with the exception of National Breweries Plc which is incorporated in Zambia, Chibuku Holdings Plc which is incorporated in Mauritius, United National Breweries and Delta Beverages South Africa which are incorporated in South Africa. Refer to Note 26.4. The financial statements are expressed in Zimbabwe Dollars(ZW$), 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 2021 nor 2020.

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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

7. SEGMENTAL REPORTING (continued)

Reportable segments

INFLATION ADJUSTED

2021	Lager Beer ZW$'000	Sparkling Beverages ZW$'000	Sorghum Beer ZW$'000	Wines and Spirits ZW$'000	Total reportable segments ZW$'000	All other segments ZW$'000	Total ZW$'000
External revenue	16 295 162	5 498 485	14 930 465	3 448 686	**40 172 798**	1 236 235	**41 409 033**
Inter-segment revenue	—	—	—	—	**—**	(962 047)	**(962 047)**
Segment revenue	16 295 162	5 498 485	14 930 465	3 448 686	**40 172 798**	274 188	**40 446 986**
Segment operating income	4 719 575	760 113	2 508 330	1 095 937	**9 083 955**	1 629 898	**10 713 853**
Segment net working capital*	(1 677 361)	(1 730 156)	(854 912)	1 084 829	**(3 177 600)**	6 470 012	**3 292 412**
Segment trade and other payables**	(4 295 167)	(4 917 980)	(4 002 800)	(395 415)	**(13 611 362)**	3 000 699	**(10 610 663)**
Segment working capital assets	2 617 806	3 187 824	3 147 888	1 480 244	**10 433 762**	3 469 313	**13 903 075**
Segment property, plant and equipment	5 810 155	7 003 726	7 632 415	610 918	**21 057 214**	2 179 154	**23 236 368**

INFLATION ADJUSTED

2020	Lager Beer ZW$'000	Sparkling Beverages ZW$'000	Sorghum Beer ZW$'000	Wines and Spirits ZW$'000	Total reportable segments ZW$'000	All other segments ZW$'000	Total ZW$'000
External revenue	11 530 794	4 264 646	10 922 527	2 303 387	**29 021 354**	991 347	**30 012 701**
Inter-segment revenue	—	—	—	—	**—**	(937 890)	**(937 890)**
Segment revenue	11 530 794	4 264 646	10 922 527	2 303 387	**29 021 354**	53 457	**29 074 811**
Segment operating income	3 093 733	945 505	3 091 088	858 977	**7 989 303**	(710 231)	**7 279 072**
Segment net working capital*	(832 247)	(1 966 343)	(1 114 270)	566 174	**(3 346 686)**	6 087 328	**2 740 642**
Segment trade and other payables**	(2 178 316)	(3 186 758)	(2 462 826)	(147 701)	**(7 975 601)**	(4 052 104)	**(12 027 705)**
Segment working capital assets	1 346 069	1 220 415	1 348 556	713 875	**4 628 915**	10 139 432	**14 768 347**
Segment property, plant and equipment	6 135 396	4 838 255	6 271 372	602 171	**17 847 194**	2 145 279	**19 992 473**

** Included in trade and other payables are short term borrowings of ZW$ 1,36 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 2021

7. SEGMENTAL REPORTING (continued)

Reportable segments (continued)

HISTORIC COST

2021	Lager Beer ZW$'000	Sparkling Beverages ZW$'000	Sorghum Beer ZW$'000	Wines and Spirits ZW$'000	Total reportable segments ZW$'000	All other segments ZW$'000	Total ZW$'000
External revenue	13 130 869	4 556 957	12 552 367	2 710 990	**32 951 183**	1 437 120	**34 388 303**
Inter-segment revenue	—	—	—	—	**—**	(1 182 019)	**(1 182 019)**
Segment revenue	13 130 869	4 556 957	12 552 367	2 710 990	**32 951 183**	255 101	**33 206 284**
Segment operating income	3 962 915	625 945	1 938 951	821 065	**7 348 876**	1 297 391	**8 646 267**
Segment net working capital*	(2 426 422)	(2 423 508)	(1 711 986)	749 792	**(5 812 124)**	5 508 515	**(303 609)**
Segment trade and other payables**	(4 284 381)	(4 917 980)	(3 956 108)	(391 823)	**(13 550 292)**	2 956 148	(10 594 144)
Segment working capital assets	1 857 959	2 494 472	2 244 122	1 141 615	**7 738 168**	2 552 367	**10 290 535**
Segment property, plant and equipment	1 542 309	2 527 682	2 830 361	61 667	**6 962 019**	297 270	**7 259 289**

HISTORIC COST

2020	Lager Beer ZW$'000	Sparkling Beverages ZW$'000	Sorghum Beer ZW$'000	Wines and Spirits ZW$'000	Total reportable segments ZW$'000	All other segments ZW$'000	Total ZW$'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)**	1 158 016	**345 568**
Segment trade and other payables**	(639 646)	(929 706)	(185 343)	(43 371)	**(1 798 066)**	(1 370 516)	**(3 168 582)**
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 ZW$1,362 billion.
* 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 2021

7. SEGMENTAL REPORTING (continued)

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

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**
i) Revenue				
Total revenue for reportable segments	**40 172 798**	29 021 354	**32 951 183**	4 187 481
Revenue for other segments	**1 236 235**	991 347	**1 437 120**	143 756
Elimination of inter-segment revenue	**(962 047)**	(937 890)	**(1 182 019)**	(137 977)
Consolidated revenue	**40 446 986**	29 074 811	**33 206 284**	4 193 260
ii) Operating income				
Total operating income for reportable segments	**9 083 955**	8 804 294	**7 348 876**	1 374 810
Operating income / (loss) for other segments	**1 629 898**	(710 231)	**1 297 391**	(58 032)
- Finance income	**401 424**	225 313	**381 133**	37 566
- Finance cost	**(128 575)**	(545 479)	**(68 872)**	(82 151)
- Share of profit of equity-accounted investees	**777 397**	367 302	**583 419**	34 568
- Exchange Gains	**(804 307)**	(80 425)	**(191 540)**	(4 148)
- Movement in legacy debt	**(316 632)**	(174 662)	**(316 632)**	(51 288)
Monetary Loss	**(1 491 182)**	(2 001 835)	**—**	—
Consolidated profit before tax	**9 151 978**	5 884 277	**9 033 775**	1 251 325
Assets				
Total working capital assets for reportable segments	**10 433 762**	4 628 915	**7 738 168**	985 618
Working capital assets for other segments	**3 469 313**	10 139 432	**2 552 366**	2 528 532
Total property, plant and equipment for reportable segments	**21 057 214**	17 847 194	**6 962 019**	1 532 229
Property, plant and equipment for other segments	**2 179 154**	2 145 279	**297 270**	109 864
Equity-accounted investees	**2 301 963**	1 524 535	**661 755**	78 336
Other unallocated amounts	**6 623 412**	2 006 194	**4 989 863**	186 447
Consolidated total assets	**46 064 818**	38 291 549	**23 201 441**	5 421 026
iii) Liabilities				
Total trade and other payables for reportable segments	**13 611 362**	7 975 601	**13 550 292**	1 798 066
Trade and other payables for other segments	**(3 000 700)**	4 052 104	**(2 956 147)**	1 370 516
Borrowings	**1 663 989**	184 599	**1 663 989**	36 397
Deferred tax liabilities	**5 087 873**	3 620 230	**1 008 175**	166 619
Dividend Payable	**1 444 861**	293 038	**1 444 861**	86 048
Current tax	**482 280**	494 185	**482 280**	145 113
Consolidated total liabilities	**19 289 665**	16 619 757	**15 193 450**	3 602 759

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

		Note	INFLATION ADJUSTED 2021 ZW$'000	INFLATION ADJUSTED 2020 ZW$'000	HISTORIC COST 2021 ZW$'000	HISTORIC COST 2020 ZW$'000
8.	**REVENUE**					
	Gross sales		**46 471 686**	33 433 729	**38 172 526**	4 822 988
	Less VAT and discounts		**(6 024 700)**	(4 358 918)	**(4 966 242)**	(629 728)
	Revenue		**40 446 986**	29 074 811	**33 206 284**	4 193 260
	Less excise duties and levies	9.1	**(5 616 071)**	(3 619 940)	**(4 532 650)**	(532 814)
	Net sales		**34 830 915**	25 454 871	**28 673 634**	3 660 446
	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**					
	Raw materials and consumables used		**11 428 879**	8 343 606	**10 391 473**	948 766
	Depreciation of property, plant and equipment	9.2	**1 436 603**	1 616 030	**508 451**	98 695
	Staff costs		**6 713 854**	4 679 938	**5 333 381**	755 713
	Excise duties and levies		**5 616 071**	3 561 064	**4 532 650**	532 814
	Share option expenses		**44 235**	45 767	**35 264**	5 775
	Repairs and maintenance		**1 840 066**	1 200 234	**1 585 244**	175 772
	Container breakages*		**104 731**	124 237	**78 244**	21 243
	Selling and marketing expenses		**612 659**	885 978	**489 253**	100 062
	Royalties and technical fees		**324 621**	130 455	**345 991**	45 661
	Security cost		**307 776**	85 274	**206 561**	11 152
	Administration and operating costs		**1 303 638**	1 123 156	**1 053 505**	180 830
			29 733 133	21 795 739	**24 560 017**	2 876 483
9.2	**Depreciation of Property, Plant and Equipment**					
	Buildings		**187 790**	144 980	**53 741**	8 847
	Plant and equipment		**990 297**	1 186 012	**250 672**	55 803
	Vehicles		**63 369**	204 218	**15 986**	21 602
	Containers (deferred container expenditure)		**82 434**	63 285	**77 157**	7 294
	Total		**1 323 890**	1 598 495	**397 556**	93 546
	Right-of-use asset		**112 713**	17 535	**110 895**	5 149
	Total		**1 436 603**	1 616 030	**508 451**	98 695

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'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	**71 622**	35 029	**65 860**	10 286
- Company	**10 069**	4 550	**10 069**	1 336
Total	**81 691**	39 579	**75 929**	11 622

10 MOVEMENT IN LEGACY DEBT

The Group has legacy foreign liabilities of US$18,8 million (2020: US$63,8 million), being those amounts that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZW$ currency as distinct from the US$, as the functional currency. The Group has registered these liabilities with the Reserve Bank of Zimbabwe and transferred to the Reserve Bank of Zimbabwe the ZW$ equivalent of the foreign liabilities based on the US$/ZW$1:1 exchange rate in line with Directives RU102/2019 and RU28/2019 and as agreed with the Reserve Bank of Zimbabwe. Both the foreign liabilities and the deposits have been accounted for at the closing exchange rate as at 31 March 2021. The cash cover deposits at the Reserve Bank of Zimbabwe have been disclosed as a financial asset. The following exchange losses and revaluation gains have been recorded in the statement of profit or loss.

Exchange losses on revaluation of legacy debt	**(1 865 815)**	(5 593 772)	**(1 865 815)**	(1 642 561)
Exchange gain on revaluation of financial asset	**1 549 183**	5 419 110	**1 549 183**	1 591 273
	(316 632)	(174 662)	**(316 632)**	(51 288)

An amount of ZW$ 1,56 billion was recorded as an unrealised foreign exchange loss relating to the legacy foreign liabilities amount of US$18,8 million. In compliance with IFRS, the deposit at the Reserve Bank of Zimbabwe represents a commitment to pay equivalent value in US$ and has therefore been treated as a financial derivative translated at closing rate and discounted to Net Present Value of ZW$ 1,57 billion. The difference between the Net Present Value and the face value of the financial asset of ZW$ 12,7 million has been expensed. This unrealised net loss is expected to reverse on settlement of the instrument.

The Board notes that the authorities have not fully articulated the policy framework on the settlement of these liabilities. The divergence of market exchange rates and the 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. The Board is confident that the Reserve Bank of Zimbabwe will continue to settle the legacy debts as per agreed framework.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'000
11. TAXATION				
11.1 Taxation				
Income tax:				
Current tax	**2 133 833**	1 659 697	**1 458 375**	164 898
Withholding tax	**201**	2 588	**182**	197
Deferred tax	**634 359**	(267 512)	**76 391**	48 288
	2 768 393	1 394 773	**1 534 948**	213 383

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 %	2020 %	2021 %	2020 %
11. TAXATION (continued)				
11.2 Reconciliation of Rate of Taxation				
Standard rate	**24,72**	25,75	**24,72**	25,75
Adjusted for:				
Effect of expenses not deductible for tax	**11,68**	7,82	**11,18**	1,97
Effects of amounts not taxable - exchange gain	**(6,26)**	(0.01)	**(6,42)**	(0.01)
Effects of changes in tax rate on opening balance	**—**	(0.83)	**(0,01)**	(0.04)
Effects of associate income	**(0,69)**	(1.11)	**(0,57)**	(0,72)
Effects of income taxed at different rates	**(0,23)**	(0.19)	**(0.21)**	(0.06)
Other permanent differences	**(8,42)**	(4.14)	**(8,42)**	(9.84)
Effective rate	**20,80**	27,29	**20.27**	17.05

	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
11.3 Deferred Tax Liabilities				
Balance at the beginning	**3 620 230**	1 527 205	**166 619**	57 761
Charge to profit or loss for continuing operations	**634 359**	(265 622)	**76 391**	48 288
Prior year adjustment	**—**	2 551 500	**—**	63 734
Arising with acquisition of subsidiary	**765 166**	—	**765 166**	—
Effects of inflation and exchange differences on foreign subsidiaries	**68 118**	(192 853)	**(1)**	(3 164)
Balance at end of year	**5 087 873**	3 620 230	**1 008 175**	166 619
Analysis of balance at end of year				
Property, plant and equipment	**4 070 846**	3 843 095	**404 515**	219 585
Other temporary differences	**1 017 027**	(222 865)	**603 660**	(52 966)
	5 087 873	3 620 230	**1 008 175**	166 619

11.4 Contingencies

11.4.1 Assessed Taxes

The Special Court for Income Tax Appeal in October 2019 ruled in favour of the Group and reversed the tax assessments for period 2009 - 2014 of ZW$ 27,8 million previously reported as a contingent liability. The Zimbabwe Revenue Authority has appealed 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. There are further complications arising from the wording of the legislation in relation to the currency of settlement of certain taxes which give rise to interpretations that may differ with those of the tax authorities, giving rise to uncertainties in tax positions.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
12. PROPERTY, PLANT AND EQUIPMENT				
FREEHOLD PROPERTIES				
Cost	**9 512 511**	8 393 284	**1 923 434**	427 522
Capital work in progress	**14 868**	(1 917)	**14 578**	(278)
Accumulated depreciation	**(3 984 394)**	(3 792 059)	**(335 793)**	(156 700)
	5 542 985	4 599 308	**1 602 219**	270 544
PLANT AND EQUIPMENT				
Cost	**28 761 084**	27 486 801	**4 059 060**	1 324 393
Capital work in progress	**206 498**	105 313	**228 403**	34 435
Accumulated depreciation	**(16 336 208)**	(15 616 617)	**(1 600 688)**	(678 826)
	12 631 374	11 975 497	**2 686 775**	680 002
VEHICLES				
Cost	**5 041 662**	4 019 558	**1 047 627**	223 730
Accumulated depreciation	**(3 499 797)**	(2 826 149)	**(793 249)**	(161 851)
	1 541 865	1 193 409	**254 378**	61 879
CONTAINERS				
Containers on hand	**3 775 550**	1 123 773	**2 741 062**	308 181
Containers in the market	**(255 406)**	1 100 486	**(25 146)**	321 486
	3 520 144	2 224 259	**2 715 916**	629 667
Total property, plant and equipment	**23 236 368**	19 992 473	**7 259 288**	1 642 092
Movement in net book amount for the year:				
At the beginning of the year	**19 992 473**	20 809 320	**1 642 092**	787 037
Acquisition of subsidiary	**363 807**	—	**363 807**	—
Capital expenditure	**2 449 896**	774 946	**2 231 723**	155 955
Disposals	**(49 362)**	(14 385)	**(28 093)**	(3 746)
Translation differences	**1 311 659**	—	**2 035 518**	—
Movement in containers in the market and other adjustments	**491 785**	21 087	**1 411 797**	796 392
Depreciation	**(1 323 890)**	(1 598 495)	**(397 556)**	(93 546)
At end of the year	**23 236 368**	19 992 473	**7 259 288**	1 642 092
Capital expenditure comprised:				
Land and buildings	**270 265**	9 147	**267 085**	1 811
Plant and equipment	**1 291 312**	348 940	**1 228 028**	69 497
Vehicles	**108 663**	81 882	**93 887**	18 354
Containers	**779 656**	334 977	**642 723**	66 293
	2 449 896	774 946	**2 231 723**	155 955
Disposals comprised:				
Land and buildings	**26 799**	422	**26 787**	15
Plant and equipment	**1 275**	1 982	**96**	350
Vehicles	**21 288**	11 981	**1 210**	3 381
	49 362	14 385	**28 093**	3 746

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'000
13. RIGHT-OF-USE ASSET				
Balance at 1 April 2020	**87 682**	105 217	**25 747**	30 896
Arising from acquisition of subsidiary	**144 770**	—	**144 770**	—
Depreciation	**(112 713)**	(17 535)	**(110 895)**	(5 149)
Right-of-use at 31 March 2021	**119 739**	87 682	**59 622**	25 747

The Group leases buildings in Zimbabwe as offices. The average lease is 5 years (2020: 5 years). The corresponding lease liability is disclosed in Note 22.

14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

14.1 Investment in Subsidiaries

On 01 April 2020 Delta Beverages (Pvt) Ltd acquired 100% of the issued shares in United National Breweries (SA), a manufacturer of Traditional African Sorghum Beer in South Africa, for a consideration of ZW$ 922,5 million. The acquisition is expected to increase the Group's market share and reduce cost through economies of scale.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	ZW$'000
Purchase consideration	
Cash paid	596 212
Long-term liability – vendor funding	326 250
Total purchase consideration	922 462

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value ZW$'000
Cash and cash equivalents	32 737
Property plant and equipment	354 345
Right-of-use asset	31 021
Patents and trademarks	528 895
Returnable containers	13 606
Inventories	38 916
Tax assets and prepaid taxes	17 881
Trade and other receivables	32 589
Trade and other payables	(149 208)
Finance lease liabilities	(38 839)
Deferred taxation	(225 015)
Net identifiable assets acquired	636 928
Add: Goodwill	285 534
Total purchase consideration	**922 462**

For more information refer to Note 26.4

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)				
14.2 Investment in Associates				
Shares at cost	**253 824**	253 824	**9 600**	9 600
Post-acquisition reserves	**2 048 139**	1 270 711	**652 155**	68 736
	2 301 963	1 524 535	**661 755**	78 336

Included in post acquisition reserves are current year share of profits of ZW$ 777,4 million (2020: ZW$ 367,3 million)

Analysis of results and statement of financial position of associates.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Schweppes Zimbabwe Limited (49%) (2020: 49%)				
Shares at cost	**14 014**	14 014	**530**	530
Gain arising on acquisition	**245 310**	245 310	**9 278**	9 278
Group's share of post-acquisition distributable reserves	**999 460**	685 088	**263 900**	36 118
Dividend received from associate	**(19 830)**	(19 830)	**(750)**	(750)
	1 238 954	924 582	**272 958**	45 176
Total assets	**7 079 710**	13 364 110	**4 763 285**	1 257 724
Total liabilities	**(3 263 645)**	(7 046 610)	**(2 195 806)**	(663 171)
Net assets	**3 816 065**	6 317 500	**2 567 479**	594 553
Group's share of net assets of associate	**1 869 872**	3 095 576	**1 258 065**	291 331
Total revenue	**5 822 551**	8 322 407	**4 418 515**	783 239
Total profit for the year	**641 576**	370 054	**464 862**	34 826
Group's share of profit of associate	**314 372**	181 327	**227 782**	17 065
Nampak Zimbabwe Limited (21.46%) (2020: 21.46 %)				
Shares at cost	**239 810**	239 810	**9 070**	9 070
Group's share of post-acquisition distributable reserves	**379 727**	360 144	**379 727**	24 090
	619 537	599 954	**388 797**	33 160
Total assets	**9 033 652**	5 484 350	**2 652 651**	516 143
Total liabilities	**(3 190 488)**	(4 758 903)	**(936 858)**	(447 870)
Net assets	**5 843 164**	725 447	**1 715 793**	68 273
Group's share of net assets of associate	**1 253 943**	155 680	**368 209**	14 651
Total revenue for the year	**6 794 464**	9 898 930	**5 328 704**	931 609
Total profit for the year	**2 157 617**	866 626	**1 657 207**	81 560
Group's share of profit of associate	**463 025**	185 975	**355 637**	17 503

The market value of the Group's interest in Nampak Zimbabwe Limited which is listed on the stock exchange in Zimbabwe was ZW$1,2 billion (2020: ZW$160,5 million).

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
15. TRADEMARKS, GOODWILL, INVESTMENTS AND LOANS				
15.1 Trademarks and Goodwill				
Trademarks				
At beginning of year	**1 157 665**	1 157 665	**43 785**	43 785
Arising from acquisition of subsidiary	**2 441 360**	—	**2 441 360**	—
At cost	**3 599 025**	1 157 665	**2 485 145**	43 785
Goodwill				
At beginning of year	**477 614**	477 614	**18 064**	18 064
Arising from acquisition of subsidiary	**285 534**	—	**285 534**	—
At cost	**763 148**	477 614	**303 598**	18 064
Total Trademarks and Goodwill	**4 362 173**	1 635 279	**2 788 743**	61 849
15.2 Investments and Loans				
Investments				
At fair value	**21 388**	34 266	**21 388**	10 062
Loans				
Secured – Related Parties	**467 804**	248 967	**467 804**	73 107
Total Investments and Loans	**489 192**	283 233	**489 192**	83 169

15.3 Included in the Group's secured loans of ZW$467,8 million are loans to employees made in terms of a Group housing scheme and vehicle ownership scheme. This includes loans to Directors and officers of the Group amounting to ZW$ 285,3 million (2020: ZW$ 195,7 million). During the year, ZW$ 250,7 million was advanced and ZW$ 22,6 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		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
16. INVENTORIES				
Consumable stores	**2 005 929**	2 262 682	**767 032**	104 065
Finished products	**1 021 724**	692 581	**669 263**	96 940
Raw materials	**4 390 880**	1 359 391	**2 781 355**	522 462
Work in progress	**248 977**	162 908	**239 762**	41 258
	7 667 510	4 477 562	**4 457 412**	764 725

The cost of inventories recognised as an expense during the year was ZW$ 10,39 billion (2020: ZW$ 9,2 billion).

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

		INFLATION ADJUSTED		HISTORIC COST	
		2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
17.	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables	**1 742 881**	625 579	**1 742 881**	185 278
	Other receivables	**90 021**	642 386	**90 021**	193 617
	Allowances for expected credit losses	**(55 414)**	(47 096)	**(55 414)**	(14 324)
		1 777 488	1 220 869	**1 777 488**	364 571

Other receivables from third parties relate to sundry debtors of ZW$ 38,4million (2020: ZW$ 236,3 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 ZW$ 402,9 million (2020: ZW$ 407,9 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 (2020: 8).

The Group has recognised an allowance for credit losses of ZW$ 55,4million (2020: ZW$ 47,0 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.

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% (2020: 80%) 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 ZW$ 45,9 million that relates to contract farmers input loans that are recoverable at harvest against crop deliveries.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
17. TRADE AND OTHER RECEIVABLES (continued)				
60-90 days	**60 354**	12 008	**60 354**	3 526
Over 90 days	**207 628**	118 645	**207 628**	34 839
	267 982	130 653	**267 982**	38 365
Movement in the allowance of credit losses				
Balance at the beginning of the year	**47 096**	72 738	**14 324**	2 751
Increase in allowances for credit losses	**41 215**	33 166	**41 215**	9 739
Effects of IAS 29	**(32 772)**	(65 054)	**—**	—
Amounts written off during the year as uncollectable	**(130)**	(933)	**(130)**	(274)
Amounts recovered during the year	**5**	7 179	**5**	2 108
Balance at the end of the year	**55 414**	47 096	**55 414**	14 324

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.

	Notes	INFLATION ADJUSTED 2021 ZW$'000	INFLATION ADJUSTED 2020 ZW$'000	HISTORIC COST 2021 ZW$'000	HISTORIC COST 2020 ZW$'000
Ageing of impaired trade receivables					
Over 90 days		**55 414**	47 096	**55 414**	14 324
18. FINANCIAL ASSET - FAIR VALUE AND OTHER ASSETS					
18.1 Other Assets					
United National Breweries prepayment		**—**	1 891 394	**—**	348 404
Other prepayments		**2 690 266**	948 062	**2 287 822**	219 972
		2 690 266	2 839 456	**2 287 822**	568 376

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
18. FINANCIAL ASSET - FAIR VALUE AND OTHER ASSETS (continued)				
18.2 Fair Value Through Profit and Loss				
Financial Asset - Fair value	**1 615 828**	5 419 110	**1 615 828**	1 591 273

The asset has been valued using a Forward Exchange Contract valuation model, being the net present value of ZW$ currency refundable less the net present value of the US$ currency payable. The value of the Blocked Funds Arrangement as at 31 March 2021 is US$18,8 million (2020: 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 ZW$ 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 US$/ZW$1: 84,12 at 31 March 2021

For more details refer to note 10

18.3 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Fair value through profit or loss:	**Level 3**	**Level 3**	**Level 3**	**Level 3**
Financial Asset	1 615 828	5 419 110	1 615 828	1 591 273
Fair value through profit or loss:	**Level 1**	**Level 1**	**Level 1**	**Level 1**
Old Mutual Shares	21 254	33 222	21 254	9 927

The Group did not have any financial assets under Level 2 in the current and prior financial years, in addition, the Group did not have any transfers between levels.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

19. SHARE CAPITAL

19.1 Authorised Share Capital

Authorised share capital comprises 1 400 000 000 ordinary shares of ZW$ 0,01 (one ZW$ cent) per share.

19.2 Ordinary Shares Issued and Fully Paid

	2021 Number of shares in millions	2020 Number of shares in millions
At beginning of year	**1 279**	1 268
Exercise of share options	**8**	11
At end of year	**1 287**	1 279

19.3 Unissued Shares

Subject to the limitations imposed by the Companies and Other Business Entities Act (24:31), in terms of a special resolution of the Company in the General Meeting, the unissued share capital comprising 107 888 445 (2020: 115 538 810) 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 (ZSE) 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 ZW$	Number of Shares 2021 '000	Number of Shares 2020 '000
3 January 2011	3 January 2021	0,636	—	20
3 November 2011	3 November 2021	0,746	—	24
2 August 2012	2 August 2022	0,680	—	26
1 June 2013	1 June 2023	1,450	—	218
1 June 2014	1 June 2024	1,148	**13**	108
Total options			**13**	396
12 February 2016	13 February 2026	0,525	—	108
6 May 2016	6 May 2026	0,730	—	221
5 May 2017	5 May 2027	0,863	—	7 243
10 August 2018	10 August 2028	2,000	**6 500**	6 500
10 May 2019	10 May 2029	2,950	**10 555**	10 890
7 May 2020	7 May 2030	5,810	**7 327**	000
7 August 2020	7 August 2030	16,230	**10 113**	000
Total Share Incentives			**34 495**	24 962
			34 508	25 358

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

19. SHARE CAPITAL (continued)

19.4 Shares Under Option (continued)

	2021 '000	2020 '000
Movements in share options during the year:		
Number outstanding at beginning of year	**27 655**	27 440
New options /SARS granted during year	**17 440**	10 890
Forfeited Shares	**(280)**	(10)
Exercised during year	**(7 650)**	(10 665)
Outstanding at end of year	**37 165**	27 655

The weighted average price of exercise of share options and the weighted average stock exchange price for the year were ZW$ 1,88(2020: ZW$ 0,77) and ZW$ 0,00 (2020: ZW$ 3,91) respectively. The number of shares forfeited for the year ended 31 March 2021 is 279 889 (2020: 10 000 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 7 May 2020 and 7 August 2020. The estimated fair value of the options granted on this date was ZW$ 13,4 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 ZW$ 52,5 million (2020: ZW$ 45,7 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 2020
Grant date share price – ZW$	5.81
Exercise price per share – ZW$	5.81
Expected volatility	30.36%
Dividend yield	3.86%
Risk-free interest rate	22.45%

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 2021

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 2021(2020 - Nil). The Company held a total of 5 632 579 (2020: 5 632 579) of its own shares as treasury stock.

20. DIRECTORS' SHAREHOLDINGS

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

	2021 Number of shares	2020 Number of shares
E Fundira	**169**	169
C F Dube	**4 807**	4 807
T Moyo	**6 156**	3 178
C C Jinya	**10 990**	4 431
P Gowero	**4 192 042**	2 632 874
A Makamure	**4 575 812**	—
M M Valela	**12 959 290**	11 072 833
	21 749 266	13 718 292

No changes in Directors' shareholdings have occurred between the financial year end and 8 May 2021 being the date of the last meeting of the directors.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
21. BORROWINGS				
21.1 Long-term borrowings-Amortised cost				
Balance at beginning of year	**184 599**	2 881 501	**36 397**	105 443
Transfer from / (to) short-term loan	**10 263**	(2 919 146)	**10 263**	(850 320)
Loans raised	**1 038 861**	—	**1 038 861**	—
Effects of IAS 29	**(148 202)**	(2 438 399)	**—**	—
Revaluation of foreign loans	**504 538**	2 660 643	**504 538**	781 274
Translation differences	**73 930**	—	**73 930**	—
Balance at end of year	**1 663 989**	184 599	**1 663 989**	36 397

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
21. BORROWINGS (continued)				
21.2 Movements in Short Term Borrowings				
Balance at beginning of year	**4 220 827**	1 506 663	**1 254 326**	48 445
Transfer (to) / from long-term loan	**(41 216)**	2 919 146	**(10 263)**	850 320
Loans raised	**797 180**	—	**797 180**	—
Amount repaid	**(596 542)**	(43 252)	**(627 496)**	(40 827)
Translation differences	**279 244**	—	**279 244**	—
Effects of IAS 29	**(2 966 502)**	(1 115 910)	**—**	—
Revaluation of foreign loans	**(331 036)**	954 180	**(331 036)**	396 388
Balance at end of year	**1 361 955**	4 220 827	**1 361 955**	1 254 326

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 ZW$ 8 billion.

The outstanding balances are repayable within twelve months.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
22. LEASE LIABILITY				
Balance at the beginning of the year	**96 822**	105 217	**28 431**	30 896
Arising from acquisition of a subsidiary	**54 083**	—	**54 083**	—
Repayments	**(91 709)**	(8 395)	**(80 506)**	(2 465)
Translation differences	**134 444**	—	**175 115**	—
Lease liability at end of year	**193 640**	96 822	**177 123**	28 431
Maturity analysis				
Due within 1 year	**105 781**	15 860	**93 459**	4 657
Due between 2 years and 5 years	**87 859**	80 962	**83 664**	23 774
Balance at end of year	**193 640**	96 822	**177 123**	28 431

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 2021

		INFLATION ADJUSTED		HISTORIC COST	
		2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
23.	**TRADE, OTHER PAYABLES AND PROVISIONS**				
23.1	**Trade and Other Payables**				
	Trade payables	**3 573 234**	2 834 508	**3 573 234**	819 979
	Accruals and other payables	**3 601 582**	3 074 859	**3 601 582**	537 090
		7 174 816	5 909 367	**7 174 816**	1 357 069

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$6,8 million was outstanding (2020: US$22,2 million).

		INFLATION ADJUSTED		HISTORIC COST	
		2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
23.2	**Provisions**				
	Employee benefits*				
	Balance at beginning of year	**705 865**	169 295	**207 271**	6 403
	Additional provision recognised	**401 733**	536 570	**401 733**	200 868
	Effects of IAS 29	**(498 594)**	—	**—**	—
	Balance at end of year	**609 004**	705 865	**609 004**	207 271
	Containers in the market**				
	Balance at beginning of year	**1 094 824**	88 738	**321 485**	26 057
	Container market absorption movement	**176 423**	1 006 086	**949 762**	295 428
	Balance at end of year	**1 271 247**	1 094 824	**1 271 247**	321 485
	Provisions at end of year	**1 880 251**	1 800 689	**1 880 251**	528 756

* 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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
24. CASH FLOW INFORMATION				
24.1 Cash Generated from Operating Activities				
Operating income	**10 713 853**	7 279 072	**8 646 267**	1 316 777
Depreciation	**1 436 603**	1 616 030	**508 451**	98 695
Profit on disposal of property, plant and equipment	**(16 560)**	(13 993)	**(18 397)**	(2 673)
Share option expense	**44 235**	45 767	**35 264**	5 775
Fixed assets and other adjustments	**(640 116)**	(1 734 560)	**(1 774 342)**	(542 833)
	11 538 015	7 192 316	**7 397 243**	875 741
24.2 Increase in Working Capital				
Increase in inventories	**(3 189 948)**	(1 081 583)	**(3 692 687)**	(635 862)
Increase in receivables and other assets	**(407 429)**	(2 824 735)	**(3 132 363)**	(886 007)
(Decrease) / increase in obligation for containers in the market	**(176 423)**	405 887	**(949 762)**	295 432
Increase / (decrease) in trade and other payables	**1 265 449**	(2 169 309)	**5 817 747**	748 916
	(2 508 351)	(5 669 740)	**(1 957 065)**	(477 521)
24.3 Dividend Paid				
By the company:				
Declared dividend at the beginning of year	**(260 171)**	(1 174 124)	**(76 397)**	(44 407)
Current year declared dividend (Ref note 25)	**(2 223 626)**	(818 397)	**(1 929 579)**	(86 111)
Effects of IAS 29	**409 738**	1 461 581	**—**	—
Balance at end of year	**1 415 514**	260 171	**1 415 514**	76 397
	(658 545)	(270 769)	**(590 462)**	(54 121)
By subsidiaries:				
Declared dividend at the beginning of year	**(32 867)**	—	**(9 651)**	—
Current year declared dividend	**(29 345)**	(34 668)	**(29 345)**	(10 180)
Effects of IAS 29	**14 439**	—	**—**	—
Balance at end of year	**29 347**	32 867	**29 347**	9 651
	(18 426)	(1 801)	**(9 649)**	(529)
Total dividends paid	**(676 971)**	(272 570)	**(600 111)**	(54 650)

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
24. CASH FLOW INFORMATION (continued)				
24.4 Income Taxation Paid				
Balance at beginning of year	**(446 467)**	51 110	**(129 428)**	1 933
Current and withholding tax (Ref note 11.1)	**(2 134 034)**	(1 662 285)	**(1 458 557)**	(165 095)
Effects of changes on translation rates on foreign subsidiaries	**32 015**	—	**32 015**	—
Tax asset arising from subsidiary	**—**	40 938	**—**	12 021
Effects of IAS 29	**874 171**	1 002 523	**—**	—
Net liability at end of year	**445 802**	446 467	**445 802**	129 428
	(1 228 513)	(121 247)	**(1 110 168)**	(21 713)

The tax liability is a net of current tax asset of ZW$ 36,5 million (2020: ZW$ 15,7 million) and a liability of ZW$ 482,3 million (2020: ZW$ 494,2 million) as shown per Consolidated Statement of Financial Position.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
24.5 Movements in Long Term Borrowings				
Balance at beginning of year	**184 599**	2 881 501	**36 397**	105 443
Transfer from/(to) short-term loan	**41 216**	(2 919 146)	**41 216**	(850 320)
Amount repaid	**(30 953)**	—	**(30 953)**	—
Loans raised	**1 038 861**	—	**1 038 861**	—
Effects of IAS 29	**(148 202)**	(2 438 399)	**—**	—
Revaluation	**504 538**	2 660 643	**504 538**	781 274
Translation differences	**73 930**	—	**73 930**	—
Balance at end of year	**1 663 989**	184 599	**1 663 989**	36 397
24.6 Movements in Short Term Borrowings				
Balance at beginning of year	**4 220 827**	1 506 663	**1 254 326**	48 445
Transfer (to) / from long-term loan	**(41 216)**	2 919 146	**(41 216)**	850 320
Loans raised	**797 180**	—	**797 180**	—
Amount repaid	**(596 542)**	(43 252)	**(596 542)**	(40 827)
Translation differences	**279 244**	—	**279 244**	—
Effects of IAS 29	**(2 966 501)**	(1 115 910)	**—**	—
Revaluation	**(331 037)**	954 180	**(331 037)**	396 388
Balance at end of year	**1 361 955**	4 220 827	**1 361 955**	1 254 326
24.7 Increase in Shareholder Funding				
24.7.1 Share Capital				
Proceeds of shares issued:				
By the Company – share options exercised	**2 645**	82 352	**1 517**	4 218
24.7.2 Share Buyback				
By the Company – share buyback	**(18 668)**	—	**(18 668)**	—

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'000
24. CASH FLOW INFORMATION (continued)				
24.8 Cash and Cash Equivalents				
Made up as follows:				
Cash and cash equivalents	**1 767 813**	763 632	**1 767 813**	225 203

	2021 ZW$ Cents	2020 ZW$ Cents	**2021 ZW$'000**	2020 ZW$'000
25. DIVIDENDS BY COMPANY				
Interim	**45,00**	6,75	**578 776**	86 111
Final	**105,00**	—	**1 350 803**	—
	150,00	6,75	**1 929 579**	86 111

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 155 of this report.

AB Inbev Group entities are considered to be related parties of the Group by virtue of its 40% equity shareholding in Delta Corporation Limited. 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 ZW$'000	**Royalties, Technical & other fees ZW$'000**	Rental payments ZW$'000	**Amounts Owed by Related parties ZW$'000**	Amounts Owed to Related parties ZW$'000
2021					
AB InBev Companies	9 269 565	**978 301**	—	**42 217**	(148 520)
Associates	774 220	**—**	—	**4 468**	(42 436)
Delta Pension Fund	—	**—**	37 625	**—**	—
	10 043 785	**978 301**	37 625	**46 685**	(190 956)
2020					
AB InBev Companies	15 775 708	**207 934**	—	**—**	(2 371 559)
Associates	3 430 703	**—**	—	**91 251**	(181 180)
Delta Pension Fund	—	**—**	218 379	**—**	—
	19 206 411	**207 934**	218 379	**91 251**	(2 552 739)

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

26. RELATED PARTY TRANSACTIONS (continued)

HISTORIC COST

	Purchases of goods ZW$'000	Royalties, Technical & other fees ZW$'000	Rental payments ZW$'000	Amounts Owed by Related parties ZW$'000	Amounts Owed to Related parties ZW$'000
2021					
AB InBev Companies	2 721 925	**287 269**	—	**42 217**	(148 520)
Associates	227 343	**—**	—	**4 468**	(42 436)
Delta Pension Fund	—	**—**	11 048	**—**	—
	2 949 268	**287 269**	11 048	**46 685**	(190 956)
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)

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 ZW$ 1,8 million (2020: ZW$ 7,2 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.

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:

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Short-term benefits	**778 079**	198 600	**697 197**	26 637
Post-employment benefits	**29 807**	22 442	**23 636**	3 275
Share based payments	**44 889**	29 042	**24 819**	3 373
	852 775	250 084	**745 652**	33 285
Included in the above amounts are the following in respect of directors' emoluments:				
For services as directors	**23 305**	21 560	**17 885**	2 734
For managerial services	**150 055**	78 518	**121 892**	10 330
	173 360	100 078	**139 777**	13 064

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

26. RELATED PARTY TRANSACTIONS (continued)

26.4 Subsidiaries, Associates and Joint Ventures

Name	Country of Incorporation	Principal activity	Effective Interest 2021	Effective Interest 2020
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%
Chibuku Holdings Plc	Mauritius	Holding	**100%**	100%
Newshelf T/A United National Breweries Pty Ltd	South Africa	Sorghum Beer Manufacture	**100%**	100%
Delta Beverages South Africa	South Africa	Holding	**100%**	100%
Headend (Private) Limited	Zimbabwe	Dormant	**92%**	92%
Mandel Training Centre P/L	Zimbabwe	Dormant	**75%**	75%
National Breweries Plc	Zambia	Sorghum Beer Manufacture	**70%**	70%
Afdis Holdings Limited / Afdis Limited	Zimbabwe	Beverages Manufacture	**50%**	50%
Food & Industrial Processors (Private) Limited	Zimbabwe	Starch Distributor	**49%**	49%
Schweppes Zimbabwe Limited	Zimbabwe	Beverages Manufacture	**49%**	49%
Nampak Zimbabwe Limited	Zimbabwe	Plastics & Paper Manufacture	**21%**	21%
PetrecoZim (Private) Limited	Zimbabwe	Plastics Recycling	**15%**	15%

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 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'000
27. COMMITMENTS FOR CAPITAL EXPENDITURE				
Authorised by directors but not contracted for	**12 967 585**	6 720 420	**12 967 585**	1 973 391

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 and in South Africa to the United National Breweries SA Provident Fund.

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		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	**2021 ZW$'000**	2020 ZW$'000
28.3 Pension costs recognised as an expense for the year				
Group Pension Funds	**295 236**	183 929	**203 780**	26 131
National Social Security Authority Scheme / United National Breweries SA (Pty) Ltd Provident Fund	**51 370**	—	**51 370**	—
Scheme / NPSA Fund Zambia	**13 988**	18 134	**13 988**	2 069
	360 594	202 063	**269 138**	28 200

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 2021

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 COST

	Liabilities		Assets		Net exposure	
	2021 ZW$'000	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**
USD	**(2 143 510)**	(1 554 657)	**494 516**	5 443	**(1 648 994)**	(1 549 214)
Euro	**(37)**	(18 102)	**219**	587	**182**	(17 515)
Rand	**(230 566)**	(115 049)	**76 384**	1 149	**(154 182)**	(113 900)

The following table details the Group's sensitivity to a 10% and 22% increase in the ZW$ 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 ZW$ Dollar strengthens or weakens in a favourable manner against the net exposure.

HISTORIC COST

	Euro Impact		Rand Impact		USD Impact	
	2021 ZW$'000	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**
Profit / (loss)	**18**	(1 752)	**(15 418)**	(11 390)	**(164 899)**	(154 921)

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 2021

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 ZW$'000	2-12 months ZW$'000	12-36 months ZW$'000	Total ZW$'000
31 March 2021					
Fixed interest rate	7,5	—	1 361 955	1 605 989	**2 967 944**
Trade and other payables		7 426 389	—	—	**7 426 389**
		7 426 389	1 361 955	1 605 989	**10 394 333**
31 March 2020					
Fixed interest rate	7,5	—	4 220 827	184 599	**4 405 426**
Trade and other payables		5 909 367	—	—	**5 909 367**
		5 909 367	4 220 827	184 599	**10 314 793**

HISTORIC COST

	Weighted average effective interest rate %	0-2 months ZW$'000	2-12 months ZW$'000	12-36 months ZW$'000	Total ZW$'000
31 March 2021					
Fixed interest rate	7.5	—	1 361 955	1 605 989	**2 967 944**
Trade and other payables		7 222 596	—	—	**7 222 596**
		7 222 596	1 361 955	1 605 989	**10 190 540**
31 March 2020					
Fixed interest rate	7,5	—	1 254 326	36 397	**1 290 723**
Trade and other payables		1 357 069	—	—	**1 357 069**
		1 357 069	1 254 326	36 397	**2 647 792**

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
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:				
Total available	**2 967 944**	4 395 581	**2 967 944**	1 290 723
Amount used	**(2 967 944)**	(4 395 581)	**(2 967 944)**	(1 290 723)
Amount unused	**—**	—	**—**	—

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		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Financial assets				
Cash and bank balances	**1 767 813**	763 632	**1 767 813**	225 203
Financial asset - Fair value through profit and loss	**1 615 828**	5 419 110	**1 615 828**	1 591 273
Trade and other receivables	**1 826 624**	1 241 553	**1 826 624**	364 57
Loans	**467 804**	248 967	**467 804**	73 107
Available-for-sale financial assets	**21 388**	34 266	**21 388**	10 062
Financial liabilities				
Amortised cost:				
Borrowings	**2 967 944**	4 395 581	**2 967 944**	1 290 723
Trade and other payables	**7 431 447**	5 843 775	**7 227 654**	1 357 069

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

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 (2020: 20,47%)

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 inflation adjusted consolidated 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 access to foreign currency has however improved following the introduction of a foreign currency auction system and partial re-dollarisation. The legacy foreign liabilities are covered by the Reserve Bank of Zimbabwe arrangements as explained under Note 10.

National Breweries Zambia recorded losses in the last three financial years and is reflecting a net liability position which includes amounts owed to the Parent. This is attributed mainly to declining demand and competition from illegal bulk beer and other forms of alcohol. The performance in the current year also reflects the impacts of exchange losses on amounts due to the Parent and the COVID-19 restrictions on trading and consumer activity and spending. Management is implementing various business recovery measures. In the short-term, the entity will require support from the Parent to ensure business continuity. It is expected that the entity will return to profitability in the near term. The funding gap reflected in the financial budgets for the coming year are within the credit limits approved by the Parent. This indicates uncertainity in relation to going concern having noted that the support from the Parent requires certain regulatory approvals, which are not yet in place. Management maintain that it is appropriate to report the entity on a going concern basis.

Notes to the Financial Statements (continued)

for the year ended 31 March 2021

30. GOING CONCERN (continued)

United National Breweries (RSA) was adversely affected by the prolonged alcohol bans during the lockdown measures imposed in that country to mitigate the COVID-19 pandemic. This has resulted in a depleted working capital position. Management is confident that the business will recover as the measures are relaxed. In the meantime, the entity has accessed some financial support from the Parent. There are uncertainities around going concern for the entity because of the ban on sale of alcohol due to COVID-19 restrictions.

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 business operations arising from the restrictions in social and economic activities, heightened safety and health requirements and changes in demand patterns of the Group's products. The severity of the impacts cannot be reasonably estimated. The recent rollout of vaccination programs is expected to alleviate the spread and severity of the pandemic. The Group will adopt mitigatory 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.

31. SUBSEQUENT EVENTS

There were no subsequent events to be reported.

32. IMPAIRMENT ASSESSMENT OF NATIONAL BREWERIES PLC

Natbrew Plc has recorded losses in the last three reporting periods and reflects a net liability position. The performance was affected by the increased competition from the illegal bulk beer category, the increased cost of imported raw materials driven by the depreciation of the Kwacha and the impacts of the COVID-19 pandemic which affects consumer disposable incomes and access to the market. Management have concluded that the business remains a going concern as supported by the business recovery plan. The entity accessed working capital support from the parent company. The entity has booked an impairment loss against property, plant and equipment in compliance with International Accounting Standards 36 (Impairment of Assets), which was considered to have no material impact at Group level.

Consequently, the investment amount carried in the Parent and balances due to other Group entities have not been impaired. This is indicated at historical value of ZW$ 895 million and inflation adjusted of ZW$ 2,1 billion. This is compared to the market capitalization of the entity of ZW$2,6 billion.

Company Statement of Profit or Loss And Other Comprehensive Income

for the year ended 31 March 2021

	INFLATION ADJUSTED		*HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
REVENUE				
Dividend and other income	**2 037 871**	891 262	**2 001 859**	99 942
Exchange losses	**87 918**	—	**—**	—
Administrative expenses	**(39 034)**	(34 137)	**(29 380)**	(3 914)
Monetary loss	**(14 283)**	(1 526 159)	**—**	—
Profit / (loss) before tax	**2 072 472**	(669 034)	**1 972 479**	96 028
Taxation	**—**	—	**—**	—
PROFIT / (LOSS) FOR THE YEAR	2 072 472	(669 034)	**1 972 479**	96 028
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**—**	—	**—**	—
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	**2 072 472**	(669 034)	**1 972 479**	96 028

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.

* Historic cost results are included as supplementary information. Refer to note 4.2.

Company Statement of Financial Position

as at 31 March 2021

	Notes	INFLATION ADJUSTED 2021 ZW$'000	INFLATION ADJUSTED 2020 ZW$'000	*HISTORIC COST 2021 ZW$'000	*HISTORIC COST 2020 ZW$'000
ASSETS					
Non-current Assets					
Interest in subsidiaries	A	**2 854 092**	2 841 490	**112 870**	107 470
Interest in associated companies	14, E	**239 810**	239 810	**9 069**	9 069
Other investments	F	**986 454**	999 329	**57 884**	46 561
		4 080 356	4 080 629	**179 823**	163 100
Current Assets					
Loans to subsidiaries	B	**1 542 479**	484 510	**1 542 479**	142 272
Trade and other receivables	C	**7 667**	33 589	**7 667**	9 863
		1 550 146	518 099	**1 550 146**	152 135
Total Assets		**5 630 502**	4 598 728	**1 729 969**	315 235
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	19	**337 202**	337 061	**12 865**	12 789
Share premium		**2 278 001**	2 275 497	**88 565**	87 125
Share option reserve		**182 472**	149 437	**35 565**	8 642
Retained earnings		**1 409 985**	1 559 046	**170 132**	125 139
Total Equity		**4 207 660**	4 321 041	**307 127**	233 695
Current Liabilities					
Trade and other payables	D	**7 328**	17 516	**7 328**	5 143
Dividends payable		**1 415 514**	260 171	**1 415 514**	76 397
		1 422 842	277 687	**1 422 842**	81 540
Total Equity and Liabilities		**5 630 502**	4 598 728	**1 729 969**	315 235

The financial statements were approved by the Board of Directors and authorised for issue on 9 June 2021.

* Historic cost results are included as supplementary information. Refer to note 4.2.

P Gowero
Chief Executive Officer

M M Valela
Chief Operating Officer

Company Statement of Financial Position (continued)

as at 31 March 2021

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, National Breweries Plc, African Distillers Limited and Delta Beverages South Africa recognised at cost.

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Interest in subsidiaries				
Delta Beverages (Private) Limited	**2 303**	2 303	**87**	87
National Breweries Limited	**344**	344	**13**	13
United Bottlers (Private) Limited	**447**	447	**17**	17
Chibuku Breweries	**3 656**	3 656	**138**	138
National Breweries Plc	**341 113**	341 113	**12 901**	12 901
African Distillers Limited	**2 506 229**	2 493 627	**99 714**	94 314
	2 854 092	2 841 490	**112 870**	107 470

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		HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Dividend receivable from subsidiaries	**—**	27 489	**—**	8 072
Other Debtors	**7 667**	6 099	**7 667**	1 791
	7 667	33 588	**7 667**	9 863

Company Statement of Financial Position (continued)

as at 31 March 2021

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. OTHER INVESTMENTS

Details of other investments are as per table below;

	INFLATION ADJUSTED		HISTORIC COST	
	2021 ZW$'000	**2020 ZW$'000**	**2021 ZW$'000**	**2020 ZW$'000**
Trademarks	**965 066**	965 066	**36 500**	36 500
Investments				
Medical Investments Limited shares	**134**	1 041	**134**	134
Old Mutual shares*	**21 254**	33 222	**21 254**	9 927
	21 388	34 263	**21 388**	10 061
	986 454	999 329	**57 888**	46 561

*Refer to note 18.3

G. ACCOUNTING POLICIES

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

Company Statement of Cash Flows

for the year ended 31 March 2021

	INFLATION ADJUSTED		*HISTORIC COST	
	2021 ZW$'000	2020 ZW$'000	2021 ZW$'000	2020 ZW$'000
Cash flow from operating activities				
Profit / (loss) before tax	**2 072 472**	(669 035)	**1 972 479**	96 028
Non-cash items:-				
Fair value gain on financial assets	**(19 316)**	(11 432)	**(11 326)**	(3 357)
Dividend to be included in financing activities	**(1 747 903)**	(845 692)	**(1 961 153)**	(92 671)
Monetary loss	**(14 283)**	1 526 159	**—**	—
Cash utilised in trading	**(290 970)**	—	**—**	—
Increase/(decrease) in working capital	**176 580**	2 349 760	**11 192**	(31 819)
Effects of IAS29	**(382 203)**	(2 968 441)	**—**	—
Cash generated from / (utilised in) operating activities	**85 347**	(618 681)	**11 192**	(31 819)
Net cash flow from operating activities	**85 347**	(618 681)	**11 192**	(31 819)
Cash flow from investing activities				
Dividend received from equity instruments	**—**	381	**—**	43
Purchase of equity instruments	**(12 602)**	(22 374)	**(5 401)**	(6 570)
Dividend received from subsidiaries	**583 155**	829 091	**583 155**	88 249
Net cash flow from investing activities	**570 553**	807 098	**577 754**	81 722
Cash flow from financing activities				
Dividend paid	**(658 545)**	(270 769)	**(590 462)**	(54 121)
Increase in shareholder funding	**2 645**	82 352	**1 516**	4 218
Net cash utilised in financing activities	**(655 900)**	(188 417)	**(588 946)**	(49 903)
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	**—**	—	**—**	—

* Historic cost results are included as supplementary information. Refer note 4.2.

Company Statement of Changes In Equity

for the year ended 31 March 2021

INFLATION ADJUSTED

	Notes	Share Capital ZW$'000	Share Premium ZW$'000	Share Options Reserve ZW$'000	Change in functional currency ZW$'000	Retained Earnings ZW$'000	Total equity ZW$'000
At 1 April 2019		335 284	2 194 922	91 111	579 037	2 467 441	**5 667 795**
Loss for the year		—	—	—	—	(669 035)	**(669 035)**
Other comprehensive income		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	(669 035)	**(669 035)**
Transactions with owners:							
Share options exercised		1 777	80 575	—	—	—	**82 352**
Change in functional currency		—	—	—	(579 037)	579 037	**—**
Recognition of share based payments		—	—	58 326	—	—	**58 326**
Dividend declared	24.3	—	—	—	—	(818 397)	**(818 397)**
At 1 April 2020		337 061	2 275 497	149 437	—	1 559 046	**4 321 041**
Profit for the year		—	—	—	—	2 072 472	**2 072 472**
Other comprehensive income		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	2 072 472	**2 072 472**
Transactions with owners:							
Share options exercised		141	2 504	—	—	—	**2 645**
Share based payment recognition		—	—	33 035	—	—	**33 035**
Dividend declared	24.3	—	—	—	—	(2 223 626)	**(2 223 626)**
Forfeiture of shares		—	—	—	—	2 093	**2 093**
At 31 March 2021		337 202	2 278 001	182 472	—	1 409 985	**4 207 660**

Company Statement of Changes In Equity (continued)

for the year ended 31 March 2021

*HISTORIC COST

	Notes	Share Capital ZW$'000	Share Premium ZW$'000	Share Options Reserve ZW$'000	Change in functional currency ZW$'000	Retained Earnings ZW$'000	Total equity ZW$'000
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		108	4 110	—	—	—	**4 218**
Recognition of share based payments		—	—	5 196	—	—	**5 196**
Change in functional currency		—	—	—	(21 900)	21 900	**—**
Payment of dividends	24.3	—	—	—	—	(86 111)	**(86 111)**
At 1 April 2020		12 789	87 125	8 642	—	125 139	**233 695**
Profit for the year		—	—	—	—	1 972 479	**1 972 479**
Other comprehensive income, net of tax		—	—	—	—	—	**—**
Total Comprehensive Income for the year		—	—	—	—	1 972 479	**1 972 479**
Transactions with owners:							
Share options exercised	19.5	76	1 440	—	—	—	**1 516**
Forfeited shares adjustment		—	—	—	—	2 093	**2 093**
Share based payment recognition		—	—	26 923	—	—	**26 923**
Payment of dividend	24.3	—	—	—	—	(1 929 579)	**(1 929 579)**
At 31 March 2021		12 865	88 565	35 565	—	170 132	**307 127**

* Historic cost results are included as supplementary information. Refer note 4.2.

Group Statistics

for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORIC COST	
	2021	**2020**	**2021**	**2020**
SHARE PERFORMANCE				
PER SHARE (ZW$ cents)				
Attributable earnings	**525,50**	340,03	**624,84**	91,38
Diluted earnings	**463,42**	317,46	**565,83**	90,71
Cash equivalent earnings	**538,49**	312,26	**476,48**	44,34
Dividends	**161,32**	22,99	**150,00**	6,75
Cash flow	**739,23**	132,52	**429,58**	31,15
Net asset value	**2 027,08**	1 665,17	**615,69**	140,70
Closing market price (ZW$ cents)			**4 622,08**	625,47
ZSE industrial index			**14 740,05**	1 512,46
SHARE INFORMATION				
In issue (m's)			**1 286**	1 279
Market capitalisation (ZW$ 000's)			**59 462 087**	7 998 689
Trading volume (m's)			**135,6**	122,2
Trading percentage (%)			**10,54**	9,56
RATIOS AND RETURNS				
PROFITABILITY				
Return on equity (%)	**25,22**	20,01	**100,26**	64,91
Income after taxation to total capital employed (%)	**24,54**	17,30	**94,89**	57,83
Pretax return on total assets (%)	**19,87**	13,24	**38,94**	23,08
SOLVENCY				
Long term debt to total Shareholders' funds (%)	**6,21**	0,85	**20,78**	2,00
Interest cover (times)	**83**	13	**126**	15
Total liabilities to total Shareholders' funds (%)	**72,04**	76,69	**189,73**	198,14
LIQUIDITY				
Current assets to interest free liabilities & short-term borrowings	**1,24**	1,15	**0,95**	1,04
PRODUCTIVITY				
Turnover per employee ($000's)	**7 130**	5 792	**5 853**	835
Turnover to payroll (times)	**6,02**	6,21	**6,23**	5,51
OTHER				
Number of shareholders	**7 130**	6 717	**7 130**	6 717

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”.

Our initiatives align with the UN Sustainable Development Goals (SDGs) and support our commitment to build a company last the next 100+ years and beyond.

Sustainable Development Report (continued)

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 and 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 are a significant contributor to fiscal revenues, which allow governments to provide public services for the betterment of their citizens.

	HISTORIC COST	
	2021 ZW$'000	**2020 ZW$'000**
Direct Taxes	**1 736 320**	81 886
Excise Taxes	**3 382 278**	453 014
Other Indirect Taxes	**2 334 301**	372 706
Total Taxes	**7 452 899**	907 606

"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".

Our Ambitions

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.

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. We hope to create a BETTER WORLD for everyone, including the communities and the ecosystems where we operate and where our colleagues and consumers live.

"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."

We are doing our part to tackle shared global environmental and social challenges. Our Sustainability Goals aim to deliver a measurable, positive impact on the environment and our communities. 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 (continued)

SUSTAINABLE DEVELOPMENT GOALS

Our Sustainability Goals

As Delta Corporation, we know that brewing great beers or bottling beverages depends on a resilient natural environment and thriving communities. To do that, we have developed ambitious goals to help build environmental resilience, reduce the harmful consumption of alcohol and promote inclusive growth and sustainable livelihoods across our value chain. We believe these efforts will also drive value for our company, because when our communities thrive, our business thrives. We work to support the achievement of 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.

The COVID-19 pandemic has tested the resilience of communities, governments, companies and individuals around the world. While this pandemic is global, its impact is felt closer home. Sadly, not only have we lost friends and family members, we have also lost colleagues within our company. We continue to support those who have lost loved ones, those who are recovering and those who are still fighting the virus.

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
We commit to using the water resource sparingly.

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

Smart Drinking
Implementing Global Smart Drinking Goals to reduce harmful consumption.

Climate Action
We work with other stakeholders to reduce carbon emissions along the value chain.

Diversity & Inclusion
Promoting greater diversity and providing all colleagues with a fair and equal chance to succeed.

Well-Being
Advocating for healthy workplaces and supporting the well-being of our colleagues.

Workplace Safety
Keeping people safe every day by embedding a culture of safety throughout our value chain.

Human Rights Across Our Value Chain
Respecting and promoting human rights in our operations and across our value chain.

Entrepreneurship
Empowering small businesses and entrepreneurs across our value chain to help ensure their success.

Sustainable Development Report (continued)

Smart Agriculture

We are part of Agriculture in each of our Businesses.

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 both 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 scale and communal and smallholder farmers. The sorghum contract scheme aims to integrate marginalised communities in our value chains and promote the cultivation of small grains and drought resistant crop varieties. We engage directly with farmers in our supply chain to help them 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 the tools they use in their 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 trainings 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.

The 2020 winter barley and summer cropping programmes were adversely affected by the drought, leading to lower produce quality and yields. We remain self-sufficient on barley covering both domestic and export malt requirements. The country had to supplement with imports of both maize and sorghum during 2020. There is increased focus on adopting farming practices that conserve water and adopting leanings from the Pfumvudza Programme recently introduced by Government. The thrust is on increasing farmer resilience and reducing production volatility in the communal sector sorghum schemes in view of the more frequent drought cycles in the country. This includes initiatives on improved breeding and crop management practices. We are working with banking partners to accelerate the acquisition of irrigation equipment and other capital items for the commercial farmers.

The 2021 summer contracts for both maize and sorghum are set to achieve both output and yield targets, benefitting from the good rains and stable electricity supply.

Sustainable Development Report (continued)

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 continuously challenge ourselves to attain the highest level of water efficiency. 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.

Partnering with organisations and experts to increase our impact

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 to measure the economic, environmental and social impacts of our activities. 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 endeavor to proactively manage our water-related risks with a focus on protecting local watersheds, investing in community water-access programs and engaging our partners throughout the value chain. In this respect we collaborate with City Councils to address water infrastructure and reticulation challenges.

Supporting water access during the COVID-19 pandemic to help local communities

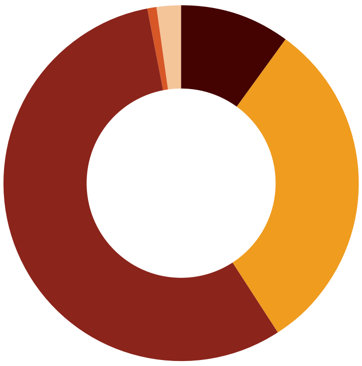
The COVID-19 pandemic has brought to the fore the need for clean water as it is imperative to access to clean water for sanitation and hygiene as the first line of defense against the virus. Specific efforts were made to deliver clean water to identified stressed communities in urban centres, particularly during lockdowns.

This year The Coca-Cola Foundation partnered with DanChurch Aid to drill and install six solar-powered boreholes worth US$50 000 in Bulawayo's Emakhandeni suburb as part of efforts to address the city's perennial water challenges, making water accessible for drinking and handwashing for 200,000 people. This was an intervention following another one by Schweppes Zimbabwe in partnership with DanChurchAid Zimbabwe where they provided 2 181 families with clean water in the city as part of their COVID-19 humanitarian support.

Sustainable Development Report (continued)

Circular Packaging

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



Returnable Plastic	10%
Returnable Glass	31%
Non-Returnable Plastic	56%
Non-Returnable Glass	1%
Cans	2%

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.

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 through local partnerships.
   - 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 adverse materials.

Sustainable Development Report (continued)

Examining the impact of the pandemic on our Circular Packaging goals

We continue to prioritise and emphasize the share of the returnable bottle packs in our businesses. The use of returnable packaging reduces the environmental impact including carbon emissions many times over compared to single use packaging. In the current year, our efforts were curtailed by the advent of the COVID-19 pandemic which exposed the fragility of some of our ecosystems. Consumers and traders preferred one-way packages for various reasons.

Lockdowns impacted sorting operations as well as waste collection rates. Furthermore, the closure of the on-premise channel reduced the use of returnable glass and draught offerings.

We collaborate with a number of partners in recovering post-consumer waste, educating consumers, and partnering with others. It was necessary to review the operations of our recycling partners and support them to upgrade their equipment and PPE to comply with the COVID-19 protocols.

The initiatives on light-weighting of bottles and shrink-wrapping materials are ongoing in addition to projects aimed at minimising the amount of waste that ends up at landfill sites.

Reduce and Recycle

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 of a cleaner environment.

We have partnered Zimbabwe Sunshine, a project that has set up waste collection points in local communities and were able to collect 25 000 tons of post-consumer waste. This complements the consumer waste cages that have been installed at major shopping centres for the accumulation of used cans, PET and glass bottles. The used cans are crushed and pressed into tin cake for export. The beverage cans are now made of aluminium, which has more secondary usages. 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 activity 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.

Sustainable Development Report (continued)

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. Our 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 CO2 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 CO2 emissions. We are on a program to phase-in CO2-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.

Increasing Energy Efficiency: 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.

We will accelerate the investments in renewable energy such as solar power starting off with office complexes and distribution depots.

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.

Sustainable Development Report (continued)

INCLUSIVE GROWTH: Together for more resilient communities

Supporting small enterprises and communities to thrive

Our efforts to build a better world go beyond environmental sustainability. Our success as a business is closely linked to the talents of a diverse workforce, the products and services of small suppliers, the thousands of shops, bars and restaurants that serve our products and a diverse consumer base in the countries where we operate.

We believe that at its core, inclusive growth is about fairness, decency, and long-term sustainability. Our approach to diversity and inclusion, colleague engagement, human rights, smart drinking and workplace safety all highlight our role in helping to build communities that are fairer and stronger.

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.

We continue to run the Retailer Development Programme which 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 2 807 retailers have been trained since 2018.

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

Helping customers and retailers overcome lockdown challenges

The COVID-19 pandemic presented significant challenges for our retail partners, particularly the small traders that were not considered to be essential services under the lockdowns. We had to engage the authorities collectively to review the regulations and offer support to our bar, pub, restaurant and small retailer customers through a variety of ways.

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.

Our communities

The Group provides direct employment to over 5 000 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 economies of our countries, thereby creating wealth and improving the welfare of the communities in which we work.

Sustainable Development Report (continued)

INCLUSIVE GROWTH: Together for more resilient communities (continued)

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 800 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 1 500 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 instil a sense of ownership which is important for maintaining the facilities. We handed over one model classroom block with four classrooms and two sets of ablution facilities to Cheuchi Primary School, Makonde district of Mashonaland West Province in 2021 built under the Coca-Cola Women's Linc.

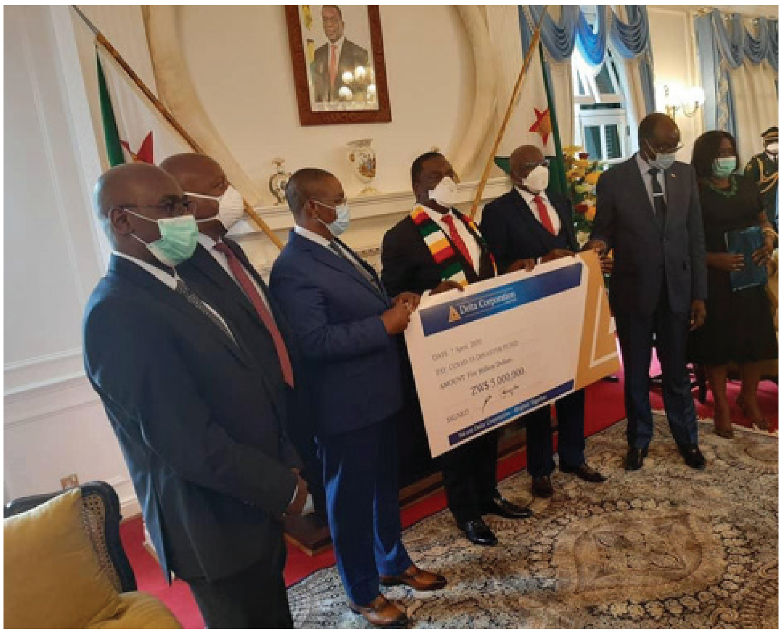
Sustainable Development Report (continued)

Volunteering and Disaster Relief

The company responds to disasters, provide humanitarian relief as well as ad-hoc requests for donations. We believe we can play a positive role in helping communities to prepare and respond to disasters by working with government, civil society and other private sector organizations where we can. 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 2020, we responded to the COVID-19 pandemic by providing PPE and medical accessories to frontline workers and Old People's Homes.

Delta in its own unique way made a cash donation of **ZW$5 million** to the Government of Zimbabwe's COVID-19 Disaster Fund in March 2020 in addition to other provisions of medical accessories delivered to frontline health staff and law enforcement officers. We also partnered with a hospital group to equip the facility in readiness to receive COVID-19 patients.



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 2020 donations were made to Harare Children's Home and Emerald Hill School of the Deaf. The donation amounted to about USD5 000. It gave every employee the opportunity to be of service to others.

Delta employees participated in the once a month National Clean-Up Campaign as part of the **#DeltaForGood** campaign.

Sustainable Development Report (continued)

3 GOOD HEALTH AND WELL BEING

Smart Drinking

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 this reason and more, we support the World Health Organization's (WHO) global target of reducing harmful use of alcohol by 10% or greater in every country by 2025, as well as with the UN Sustainable Development Goals ambition to strengthen the prevention of harmful use of alcohol.

Our smart drinking goals

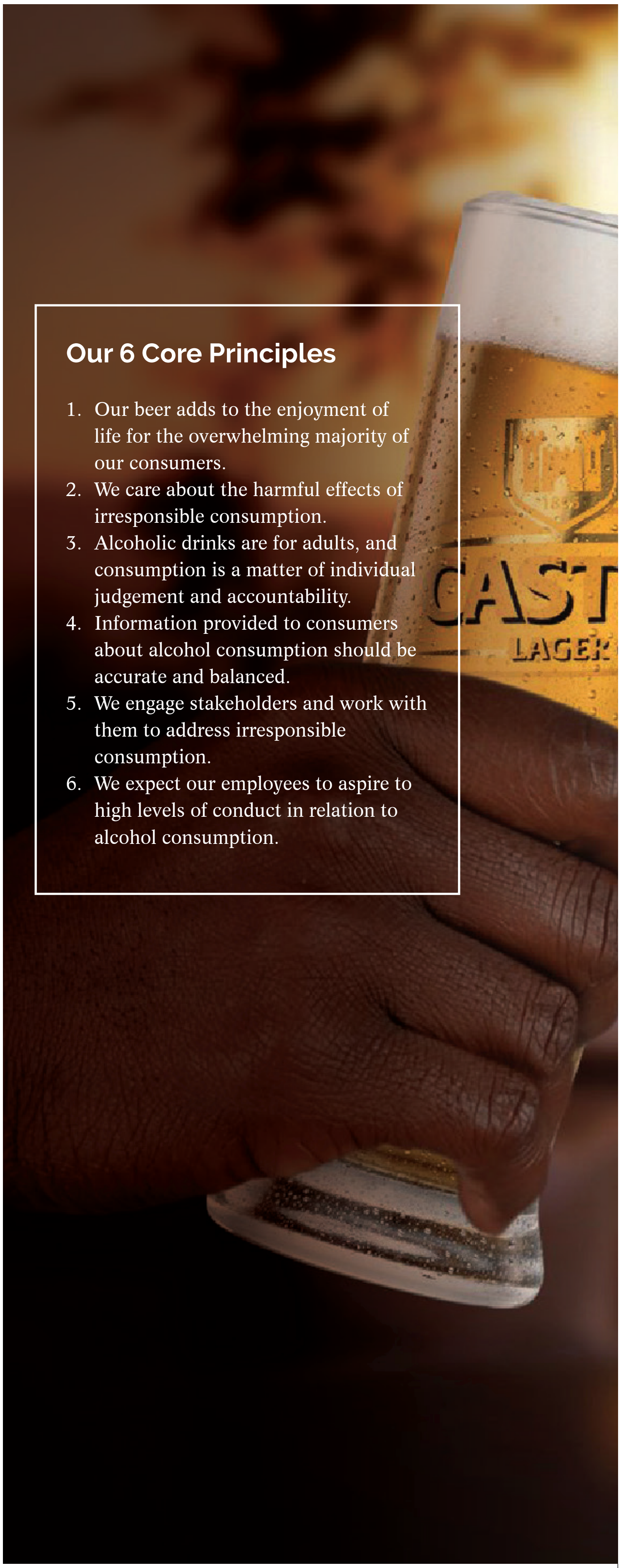
We are using our Smart Drinking Goals as benchmarks to shift social norms and behaviours around harmful alcohol use while improving our own business practices. We recognise that partnerships are essential to achieving our goals and are taking a multi-stakeholder approach. We have been collaborating with 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 under-age 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. We expect our employees to aspire to high levels of conduct in relation to alcohol consumption.

Sustainable Development Report (continued)

Our Smart Drinking Commercial Communications Code continues to guide our commercial teams on how to sell and market our beers in a responsible way by not appealing to underage consumers, not depicting irresponsible alcohol consumption, and by putting safeguards in place in our digital communication platforms. 421 commercial personnel including our advertising agencies were trained on the code. The 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.

For the past four consecutive years we have run with the “Designated Driver Campaign” in partnership with the Traffic Safety Council of Zimbabwe for major events. We have breathalysers to tests consumers their alcohol level 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.

In 2020, our brands developed five Smart Drinking campaigns in order to relate to the messaging on the COVID-19 awareness, such as **#Stayathome** from Castle Lager, **#Staysafe** by Chibuku Super.

We also run 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, since 2015, been working with 12 universities in Zimbabwe under the BOOST Fellowship partnership 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.

Sustainable Development Report (continued)

Promoting Low Alcohol Beer

We are aware of the opportunity for no and low-alcohol beers, as well as other beverages, to satisfy emerging consumer trends connected with health and well-being and align them with our goal to reduce harmful consumption. We continue to build our portfolio of great-tasting low- alcohol beer. Whilst we recorded a decline in the volume of our low alcohol beer brands at 1% in F21, we remain focussed on developing the category which includes brands such as Golden Pilsener. 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 with the legislation and that any advertising materials by the Company, and its trade customers carry the necessary health warnings. We believe in transparency and in helping our consumers understand why and how alcohol should be consumed within limits. This includes the use of the various labelling and depicting the messages such as “do not drink and drive”, “not for sale to under-18” and “do not drink alcohol whilst pregnant” using icons.

18+

Reducing Added Sugar

ORIGINAL TASTE; Low SUGAR

Leading health authorities recommend that individuals should consume no more than 10% of their total daily calories from added sugar. The Coca-Cola Company embraces this recommendation, providing choices that support what consumers want and need.

Sugar reduction remains a top priority, and we continue to adjust our recipes to reduce added sugar, promote low and no-calorie beverage options, and make smaller packages more available to enable portion control. Over the past decade we have invested heavily in natural sweetener research leading to the discovery, development and commercialization of sweeteners by The Coca-Cola Company and partners.

We’re exploring and bringing to market new alternatives that maintain the great tastes people love but with less added sugar and fewer calories. Globally, Coca-Cola Zero Sugar has become a popular alternative to our original formula and has continued to show strong growth in 2020.

Sustainable Development Report (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 travels over 10 million kilometres every year. We recognise 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 Traffic Safety Council, where we distribute flyers with safe driving messages across the country, especially during holiday periods.

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

We work in partnership with ZIMPACT on the designated driver campaign which aims to engage patrons at musical events to enjoy the event with peace of mind. We intensified our Respect the Road campaign which is aimed at equipping our heavy and light motor vehicle drivers to deal with hazards encountered behind the wheel, to keep them safer and contribute to overall road safety.

Responsible retailing and consumption

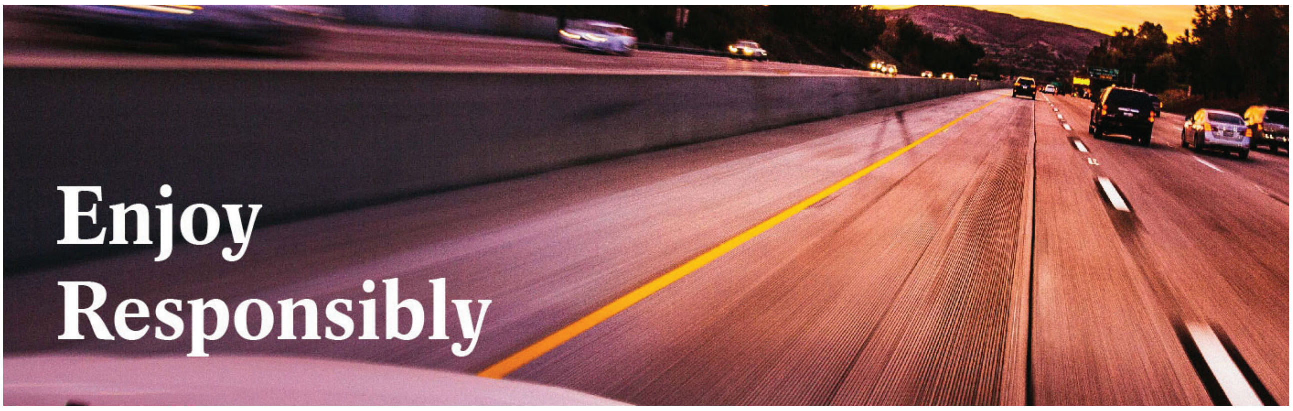
a) Responsible retailing

- 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 the websites.

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 labelling practices, our responsible marketing practices and the many physical activity programs we support around the world.



Sustainable Development Report (continued)

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 COVID-19 pandemic in early 2020. We have responded by adopting the World Health Organisation (WHO) and national health authorities' guidelines and protocols around testing, physical distance, hand washing and sanitisation and use of appropriate protective clothing.

We established guidelines for reacting to incidents of infection at worksites, the procedures for returning to the work after recovery from an infection, limited the number of colleagues at each location, and enhanced screening those entering our premises and related protocols. We recognise that the pandemic impacted our workforce in different ways and our people have had different needs and concerns. We have therefore adopted flexible work options when possible in response to the changing and varied local circumstances.

We continued with our risk-based injuries and fatality prevention program. Additionally, we continued enrolling our Managers and Team Leaders in the NSSA OSHEMAC training program 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 and driving the company safety culture.

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)

We work closely with and participate in the safety programs and competitions done by the National Social Security Authority, where our factories routinely feature among the best at provincial and national levels. We also participate and collaborate with the Environmental Management Agency (EMA) in their environmental programs and competitions.

Wellness

We are mindful to remain focused on the other health issues such as HIV/AIDS which continue to impact on our employees, their families, and the wider community in which the Company operates. business' comprehensive Wellness Program aims 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. 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 more than 5 000 employees of which 75% are permanent. We endeavour to make our workplace diverse and inclusive, where people they belong, no matter their personal characteristics, or social identities such as gender, religion. Nationality, race or social standing. 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. The diversity and inclusivity strategy ensures that our frontline employees can seamlessly connect with our diverse consumers, customers and supply chain partners.

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 a webinar with all female supervisory and managerial employees to mark the international women's day to encourage them to develop themselves and build their confidence to aspire greater roles in and out of the organisation. They were also addressed by inspirational women in leadership.

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.

Our intake of Graduate Management Trainees has consistently achieved the target of not less than 50% females.

Sustainable Development Report (continued)

Measuring Employee Engagement

The Zimbabwean economy has contracted in recent years thereby reducing the Group's 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. We had to innovate to reduce face to face lessons and have equipped Mandel to deliver programs remotely. 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 Group and unit by unit 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

- 100% Delta Beverages (Pvt) Limited
  - 100% Beverages Manufacturing & Distribution
  - 100% Kwekwe Maltings
  - 49% Food & Industrial Processors (Pvt) Ltd
  - 49% Schweppes Holdings Africa Limited
- 100% United National Breweries (South Africa)
- 70% Natbrew Plc (Zambia)
- 50,4% African Distillers Limited
- 21,4% Nampak Zimbabwe Limited

Delta Corporation Limited and its subsidiary and associated companies are registered in Zimbabwe except for Natbrew Plc which is incorporated in Zambia and United National Breweries entities incorporated in South Africa

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

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

UNITED NATIONAL BREWERIES PTY LIMITED – RSA

2 Traditional Beer Breweries (2 Operational),
1 Malting Plant, 21 Distribution Depots
Chibuku, Leopard, Ijuba, Tlokwe, Zebra, Jo'burg, ShakeShake, Ukhozi Amahewu, Chibuku Mtombo Mmela

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

SCHWEPPES HOLDINGS AFRICA LIMITED

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

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 - Chief Executive Officer - Designate	B Tech (Accounts); CA(Z)
A Makamure - Finance Director	B. Acc (Hons) FCA(Z); LLB

Non-Executive Directors

E Fundira	Bsc Econ ~
Dr C C Jinya	BA Econ (Hons), DBS (Honoris Causa)*
J A Kirby	B Acc: CA(SA)*
T Moyo	B Acc; CA(Z)*
J Mushosho	B Acc; CA(Z)/SA
L E M Ngwerume	BA; MBA; IMS ~
R T Rivett-Carnac	BA, BCompt, CA(SA)*
L A Swartz	BA (Hons); Dip HR ~

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

Group Management Committee

P Gowero	BSc Econ (Hons); MBL	Chief Executive Officer
M M Valela	B Tech (Accounts); CA(Z)	Chief Executive Officer – Designate
A Makamure	B. Acc (Hons); FCA(Z), LLB	Finance Director/Company Secretary
E R Mpisaunga	B.Sc (Hons)	Operations Director – Beverages
M Gambiza	B. Compt (Hons); CA(Z)	Operations Director – Beverages
Dr M G Nyandoroh	B.Sc (Hons); M.Sc; Phd	Operations Director – Beverages
Johan de Kok	BCom Marketing, BCom Econ (Hons)	Managing Director – United National Breweries (RSA)
D Mange	B.Sc; MBL	Director – Information Technology
M Pemhiwa	BSc Psych; MBA	General Manager – Sorghum Beer
T Rinomhota	BSc Eng,	General Manager – Lager Beer
M R Makomva	B Acc; FCA(Z); MBL	Managing Director – National Breweries Plc (Zambia)
S M Muchenje	BBS (Hons); MPhil	Managing Director – African Distillers Limited
R E Mbelengwa	B Acc (Hons) CA(Z)	Supply Chain Director

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, Hippo Valley Estates Limited (Tongaat Hulets Zimbabwe), Bata Zimbabwe (Pvt) Ltd, Old Mutual Life Assurance Company, 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.

Mr Dube is a member of the Remuneration Committee.

Emma Fundira
BSc Econ (Hons)

Mrs Emma Fundira joined the Board in January 2019 and became a member of the Remuneration and Nominations Committees in August 2020. 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 chairs the Cimas Medical Aid Society is currently a non-executive director of the Reserve Bank of Zimbabwe, 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.

Mrs Fundira is a member of the Remuneration Committee.

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

Pearson Gowero was appointed as Chief Executive in June 2012 and is scheduled to retire from the Company and as Chief Executive at the end of June 2021. 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 and returned to Delta in 2011 as Chief Operating Officer. Prior to joining Delta, he had worked for some prominent clothing retail chains. Mr Gowero sits on the board of Seed Company International, ZamBeef Products PLC (Zambia) 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.

A Member of the Audit Committee
R Member of the Remuneration Committee

Board of Directors (continued)

A

Charity Chiratidzo Jinya
(BA Econ (Hons); 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 sits on the boards of Old Mutual Investment Group (Zimbabwe) and Bindura Nickel Corporation as well the Monetary Policy Committee of the Reserve Bank of Zimbabwe. Dr Jinya had a distinguished 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.

Dr Jinya is a member of the Audit Committee.

A

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

Jon Kirby joined the board in August 2012. He is a member of the 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)

Mr Kirby is a member of the Audit Committee.

Alex Makamure
B. Acc (Hons); LLB; FCA (Z) – Executive Director Finance

Alex Makamure was appointed as the Group Finance Director with effect from 1 April 2021 and remains the Company Secretary for the meantime. Alex has been the Company Secretary and Group Treasurer from April 2011 and had functional responsibility for Corporate Affairs and Supply Chain and other Group Services such as tax administration and executive compensation. Mr Makamure joined the Group in 1998 as Finance Manager at Chibuku Breweries Division becoming Divisional Finance Director in 2002. He served as the General Manager Finance for the combined beverages business from 2003 until his appointment as Company Secretary in January 2006.

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).

Board of Directors (continued)

Todd Moyo
(B Acc; CA (Z)

Todd Moyo joined the board in April 2016 and is chairman of the Audit Committee since January 2020. 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 and is a member of the PPC Africa Limited board. 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.

Mr Moyo is a member of the Audit Committee.

Jonas Mushosho
(B.Compt; B Acc; FCIS;CA(Z)

Jonas Mushosho joined the board in August 2020 as a nominee of the Old Mutual Group. He retired from Old Mutual in December 2019 where he was the Managing Director of Old Mutual -Rest of Africa and Chief Executive Officer of Old Mutual Zimbabwe. Jonas worked in various leadership roles at Old Mutual since 1990. He also occupied senior roles in the Department of Taxes (now Zimra) where he has subsequently served as a non-executive director. Mr Mushosho has extensive international business experience having led business portfolios in diverse markets on the African continent, particularly in the financial services sector. He is passionate about coaching, nurturing, developing and mentoring business talent.
Mr Mushosho is a member of the Zimbabwe Open University Council.

Luke Edward Mathew Ngwerume (BA; MBA; IMS)

Luke Ngwerume joined the board in November 2007 and chairs the Remuneration Committee and Nominations Committee.
He is the Chief Executive of ZimSelector.com and chairs Stiefel Investments Private Limited, an investment entity and is the non-executive chairman of the board of Axia Corporation.
He also sits on the boards of Infrastructure Development Bank of Zimbabwe, Old Mutual Nigeria and Standard Telephone & Cables.
He retired from the position of Chief Executive of Old Mutual Zimbabwe in 2012 after serving the group for a number of years.

Mr Ngwerume is a member of the Remuneration Committee.

A Member of the Audit Committee
R Member of the Remuneration Committee

Board of Directors (continued)

A

Richard Rivett-Carnac

BCom BBS CA(SA)

Richard Rivett-Carnac was appointed to the Board in November 2020 as a representative of AB InBev, having been an alternate director since July 2017. He is currently the Vice President Finance for AB In-Bev Africa Zone. Mr Rivett-Carnac (Boris) is a chartered accountant and was the director responsible for mergers and acquisitions and treasury at the Africa Zone until his elevation to the VP Finance role in September 2020. 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.

Mr Rivett-Carnac is a member of the Audit Committee.

R

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.

Ms Swart is a member of the Remuneration Committee.

Matlhogonolo Mothibedi Valela

B Tech (Accounts), CA (Z) – Chief Executive Officer (Designate)

Matlhogonolo Valela has been appointed to the position of Group Chief Executive Officer with effect from 1 July 2021. He had been Executive Director - Finance since June 2011 and assumed the role of Chief Operating Officer on 1 April 2021. Mr Valela joined the Group in December 1996 as an accountant at the then National Breweries division. He has occupied various roles of increasing seniority operational finance and accounting, becoming the Group Treasurer in 2003. Matts sits on the boards of the Company's subsidiary companies and associates; African Distillers, Nampak Zimbabwe, National Breweries Plc Zambia, United National Breweries (RSA) and Schweppes Holdings Africa.

Group Management Committee

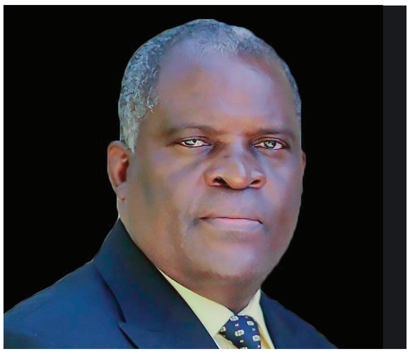
The profiles of the Chief Executive and Finance Directors are included under Board of Directors.

Moses Gambiza
B. Compt (Hons); CA (Z) – Operations Director – Lager Beer, Soft Drinks & Transport

Moses Gambiza was appointed as the Operations Director responsible for the Lager Beer, Sparkling Beverages and Transport in April 2021. He was most recently the General Manager – Sparkling Beverages since 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 Manger – Southern Region in May 2013.

Johan de Kok
BCom Marketing, BCom Econ (Hons); Managing Director – United National Breweries (RSA)

John De Kok joined United National Breweries in 2019. He had a long career with SABMiller and later AB InBev having joined the South African business in 1987. He moved to the SABMiller Africa business unit in 2001. Johan spent four years as the Managing Director in charge of the AB InBev beverages business units in Botswana, Lesotho and Swaziland and had stints in Angola and Nigeria covering commercial and manufacturing functions.



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 Mega Pak 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.

Group Management Committee (continued)

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.

Roselyn Edith Mbelengwa
BAcc (Hons) CA(Z) –
Supply Chain Director

Roselyn Mbelengwa was appointed as Supply Chain Director in April 2021, becoming a member of the Group Management Committee. Mrs Mbelengwa joined Delta in 2004 as a Finance Executive at Head Office. She moved in the same role to Delta Transport in 2017. She was appointed as Head of Procurement in 2018. Roselyn had previously worked in finance in other service and manufacturing enterprises.

Group Management Committee (continued)

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, Zambia and South Africa. 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. Etherton retires from the Group on 31 May 2021.

Stanley Machinda Muchenje
BBS (Hons); IMM (SA), MPHIL Marketing – Managing Director – African Distillers Limited

Stanley Muchenje was appointed as the Managing Director of Afdis in April 2021. He moved to Afdis from Delta Beverages in March 2021 having joined the Group at National Breweries (Lagers) as a sales representative in 1997. Stan has held various senior positions in Sales, Distribution and Marketing at Delta Beverages. He spent two years on secondment to SABMiller from 2012 to 2015 during which period he had the opportunity to manage beer brands in various markets across Africa.

Dr Munyaradzi Godfrey Nyandoroh
BSc (Hons) (UZ); MSC (UZ); PHD (KENT) – Operations Director – Sorghum Beer Business

Dr Munyaradzi Nyandoroh was appointed the Operations Director – Sorghum Beer, overseeing the Sorghum Beer operations in Zimbabwe, Zambia and South Africa. He was most recently the General Manager – Lager Beer Business since April 2014. He joined the Group in 1986, 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.

Group Management Committee (continued)

Marshall Pemhiwa
BSc. (Hons) PSYCH; HR DIP; Dip Occ. Psych; MBA – General Manager – Sorghum Beer Zimbabwe

Marshall Pemhiwa was appointed to the position of General Manager – Sorghum Beer Zimbabwe in April 2021 having previously occupied the position of Human Resources Director since April 2011. Marshall joined the Group in March 1998 as a Graduate Trainee Psychologist & Human Resources. He held various management positions in the field of human resources and industrial relations, 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 – Lager Beer Business

Tichafa Rinomhota assumed the position of General Manager – Lager Beer Business in April 2021 having been appointed as 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.

Notice to Members

Notice is hereby given that the 74th 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 30 July 2021 at 1230 hours for the purposes tabulated below. Shareholders will be asked to connect and attend the meeting virtually via the link: https://escrowagm.com/eagmZim/Login.aspx

ORDINARY BUSINESS

1. Statutory Financial Statements

To receive and adopt the Financial Statements for the year ended 31 March 2021 together with the Report of Directors and Auditors thereon.

2. To appoint Directors

Mr C F Dube retires from the Board on 31 July 2021 and therefore does not seek re-election. Per policy, Mr L E M Ngwerume retires annually whilst Mr J A Kirby is due to retire by rotation. Messrs J Mushosho and R T Rivett-Carnac retire at the end of their interim appointments. All being eligible, they will offer themselves for re-election. The election of directors will be by individual motions.

3. Directors Fees

To approve the directors' fees for the financial year ended 31 March 2021.
*(**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

Members will be asked to appoint Messrs Ernst & Young Chartered Accountants as auditors for the current year.

5. To approve the auditor's remuneration for the past year

Members will be asked to approve the remuneration for auditors Deloitte & Touche for the F21 financial year.

SPECIAL BUSINESS

1. 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.

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.

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 2021

Shareholders Analysis

SIZE OF SHAREHOLDING	NUMBER OF HOLDERS	%	ISSUED SHARES	%
1 to 5 000	**5 527**	77,52	**4 794 228**	0,37
5 001 to 10 000	**385**	5,40	**2 770 060**	0,21
10 001 to 25 000	**374**	5,25	**5 982 508**	0,46
25 001 to 50 000	**219**	3,07	**7 788 224**	0,60
50 001 to 100 000	**193**	2,71	**13 977 590**	1,08
100 001 to 500 000	**271**	3,80	**63 078 007**	4,88
Over 500 000	**161**	2,25	**1 193 720 938**	92,40
	7 130	**100,00**	**1 292 111 555**	**100,00**
CATEGORY				
Local Companies	**809**	11,3	**125 011 969**	9,7
Foreign Companies	**14**	0,2	**527 307 254**	40,8
Pension funds	**380**	5,3	**191 777 809**	14,8
Nominees Local	**175**	2,5	**46 805 775**	3,6
Nominees Foreign	**52**	0,7	**179 855 648**	13,9
Insurance Companies & Banks	**42**	0,6	**161 302 876**	12,5
Resident Individuals	**5 028**	70,5	**45 797 472**	3,5
Non Resident - Individuals	**237**	3,3	**2 048 859**	0,2
Investments & Trusts	**223**	3,1	**6 000 980**	0,5
Fund Managers	**23**	0,3	**1 064 768**	0,1
Deceased Estates	**103**	1,4	**501 115**	0,0
Other Organisations	**44**	0,8	**4 637 030**	0,4
	7 130	**100,0**	**1 292 111 555**	**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	2021	%	2020	%
AB InBev Zimbabwe BV (NNR)	**311 264 215**	24,1	**311 264 215**	24,2
Stanbic Nominees (Pvt) Ltd NNR	**246 244 483**	19,1	**276 794 738**	21,5
Rainer Inc.	**193 137 519**	14,9	**193 137 519**	15,0
Old Mutual Life Assurance Co.	**153 315 685**	11,9	**154 891 658**	12,1
Standard Chartered Nominees - NNR	**26 975 279**	2,1	**34 814 725**	2,7
National Social Security Authority (NPS)	**26 120 477**	2,0	**24 996 694**	1,9
Browning Investments NV	**22 178 835**	1,7	**22 178 835**	1,7
Old Mutual Zimbabwe Ltd	**19 816 672**	1,5	**30 707 755**	2,4
National Social Security Authority (WCIF)	**18 247 090**	1,4	**17 508 575**	1,4
Delta Employees Share Participation Trust Co.	**14 233 211**	1,1	**14 238 211**	1,1
Other	**260 578 089**	20,2	**203 928 265**	16,0
	1 292 111 555	**100,0**	**1 284 461 190**	**100,0**

Shareholders Analysis (continued)

MAJOR SHAREHOLDERS	2021	%	2020	%
Old Mutual	**173 132 357**	13,4	**185 599 413**	14,4
AB InBev entities	**526 580 569**	40,8	**526 580 569**	41,0
	699 712 926	**54,2**	**712 179 982**	**55,4**
RESIDENT and NON RESIDENT SHAREHOLDERS				
Resident	**558 052 654**	43,2	**495 671 764**	38,6
Non-Resident	**734 058 901**	56,8	**788 789 426**	61,4
	1 292 111 555	**100,0**	**1 284 461 190**	**100,0**

SHARE PRICE INFORMATION

Mid Range Price (ZW$ cents) at:	
30 June 2020	2 450,0
30 September 2020	1 680.0
31 December 2020	2 300,0
31 March 2021	4 600,0
Price Range:	
Highest: 1 March 2021	5 100.0
Lowest: 5 May 2020	580.0

CALENDAR

74th Annual General Meeting	30 July 2021
Financial Year End	31 March 2022
Interim Reports:	**Anticipated Dates:**
6 months to 30 September 2021	November 2021
12 months to 31 March 2022 and	
Final dividend declaration	May 2022
Dividend Payment Date – final	June 2022
Annual Report Published	July 2021

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Borrowdale
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Telephone: 263 242 883865/72
E-mail: a.makamure@delta.co.zw

Transfer Secretaries:
Corpserve (Private) Limited
2nd Floor
Intermarket Centre
Cnr. Kwame Nkrumah / 1st Street
(P O Box 2208)
Harare
Zimbabwe
Telephone: 263 242 751559/61
E-mail: corpserve@corpserve.co.zw

Notes

Notes


© 1997 The Coca-
ENVASE EXCLUSIVO
MEDIO LITRO
500 mL 16.9 FL OZ
Fanta
un producto de The Coca-Cola
HECHO EN MÉXICO

DELTA CORPORATION LIMITED ANNUAL REPORT 2021