Dairibord Holdings
More Than Just Milk

REVIEWED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

Financial	30 June 2024 US$	*Restated 2024 vs. 2023 % Change
Revenue	54,711,340	13%
Profit attributable to owners of the parent	3,061,122	516%
Basic Earnings per share (US$)	0.01	316%
Volume	**30 June 2024 Litres**	**2024 vs. 2023 % Change**
Raw milk utilised	19,970,604	40%
Sales	52,412,530	2%

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

Overall, the first half of the year was a period of economic strain. Macroeconomic instability persisted in Q1, characterized by high inflation, exchange rate volatility and depreciation of the local currency. The introduction of the Zimbabwe Gold (ZWG) currency in April resulted in stabilization of both the exchange rate and inflation, thereby creating a more predictable and conducive market environment.

According to the Zimbabwe National Statistics Agency (ZIMSTAT), United States Dollar (US$) prices declined by a modest 0.3% and ZWG prices increased by a negligible 0.04% in June 2024. Since its introduction, average ZWG prices declined by a cumulative 2.38%. The blended inflation rate for June 2024 registered a deflationary figure of -0.24% as utilization of the ZWG increased . However, liquidity was constrained due to the implementation of a rigorous monetary policy framework aimed at mitigating inflationary pressures. This approach involved the deliberate contraction of money supply, coupled with heightened enforcement of related regulations.

The intermittent availability of essential utilities, namely water and electricity, also escalated production costs and impeded consistent output, while disruptions within the supply chain continued to affect consistent availability of essential inputs. The El Niño-induced drought severely impacted agriculture, leading to reduced output and heightened food insecurity.

FUNCTIONAL CURRENCY

The financial results are presented in US$ following the change of the Group's functional and reporting currency on 1 March 2024. After careful consideration of the prevailing operating environment and the applicable requirements of the International Financial Reporting Standards (IFRS), the Board of Directors determined that the Group's functional currency had transitioned from the Zimbabwe Dollar to the United States Dollar. To comply with the IFRS, the inflation adjusted numbers reported in the prior year have been converted using the official exchange rates that were prevailing at the respective reporting dates. Current year reported US$ values include January to February inflation adjusted numbers that were converted using the exchange rate that was prevailing on the date of change. While the conversion processes were performed in accordance with IFRS, due caution must be exercised by users of these financial statements when relying on the converted balances as their determination was subject to exchange rate distortions and estimation uncertainties on computing inflation indices.

PERFOMANCE

Raw Milk

According to the Dairy Services Unit within the Ministry of Lands, Agriculture, Fisheries, Water, and Rural Development, national raw milk production surged by 22% year-on-year, reaching a total of 55.1 million litres during the period under review. The Group significantly enhanced its position by utilizing 19.97 million litres of raw milk, representing a substantial 40% increase compared to the previous year. This robust performance solidified the Group's dominance in the market, with its market share expanding from 28% in 2023 to a commanding 36% in the current period.

Sales Volume and Revenue

Overall, the Group achieved a volume growth of 2%. While the Liquid Milks and Foods categories demonstrated strong performances, this positive trajectory was partially offset by a decline in the Beverages category.

Liquid Milks exhibited substantial growth, increasing by 21% year-on-year due to augmented raw milk supply. Chimombe, Steri, Lacto and Supermilk all recorded gains in market share compared to the same period in the previous year. Foods experienced a 25% increase in sales volume, largely driven by exceptional performance of Yummy yoghurt and ice creams, along with a recovery in Lyons peanut butter which benefited from improved product availability .

Conversely, the Beverages category contracted by 8%, primarily attributable to challenges encountered by the Pfuko brand. These difficulties arose from price adjustments necessitated by the introduction of the sugar tax and Value Added Tax modifications, compounded by the prevailing scarcity of small denomination coins for change. Performance of the other brands was similarly subdued as a result of depressed aggregate demand subsequent to the price increases.

As the Group maintains its strategic emphasis on exports, a substantial growth of 59% in export volume was recorded compared to the corresponding period last year. This commendable performance resulted in a contribution of 9% to overall sales, an increase from the preceding period's 6% share.

The half year revenue, at US$54.71 million, was 13% ahead of prior year comparative period, due to the 2% increase in sales volume and strategic pricing adjustments implemented to mitigate margin compression. Volume sold in US$ constituted 76% of the total volume, representing an increase from the 64% recorded in the corresponding period last year.

Profitability

The Group experienced significant cost increments on account of imported inflation, changes in the tax regime and price distortions arising from exchange rate movements. The imposition of a special surtax on added sugar in beverages at a rate of US$0.001 per gram effective 9 February, coupled with standard rating of maheu and VAT on milk powders, and reclassification of liquid milks from zero rated to exempt, resulted in a substantial increase in the cost of production. This immersed significant pressure on working capital and exacerbated the financial burden on operations.

However, cost containment measures employed on manufacturing overheads were successful in reducing cost of sales by 1% from prior year, notwithstanding the volume and revenue growth.

The rapid depreciation of the local currency prior to the introduction of the ZWG resulted in significant net foreign exchange losses of US$3.3 million [2023: US$3.84 million] arising from foreign currency denominated obligations. Included in the finance costs figure of US$2.48 million, are foreign exchange losses on foreign currency denominated loans and borrowings amounting to US$1.46 million. However, amidst volatile and challenging economic headwinds, the business managed to achieve a profit for the period of US$3.06 million, a notable recovery from the US$0.74 million loss incurred in the comparative period last year.

Working capital

The Group's operational cash flows were constrained by substantial investments in inventory, advance payments to suppliers, and delayed customer settlements. Shortfalls in working capital were funded from short term borrowings. The Group is employing measures to accelerate its inventory turnover and shorten its cash operating cycle.

Outlook

The economic outlook remains intricate. Slow global economic growth, particularly subdued mineral prices, pose a potential risk to Zimbabwe's export revenues. While the introduction of the ZWG aimed to stabilize the economy, its long-term impact remains to be seen. The nation continues to grapple with foreign currency shortages, which affects imports and economic activity. Maintaining currency stability and curbing inflation are imperative for safeguarding purchasing power and fostering a conducive business environment.

The prevailing drought conditions exerted a substantial negative impact on agricultural yields, which is anticipated to impede overall economic growth and contribute to food price inflation. This adverse condition is also projected to curtail raw milk production. Nevertheless, the Group's substantial raw milk supply growth realized during the first half of the year is expected to partially offset some of these potential adverse consequences.

Given the persisting constraints within the operating environment, cost reduction has emerged as a paramount imperative. Accordingly, concentrated effort will be directed towards minimizing expenditures by targeting the major cost drivers.

The Group will continue to prioritize the expansion of export activities. This focus aims to bolster foreign currency inflows, optimize production capacity, and elevate brand recognition within the region. A pivotal component of this strategy involves the full commercialization of our toll manufacturing operations in South Africa. By capitalizing on this cost-effective production model, we anticipate broadening our export reach and mitigating risks associated with domestic market fluctuations.

DIVIDEND

The Board has resolved to withhold the dividend payment for the six-month period ending June 30 2024, in order to conserve financial resources that will be allocated towards advancing the Group's strategic objective of increasing volume growth.

APPRECIATION

I extend my heartfelt gratitude to fellow board members, management and staff and all stakeholders for your unwavering support and dedication to our shared vision. Your contributions, commitment, and resilience have been instrumental in driving our growth and success. Together, we have navigated challenges and celebrated achievements, and I am confident that with your continued partnership, we will reach even greater heights.

J Sachikonye
Chairman
12 September 2024

AUDITOR'S REVIEW CONCLUSION STATEMENT

The financial results for the six months ended 30 June 2024 have been reviewed by the Group's external auditors, Deloitte and Touche. An unmodified review conclusion has been issued on the financial results. The auditor's review conclusion is appended to the Group's interim financial results which are available for inspection at the Group's registered office and on the Group's and Zimbabwe Stock Exchange's websites.

24 September 2024

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	30 June 2024 US$	*Restated 30 June 2023 US$
Revenue from contracts with customers		54,640,718	48,415,823
Investment property rental income		70,622	56,968
Revenue	3	**54,711,340**	**48,472,791**
Cost of sales		(38,945,421)	(39,227,384)
Gross Profit		**15,765,919**	**9,245,407**
Other operating income	5.1	1,947,556	2,035,739
Selling and distribution expenses		(6,687,546)	(5,915,979)
Administration expenses		(5,020,250)	(6,110,960)
Other operating expense	5.2	(8,123,748)	(4,354,623)
Allowance for expected credit losses		(201,604)	(25,894)
Monetary gain		6,166,009	14,787,939
Operating profit		**3,846,336**	**9,661,629**
Finance costs		(2,477,127)	(11,423,636)
Finance income		10,490	12,773
Profit/ (Loss) before tax		**1,379,699**	**(1,749,234)**
Income tax	6	1,681,423	1,012,873
Profit/(Loss) for the year		**3,061,122**	**(736,361)**
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss			
(Impairment)/Revaluation of Land and Buildings		(2,067,984)	3,733,890
Deferred tax		532,506	(464,067)
Total other comprehensive (loss)/income for the year		**(1,535,478)**	**3,269,823**
Total comprehensive income for the year		**1,525,644**	**2,533,462**
Profit/ (Loss) for the year attributed to:			
Owners of the parent		3,061,122	(736,361)
Total comprehensive profit for the year attributable to:			
Owners of the parent		1,525,644	2,533,462
Earnings/(Loss) per share (US$)			
Basic	9	0.01	(0.00)
Diluted	9	0.01	(0.00)
Weighted average number of shares in issue		358,000,858	358,000,858
Weighted average number of shares adjusted for the effect of dilution		358,000,858	358,000,858

*The figures in the consolidated statement of comprehensive income in the prior period were previously reported in ZWL. The numbers were restated by converting to the Group's new presentation currency, US$. For details regarding the change in presentation currency, refer to Note 1(b).

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 JUNE 2024 US$'	*Restated 31 DECEMBER 2023 US$'
Assets			
Non-current assets			
Property, plant and equipment	10	18,151,418	24,922,937
Investment property	11	700,000	1,170,480
Intangible assets		2,764	11,602
Deferred tax asset		-	5,667
		18,854,182	**26,110,686**
Current assets			
Non-current assets held for sale	12	3,876,950	-
Inventories	13	12,220,078	10,789,987
Trade and other receivables	14	9,566,835	6,865,810
Prepayments		4,639,968	4,290,302
Current Tax asset		-	268,947
Cash and cash equivalents		1,170,012	1,651,778
		31,473,843	**23,866,824**
Total assets		**50,328,025**	**49,977,510**
Equity and liabilities			
Equity			
Share capital		7,570	7,570
Share premium		291,743	291,743
Revaluation reserve		11,434,578	13,054,770
Retained earnings		16,539,114	13,393,278
Total equity attributable to ordinary shareholders		**28,273,005**	**26,747,361**
Non-current liabilities			
Interest - bearing borrowings	8	2,503,630	1,690,903
Deferred tax liability		310,946	2,582,815
		2,814,576	**4,273,718**
Current liabilities			
Trade and other payables	15	13,124,617	14,704,589
Contract liabilities		628,677	406,419
Interest - bearing borrowings	8	2,677,410	3,701,097
Bank overdraft		2,735,364	142,460
Dividend payable		764	1,866
Income tax payable		73,612	-
		19,240,444	**18,956,431**
Total liabilities		**22,055,020**	**23,230,149**
Total equity and liabilities		**50,328,025**	**49,977,510**

*The figures in the consolidated statement of financial position in the prior period were previously reported in ZWL. The numbers were restated by converting to the Group's new presentation currency, US$. For details regarding the change in presentation currency, refer to Note 1(b).

REVIEWED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Dairibord Holdings
More Than Just Milk

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2024

Group	Share Capital	Share Premium	Revaluation	Retained earnings	Total
Balance on 1 January 2023	**7,570**	**291,743**	**8,525,860**	**12,492,477**	**21,317,650**
Dividend	-	-	-	(126,290)	(126,290)
Loss for the period	-	-	-	(736,361)	(736,361)
Other comprehensive income net of tax	-	-	390,413	-	390,413
Balance at 30 June 2023	**7,570**	**291,743**	**8,916,273**	**11,629,826**	**20,845,412**
Balance on 1 January 2024	**7,570**	**291,743**	**13,054,770**	**13,393,278**	**26,747,361**
Dividend	-	-	-	-	-
Profit for the period	-	-	-	3,061,122	3,061,122
Reclassification pursuant to asset disposal	-	-	(84,714)	84,714	-
Other comprehensive loss net of tax	-	-	(1,535,478)	-	(1,535,478)
Balance at 30 June 2024	**7,570**	**291,743**	**11,434,578**	**16,539,114**	**28,273,005**

*The prior year statement of changes in equity was previously reported in ZWL. The numbers were restated by converting to the Group's new presentation currency, US$. For details regarding the in presentation currency, refer to Note 1(b).

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2024

		30 June 2024 US$	*Restated 30 June 2023 US$
Operating activities:			
Profit/ (Loss) before tax		1,379,699	(1,749,234)
Adjusted to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	4	1,244,619	1,162,021
Depreciation of right of use asset	4	-	82,559
Amortisation of intangible assets	4	744	1,756
Profit on disposal of property, plant and equipment		(75,278)	-
Finance income		(10,490)	(12,773)
Allowance for Expected Credit Losses		201,604	25,894
Impairment of Investment Property and non-current assets held for sale		869,037	-
Fair value gain on investment property		-	(256,478)
Exchange loss		3,752,014	4,354,623
Finance costs		2,477,127	11,423,636
Monetary gain		(6,166,009)	(14,787,939)
		3,673,067	**244,065**
Working capital changes			
(Increase)/ Decrease in Inventories		(1,430,091)	248,746
(Increase)/ Decrease in trade and other receivables		(2,701,025)	1,357,911
Increase in prepayments		(349,666)	(1,734,097)
Increase in contract liabilities		222,257	101,222
Increase in trade and other payables		(1,579,972)	(621,042)
		(2,165,430)	**(403,195)**
Income tax paid		(151,661)	(172,695)
Net cash flow used in operating activities		**(2,317,091)**	**(575,890)**
Investing activities			
Purchase of plant and equipment		(1,153,036)	(528,471)
Proceeds from sale of property, plant and equipment		533,011	-
Finance income		10,490	12,773
Prepayments for plant and equipment		(272,471)	(1,080,596)
Net cash flows used in investing activities		**(882,006)**	**(1,596,294)**
Financing Activities			
Lease liability principal repaid		-	(111,780)
Finance costs		(1,660,769)	(4,684,356)
Dividend paid		-	(54,230)
Repayments of borrowings		(5,897,519)	(1,850,580)
Proceeds from borrowings		8,279,464	3,177,200
Net cash flow generated from/(used in) financing activities		**721,176**	**(3,523,746)**
Net decrease in cash and cash equivalents		**(2,477,921)**	**(5,695,930)**
Effects of exchange rate changes on cash and cash equivalents		1,996,155	3,860,714
Cash and cash equivalents at 1 January		1,651,778	2,113,644
Cash and cash equivalents at 30 June		**1,170,012**	**278,428**
Comprising of			
Cash and cash balances		1,170,012	278,428

*The prior period statement of cash flows was previously reported in ZWL. The numbers were restated by converting to the Group's new presentation currency, US$. For details regarding the in presentation currency, refer to Note 1(b).

NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2024

1. (a) Basis of preparation

The abridged consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The abridged interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 " Interim Financial Reporting". They do not include all information required for full financial statements. They have been prepared under the assumption the Group operates on a going concern basis. These financial statements are based on the statutory records that are maintained under the historical cost convention except for land and buildings and investment property that have been measured at fair value.

The consolidated financial statements are presented in United States Dollar (US$), which is the Group's functional and resentation currency. The Group changed its functional currency from ZWL to US$ on 1 March 2024. Refer to Note 1(b) for the detail on the functional currency assessment that the Group performed.

These interim financial statements were authorised for issue by the Group's board of directors on 12 September 2024.

1. (b) Change in functional currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Zimbabwe operations witnessed a gradual increase in the use of foreign currency across its businesses. Subsequently, in June 2022, the government entrenched the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022. Moreover, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, assuring businesses regarding the continuity of the multi-currency system. This has since been confirmed through Finance Act No. 13 of 2023. This announcement facilitated access to foreign currency and long-term loans critical for working capital and business expansion. As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

In assessing functional currency for the business, the following factors were considered:

(i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled),

(ii) the currency which influences labour, material, and other costs of providing goods and services,

(iii) the currency in which funds from financing activities are generated.

(iv) the currency in which receipts from operating activities are usually retained. Based on the above factors, the businesses concluded that there has been a change in the functional currency from ZW$ to United States Dollars ("US$") with effect from 1 March 2024.

Introduction of a new currency, the Zimbabwe Gold (ZiG)

With effect from 5 April 2024, the Reserve Bank of Zimbabwe introduced a new currency called Zimbabwe Gold (ZiG). The implementation of the new currency was in such a way that all current Zimbabwe dollar balances were then converted into the new currency. The swap rate was guided by the closing interbank exchange rate and the price of gold as at 5 April 2024. The swap rate was used to make legitimate conversions of all ZWL deposits in the banking sector; all ZWL loans and advances made by the sector; all outstanding auction allotments; all export surrender obligations; all prices of goods and services in ZWL; and any other ZWL denominated obligations. As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates"), and concluded that its functional currency remained United States Dollars(US$)."

Exchange rates used on functional currency migration.

In 2024, the Group generated most of its foreign currency from domestic nostro sales. The Group also generated some foreign currency from export sales. Consequently,for the period to 5 April 2024, the Group applied the Willing Buyer Willing Seller rate, as published by the Reserve Bank of Zimbabwe, as its spot rate plus a 10% premium as permitted by the laws and regulations. After introduction of the ZiG and a refined Willing Buyer Willing Seller foreign currency auction, the Group then adopted the Reserve Bank interbank rate from 8 April 2024 onwards.

The following exchange rates were used to convert the inflation adjusted transactions and balances to US$ for the respective periods

Period Ending	Exchange Rate
29 February 2024	16 404.19
31 December 2023	6 715.19
30 June 2023	6 313.77

b (i) Conversion Process to Reporting Currency in United States Dollars

(i) Determination of hyperinflation numbers for the period to 29 February 2024

On 11 October 2019 the Public Accountants and Auditors Board (PAAB) issued a pronouncement on the application of IAS 29. This followed runaway inflation experienced in Zimbabwe. The pronouncement required that entities operating in Zimbabwe with financial periods ending on or after 1 July 2019 prepare and present financial statements in line with the requirements of IAS 29. The Directors have utilised the official interbank exchange rates as a basis for estimating the changes in the general purchasing power of the Zimbabwe Dollar and for purposes of fair presentation in accordance with IAS29, these changes have been made on the historical cost financial information. The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used, and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyper Inflationary Economies) compliant. The conversion factor for January 2023 was computed from the consumer price index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) as reported on the Reserve Bank of Zimbabwe website. However, the conversion factors for February to December 2023 were estimated by the Directors in line with IAS 29 due to the absence of official government statistics on ZWL inflation during that period. The Directors have utilized the official interbank exchange rates a basis for estimating what the ZWL denominated CPIs were for this period. Caution should be exercised in considering these financial results due to the use of these estimated ZWL consumer price indices for the months of February 2023 to February 2024.

Dates	CPI	Adjustment Factor
29 February 2024	258 737.99	1.00
31 December 2023	105 917.11	2.44
31 December 2022	13 672.9	18.92
31 December 2021	3 977.5	65.05
31 December 2020	2 474.5	104.56
31 December 2019	551.8	469.07
31 December 2018	88.8	2 913.48
31 October 2018	74.6	3 468.81

b (ii) Conversion of hyperinflation numbers for the period to 29 February 2024 and prior year comparatives to United States Dollars

The Group transitioned its reporting currency from ZWL to US$, following the restatement of its historical financial statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies." as described above. According to IAS 21, "The Effects of Changes in Foreign Exchange Rates," entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their functional currency.

Dairibord Holdings
More Than Just Milk

REVIEWED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

2. Material accounting policies

Accounting policies are consistent with those used in the previous year with no significant impact arising from new and revised International Financial Reporting Standards applicable for the half year ended 30 June 2024.

3. Segment information

The Group is currently organised into business units for management purposes. The Group has 3 operating segments which management uses to monitor performance and therefore inform decision making and these are:

	Manufacturing and distribution (Zimbabwe) US$	Properties US$	Corporate US$	Adjustments and eliminations US$	Group US$
Period ended 30 June 2024					
Revenue					
Revenue from contracts with external customers	54,640,718	-	-	-	54,640,718
Revenue from contracts with internal customers	605	-	-	(605)	-
Revenue from management services and royalties	-	-	959,433	(959,433)	-
Rental income -internal customers	-	552,554	-	(552,554)	-
Rental income -external customers	-	70,622	-	-	70,622
Total revenue	**54,641,323**	**623,176**	**959,433**	**(1,512,592)**	**54,711,340**
Results					
Depreciation and amortisation	(1,387,859)	(186,157)	(12,348)	341,001	(1,245,363)
Operating profit	(1,905,946)	(3,219,048)	208,454	8,762,876	3,846,336
Finance income	10,490	-	170,364	(170,364)	10,490
Finance costs	(3,062,260)	-	(170,328)	755,461	(2,477,127)
Segment profit/(loss) before tax	(4,957,717)	(3,219,048)	208,490	9,347,974	1,379,699
Income tax	1,166,001	(2,065)	(17,165)	534,652	1,681,423
Period ended 30 June 2023					
Revenue					
Revenue from contracts with external customers	48,415,823	-	-	-	48,415,823
Revenue from contracts with internal customers	588	-	-	(588)	-
Revenue from management services and royalties	-	-	324,840	(324,840)	-
Rental income -internal customers	-	30,185	-	(30,185)	-
Rental income -external customers	-	56,968	-	-	56,968
Total revenue	**48,416,411**	**87,153**	**324,840**	**(355,613)**	**48,472,791**
Results					
Depreciation and amortisation	(1,161,622)	(149,072)	(20,352)	84,710	(1,246,336)
Operating profit	3,220,634	3,504,586	107,066	2,829,343	9,661,629
Finance income	12,773	-	400,878	(400,878)	12,773
Finance costs	(4,712,548)	-	(400,514)	(6,310,574)	(11,423,636)
Segment profit/(loss) before tax	(1,479,141)	3,504,586	107,431	(3,882,110)	(1,749,234)
Income tax	(150,597)	(3,762)	(18,336)	1,185,568	1,012,873

4 Operating profit

	30 June 2024 US$	*Restated 30 June 2023 US$
4.1 Operating profit is stated after charging the following:		
Depreciation of property, plant and equipment	1,244,619	1,162,021
Depreciation of right of use asset	-	82,559
Amortisation of intangible assets	744	1,756
Foreign Exchange losses	3,298,934	1,246,337

5 Other Operating Income or Expenses

	30 June 2024 US$	*Restated 30 June 2023 US$
5.1 Other operating Income		
Scrap Sales	9,641	25,277
Profit on sale of PPE items	75,278	-
Foreign exchange gains	1,859,812	512,470
Fair value gain on investment property	-	256,478
Sundry income	2,825	1,241,514
Total	**1,947,556**	**2,035,739**
5.2 Other operating expense		
Impairment of Investment Property & Non-current assets held for sale	869,037	-
Foreign exchange losses	7,254,711	4,354,623
Total	**8,123,748**	**4,354,623**
6 Income tax		
The major components of income tax are shown below:		
Current tax	247,898	27,741
Capital Gains	36,043	-
Deferred tax	(1,965,364)	(1,040,614)
	(1,681,423)	**(1,012,873)**
7 Capital commitments		
Authorised and contracted for	3,464,632	420,172
Authorised but not contracted for	18,363,471	3,501,498
	21,828,103	3,921,670

8 Interest bearing borrowings

	Short Term	*Restated	Long term	*Restated
	30 June 2024 US$	31 December 2023 US$	30 June 2024 US$	31 December 2023 US$
Bank loans - ZWL	-	88,788	-	48,633
Bank loans - ZWG	655,009	-	95,334	-
Vendor loan - ZAR	-	-	353,751	458,491
Bank loan - USD	2,022,401	3,612,309	2,054,545	1,183,779
	2,677,410	**3,701,097**	**2,503,630**	**1,690,903**

The above interest bearing borrowings gave rise to finance costs of US$2,477,127 (2023 : 11,423,636). Foreign exchange losses relating to loans included in the finance cost amount in the Profit or loss statement amount to US$1,455,842 (2023: 6,739,232). The Group's average cost of borrowing in US$ is 12%, while the average ZiG borrowing rate is 28%. The Group's loans and borrowings are secured by cessions over the trade receivables and inventories.

9. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30 June 2024 US$	*Restated 30 June 2023 US$
Profit/(Loss) attributable to ordinary equity holders of the parent for basic earnings	3,061,122	(736,361)
	2024 No.	2023 No.
Weighted average number of ordinary shares for basic earnings per share	358,000,858	358,000,858
Number of shares in issue	358,000,858	358,000,858
Weighted average number of ordinary shares for diluted earnings per share	358,000,858	358,000,858
Earnings per share (US$)		
Basic	0.01	(0.00)
Diluted	0.01	(0.00)
Headline earnings basis, ("HEPs")		
Profit/Loss attributable to ordinary equity holders of the parent for basic earnings	**3,061,122**	**(736,361)**
Profit on disposal of property, plant and equipment	(75,278)	-
Impairment of Investment Property and non-current assets held for sale	869,037	256,478
Tax effect	(204,393)	(63,401)
Profit/Loss attributable to ordinary equity holders of the parent for Headline earnings	**3,650,488**	**(543,284)**
HEPS	**0.01**	**0.00**

10 Property, plant and equipment

10.1 Reconciliation of opening and closing carrying amounts

	Group	
	30 June 2024 Reviewed US$'	*Restated 31 December 2023 Audited US$'
Net carrying amount at 1 January	**24,922,937**	**21,288,416**
Cost	36,525,936	31,702,067
Accumulated depreciation and impairment	(11,602,999)	(10,413,651)
Movement for the year:		
Additions	1,153,036	1,296,351
Revaluation	-	4,716,370
Transfers to non-current assets held for sale	(4,809,322)	102,530
Net carrying amount of disposals	-	(889,778)
Depreciation charge for the period/year	(1,244,619)	(1,590,952)
Impairment loss	(2,067,985)	-
Change in functional currency effects	197,371	
Closing net carrying amount	**18,151,418**	**24,922,937**
Cost	30,999,368	36,525,936
Accumulated depreciation and impairment	(12,847,950)	(11,602,999)

Dairibord Holdings

More Than Just Milk

REVIEWED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

10 Property, plant and equipment (continued)

Revaluation of properties

The properties were valued by an independent external valuer, Dawn Property Consultancy (Private) Limited at 1 March 2024. Owing to the shortened period between 1 March 2024(Date of last valuation) to 30 June 2024, management adjudged that the USD fair values had not changed hence no other fair value determination as at 30 June 2024.

Fair value hierarchy: 2024

Details of the Group's investment properties and other information about the fair value hierarchy as at 30 June 2024

	Level 1	Level 2	Level 3	Fair Value at 30-Jun-24
	US$	US$	US$	US$
Land and buildings	-	-	9,602,628	9,602,628

Fair value hierarchy: 2023

	Level 1	Level 2	Level 3	Fair Value at 31-Dec-23
	US$	US$	US$	US$
Land and buildings	-	-	16,664,892	16,664,892

11 Investment property

	Group	
		*Restated
	30-Jun-24 Reviewed US$'	31-Dec-23 Audited US$'
Reconciliation of carrying amounts		
Balance at 1 January	1,170,480	894,023
Disposals	(269,764)	(147,019)
Fair value adjustment recognised in profit or loss (in other operating income)	-	423,476
Impairment loss recognised in profit/loss	(200,716)	-
Closing balance	**700,000**	**1,170,480**

11.1 Fair valuation of properties

The fair value of investment property was determined by an external independent property valuer, Dawn Property Consultancy (Private) Limited (Dawn) as at 1 March 2024. The valuer has appropriate and recognised professional qualifications and experience in the location and category of the properties valued.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2024

Fair value hierarchy: 2024

	Level 1	Level 2	Level 3	Fair Value at 30-Jun-24
	US$	US$	US$	US$
Land and buildings	-	-	700,000	700,000

Fair value hierarchy: 2023

	Level 1	Level 2	Level 3	Fair Value at 31-Dec-23
	US$	US$	US$	US$
Land and buildings	-	-	1,170,480	1,170,480

12 Non current Assets held for sale

		*Restated
	30-Jun-24 Reviewed US$'	31-Dec-23 Audited US$'
Reconciliation of carrying amounts		
Balance at 1 January	-	-
Transfers from Property, plant and equipment	4,809,322	-
Impairment loss recognised in profit/loss	(668,322)	
Costs to sell adjustments	(204,050)	
Disposed during the year	(60,000)	-
		-
Closing balance	**3,876,950**	**-**

Effective 1 January 2024, the Group designated 25 assets as held for disposal after meeting the IFRS 5 criteria: The sale was highy probable and that the Group initiated an active programme to locate buyers by signing mandate for property disposals with three property agents in mid-January 2024. The exercise to establish the final listing of properties to be disposed was then completed after formally establishing, by way of the property disposal mandates, which properties were going to put to market. Consequently, management resolved on the assets to be disposed. The commitment to sell the properties was then established after signing of the mandates, Property Agents had been determined and the active marketing of the properties. The assets are now being held at fair value less costs to sell.

13 Inventories

	Group	
		*Restated
	30-Jun-24 US$	31-Dec-23 US$
Packaging and raw materials	6,787,023	7,112,715
Spares and general consumables	1,857,230	1,607,078
Finished goods	3,575,825	2,070,194
Total Inventories at lower of cost and net realisable value	**12,220,078**	**10,789,987**

14 Trade and Other Receivables

Local trade receivables	7,916,764	5,990,516
Foreign trade receivables	54,534	120,631
Other receivables	1,923,120	880,642
Allowance for credit losses (trade and other receivables)	(327,583)	(125,979)
Total	**9,566,835**	**6,865,810**

*Other receivables consists of milk producer loans, Value Added Tax and Wholesale Funds Auction outstanding. The Wholesale Auction Funds outstanding are funds yet to be received from the Reserve Bank of Zimbabwe's Foreign currency wholesale uction system. These amounts were initially ring fenced upon introduction of the ZWG on 5 April 2024 and earmarked to be setteled in ZWG using a treasury instrument that would be issued by the central bank. Refer to Note 17 for the details regarding the 30 August 2024 Monetary Policy pronouncements.

15 Trade, Other Payables and Provisions

Trade and other payables		
Trade payables	11,003,942	13,334,652
Payroll accruals	519,572	508,223
VAT & VAT withholding tax payable	-	352,619
Sugar tax payable	237,659	-
Leave accrual	101,671	135,438
Utilities accruals	294,836	148,847
Audit fee accrual	95,454	169,061
Interest accrued	-	23,250
Other payables	871,483	32,499
	13,124,617	**14,704,589**

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

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

16. Going concern

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

17. Events after the reporting date

On the 30th of August 2024, the Reserve bank of Zimbabwe reported its issuance of Treasury Instruments against the funds that were outstanding from the wholesale auction. Consequently, the Group is expecting to receive an equivalent of US$218,932 worth of ZiG denominated treasury instruments. As at the date of this report, the Group is yet to receive the treasury instruments.