This report can be viewed at
www.zimplow.com

ANNUAL REPORT
2015

ZIMPLOW

YOUR AGRICULTURE, INFRASTRUCTURE & MINING PARTNER

www.zimplow.com

Contents

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About the report

This annual report covers the financial year from 1 January 2015 to 31 December 2015 and is prepared for Zimplow Holdings Limited (Zimplow) and its subsidiaries together the 'group'. The reporting cycle is annual with the last report having published in March 2015

Our Mission

Our essential aim is to serve the agriculture and mining sectors and to build value for our shareholders. We strive to be our customers' first choice by nurturing relationships that benefit everyone. We know that we will only meet this aim through cultivating the spirit of innovation, delivering high quality products, providing excellent service and investing in our employees.

Our Values

Zimplow will always stay true to its time-honored values. We believe in integrity and therefore we act honestly, responsibly and respectfully towards others at all times. We value all members of the team, and working in harmony for mutual benefit. We also believe that our history has nurtured the wisdom in us to discern what is true, right and lasting. And finally, we prize leadership and the ability to envision the future and to stay positive no matter the situation that confronts us. We aim to show the market that Zimplow is serious about service

Our Vision

Our vision is to be the dominant player in the provision of quality goods and services to the agricultural and mining sectors

Scope of the report

We are pleased to present the annual report of Zimplow Holdings Limited, a company listed on the Zimbabwe Stock Exchange (ZSE) for the year ended 31 December 2015. The report is targeted at the company's stakeholders and is presented in line with the recommendations of the best practise on Corporate Governance. This report also complements the previous efforts in our 2014 annual report to integrate sustainability matters with financial information and has been prepared following guidelines from the Global Reporting Initiatives (GRI) G4 guidelines. In addition, Zimplow also complied with International Financial Reporting Standards (IFRS). An independend auditor's report on the financial statements is contained on page 47

This report is the responsibility of the company's directors. The report outlines the goal of the group towards sustainable business values, therefore covers those material aspects of the company's environmental, social and governance impacts with the operational and financial performance of the business. The report also covers the approach taken to address those social, economic, environmental and governance issues which not only have a material impact on the long term success of the business but are also important to key stakeholders.

Forward-looking statements

Certain statements in this report constitute 'forward looking statements'. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of Zimplow Holdings Limited to be materially different from future results, performance, objectives or achievements expressed or implied in forward looking statements. The performance of Zimplow Holdings Limited is subject to effects of changes in the operating environment and other factors. Zimplow Holdings Limited undertakes no obligation to update publicly or to release any revision of these forward looking statements to reflect the events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

This annual report is also available on the company's website at www.zimplow.com. We would welcome your feedback on our reporting and any suggestions you have in terms of what you would like to see incorporated in our report for 2016. To do so, please contact: Tinashe Kembo on email tkembo@zimplow.co.zw or +263 4 883 888/98.

OVERVIEW

Business Profile

For three quarters of a century Zimbabwe's farmers have been tilling the soil with Zimplow's products. We have been contributing to the national agricultural output, infrastructure development and mineral wealth extraction. Both our large-scale machinery and equipment can be seen in action at most of Zimbabwe's mines, construction works, fields, plantations and estates. We are one of the largest distributors of agricultural, infrastructure and mining equipment in the country.

Zimplow started operations in 1939 as Rhodesia Plough manufacturing company just before the Second World War. It subsequently grew through acquisitions of Bulawayo Steel products in 1996, C.T. Bolts in 2006 and Tassburg in 2008. In 2011, Zimplow acquired of 49% Afritrac, a South African business whose main activity is the distribution of animal drawn agricultural equipment. Until recently the business's main activities revolved around animal drawn agricultural equipment, fasteners and wood screws. Between July 2012 and March 2013, Zimplow acquired 100% of Tractive Power Holdings Ltd through a step by step acquisition process. Zimplow now has a number of business units representing major brands such as Massey Ferguson and Valtra tractors, Caterpillar mining and construction equipment and generators, Monosem planters, the popular Perkins generators and a variety of other equipment.

Zimplow serves a whole range of customers – from large-scale agricultural corporations through to the smallest subsistence farmer anxious to get ahead. From the most impressive earthmoving equipment for mines, construction and engineering firms, through to the tiniest bolt that keeps it all together. At Zimplow we offer premium quality agricultural, infrastructure and mining products, but most importantly, support and loyalty to all those we do business with. The Group is now firmly rooted in the key sectors of the economy serving agriculture, infrastructural development and mining. Zimplow Holdings is continually developing in ways which will best exploit potential synergies and enhance value for all stakeholders.

Zimplow is committed to honor the vision to offer our customers with premium quality equipment and power generation solutions. With our footprint stamped firmly in major cities and towns around the country, Zimplow

OVERVIEW

Business Profile *(continued)*

is well-positioned to serve and supply its customers well.

We are action oriented and offer cutting edge technology to our customers, providing convenience and value. Together with our customers, we collaborate and service equipment well, in such a way that cultivates the success of our customers. We provide innovative production solutions that maximise output, at the same time setting our customers apart. We are here for our customers today, tomorrow and the future. Zimplow is serious about service.

OVERVIEW

Where we have come from

1939 – The Company is founded

1951 – The Company is listed on the Stock exchange

2006 – The Company enters the fasteners market through the acquisition of CT Bolts

2008 – Acquisition of Tassburg

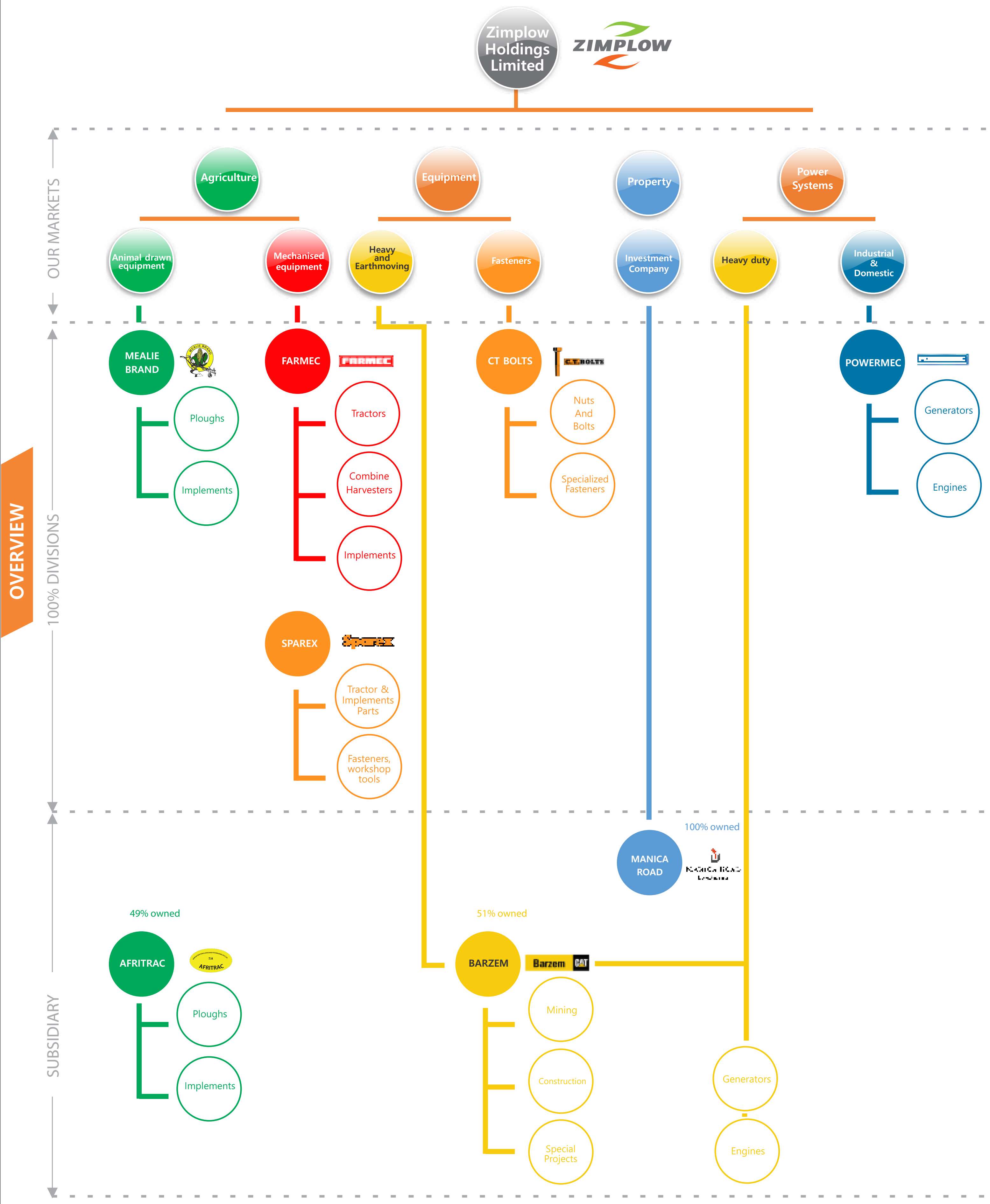
2011 – Acquisition of African traction and associated technologies (AFRITRAC)

2012 – Acquisition of Tractive Power Holdings Ltd
Which comprised of;
Farmec
Barzem
Manica Road Investments
Northmec
Puzey&Payne

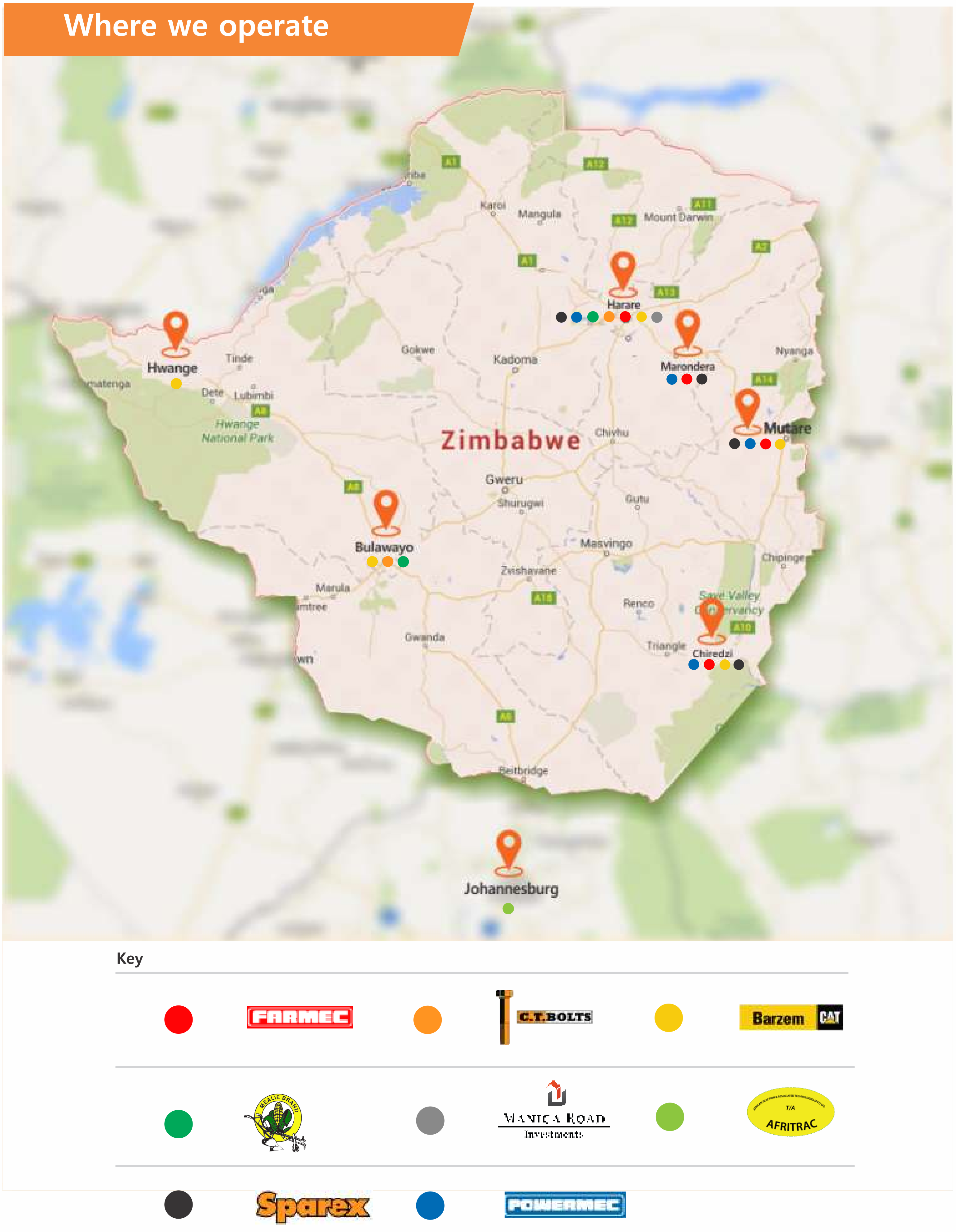
2013 – Group restructuring
Disposal of Puzey and Payne
Disposal of Tassburg
Delisting of TPH
New corporate identity

2015 – $5 million Rights Issue
Exit from CASE franchise

Our Corporate Structure



Where we operate



OVERVIEW

OVERVIEW

BARZEM ENTERPRISES (PRIVATE) LIMITED

For many years, Barzem (51% owned by Zimplow effective 30 January 2016) has and continues to set the benchmark in equipment management and also provides a comprehensive range of machinery, construction equipment and power systems across the mining, construction and infrastructure sectors of Zimbabwe.

The company is a dealer representative for the Caterpillar and Hyster brands through its strong ties and agreements with Barloworld equipment who after a recently concluded shareholding transaction, now hold a 49% stake in the company. Caterpillar and Hyster are synonymous with high quality dependable products and are specifically built to conquer even the most toughest of environments. Our equipment can be seen in action in Zimbabwe's best known mines, construction projects and large warehouses.

Providing new equipment sales, service and parts for CAT and Hyster equipment, Barzem has an extensive branch network covering the following areas;

- Harare
- Bulawayo
- Hwange
- Mutare
- Chiredzi

Our technical team and artisans are regarded as one of the best qualified and knowledgeable in the CAT network of Southern Africa and their services are not only in demand in Zimbabwe but across the region. Our products range from Forklifts, Graders, Excavators, Dump trucks, Electrical Power generators, wheel loaders and bull dozers amongst many others.

Contact us on or visit us at:
Harare 10 Harrow Msasa
tel : + 263 4 486600-4 / 486609-15
email: catsales@barzem.co.zw

Mutare
101 Herbet Chitepo Street
tel : + 263 772 514 338
email: catsales@barzem.co.zw

Bulawayo
5 Dunlop Road Donnington
tel : + 263 9 67781
email: catsales@barzem.co.zw

Chiredzi
54 Chironga Roadtel : + 263 31 3286
email: catsales@barzem.co.zw

Hwange
Stand 30, Industrial Area
tel : + 263 81 20881-3/24333
email: catsales@barzem.co.zw

OUR BRANDS

FARMEC

A 100% owned division of Zimplow, Farmec is the flagship mechanised agriculture equipment in the group. Holding franchise agreements for Massey Ferguson, Valtra, Challenger tractors, combine harvesters as well as distributorships for Monosem, Vicon, Falcon, Verri, Howard and Kongskilde implement ranges the business is a one stop shop for the budding to the most advanced farmer.

The division also houses the Powermec business unit (see page 12).

Farmec has branches in the main agricultural regions of the country to continue to provide support to our valued customers and agriculture sector at large as follows;

Harare
36 Birmingham Rd,Southerton Harare
tel: +263 4 754612/22
email: farmec@farmec.co.zw

Chiredzi
54 Chironga Road, Chiredzi
tel : + 263 772 720 759
email: dulanip@farmec.co.zw

Mutare
12 Aerodrome road
Tel: 0712 978 789
email: horsefieldm@farmec.co.zw

Marondera
19 Smithfield way
Tel: 0774 630 093
email: chimunyat@farmec.co.zw

OUR BRANDS

MASSEY FERGUSON, Challenger, FALCON, Vicon, MONOSEM, Perkins, VALTRA

OVERVIEW

POWERMEC

POWERMEC

Powermec is the leading power solutions provider offering Perkins generators and engines as well as the maintenance thereof to cater for both the lower (Domestic/Light industry) and higher ends (Heavy industry) of the market . Powermec offers units ranging from as low as 9 KVA to cater for domestic/ light industry clients to higher KVA units to cater for heavy industry and mining clients.

Powermec is housed at all Farmec branches.

OUR BRANDS

Perkins

OVERVIEW

MEALIE BRAND

A 100% owned division, is the largest manufacturer and distributor of animal drawn ploughs, harrows, rippers and a wide range of land preparation, cultivation and planting implements in Sub-saharan Africa. Through it's ISO 9001: 2008 Certification, the quality of Mealie Brand products is guaranteed to meet the requirements of even the most discerning subsistence farmer and export customer. As a 100% owned division Mealie Brand is focused on empowering the African subsistence farmer to get ahead and works closely with conservation and extension departments in Zimbabwe to the most value is delivered even to the grassroots level farmer or individual in Zimbabwe.

"Mealie Brand", now a household name and recognised regional brand in its own right, was built from the ground up and has been tried and tested since 1939 when the first plough was produced. With a wide distribution network, our products can be found in the best known wholesalers down to some of the most remote hardware stores. We continue to empower and resource the African farmer through our products. For more information, contact or visit us on:

Bulawayo
39 Steelworks Rd
Heavy industrial sites
tel: +263 9 880667/71363-4
email: sales@zimplow.co.zw

Harare
34 Douglas Road
Workington
tel: +263 4 669940-48/ 661313
email: sales@zimplow.co.zw

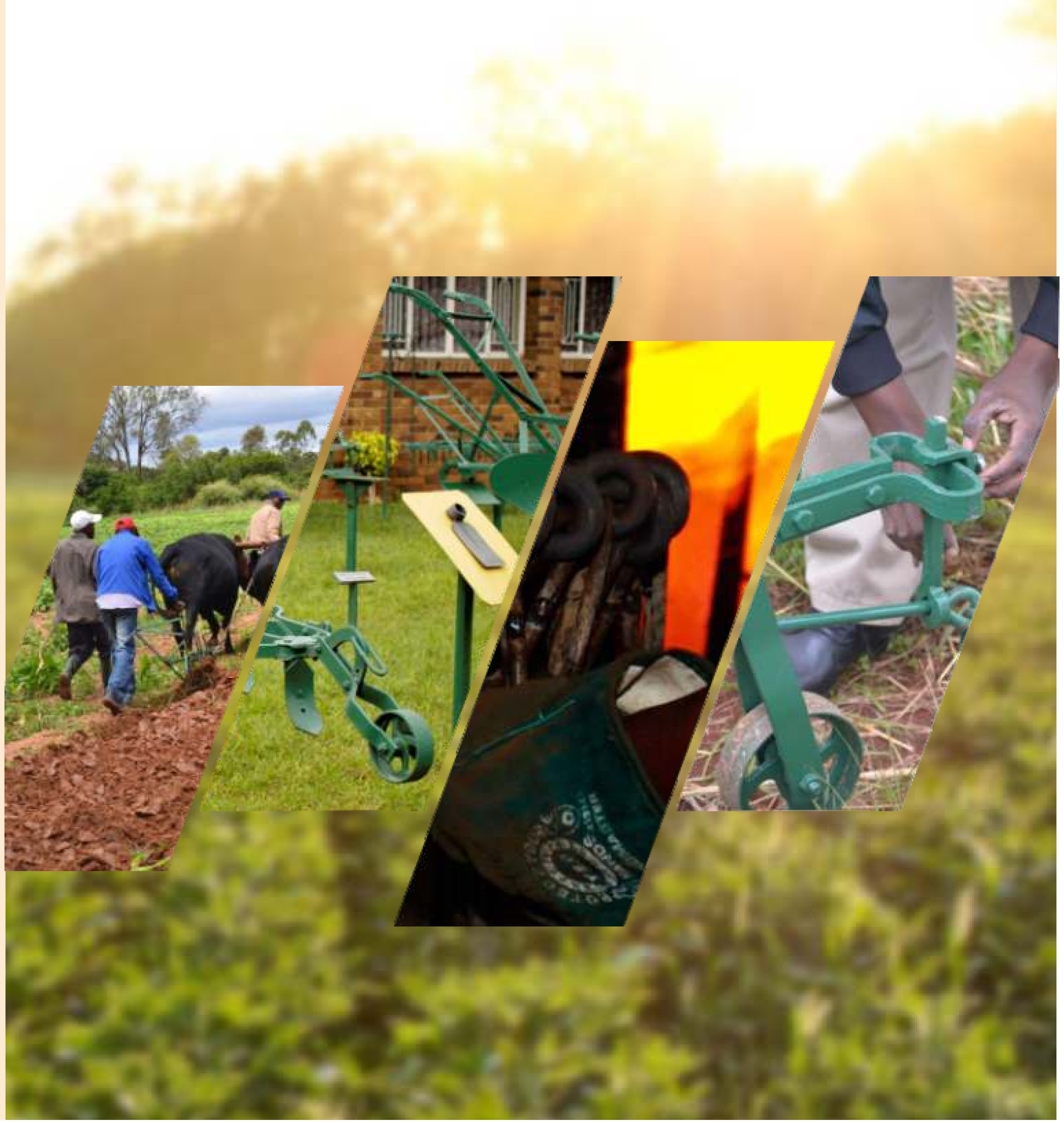
AFRICAN TRACTION AND ASSOCIATED TECHNOLOGIES (AFRITRAC)

A 49% owned company domiciled in South Africa that operates synergistically with Mealie Brand. The company was formed in 2001 to promote sustainable development in Agriculture in South Africa, Lesotho and Mozambique and is a distributor of Mealie Brand products in the region and other animal drawn implements. Ploughing, resourcing and conservation agriculture has positively contributed to food security in the southern region. Contact or visit us on:

Powerville Industrial Park,
6 Taaibos Street,
1939 Johannesburg,
South Africa
Tel: + 27 164221013
email: afrishaun@telkomsa.net

OVERVIEW

OUR BRANDS



OVERVIEW

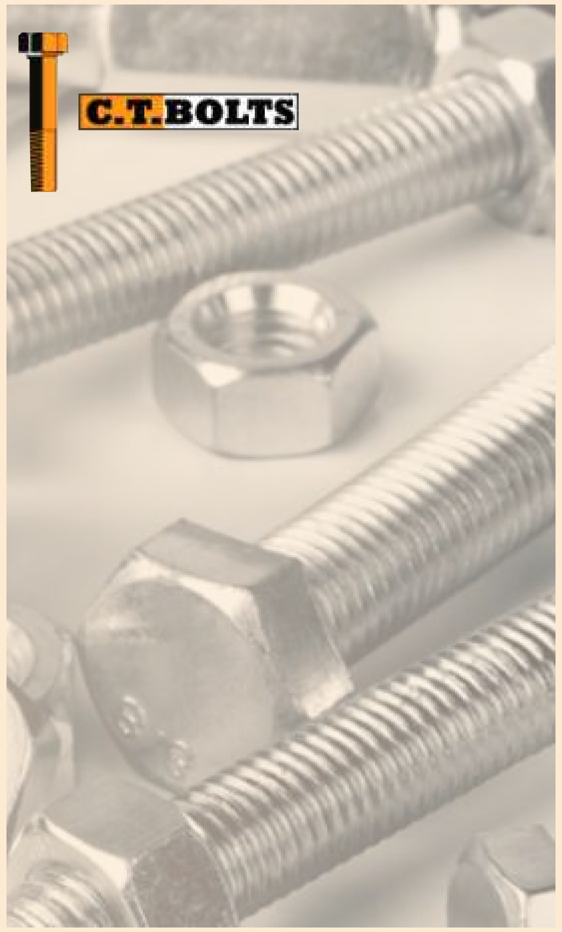
CT BOLTS

A 100% division of Zimplow. Established in 1954 and incorporated into Zimplow since 2006, CT Bolts is a distributor of mild steel bolts, nuts, nails and a wide range of fasteners including specialised mining, construction, agriculture and infrastructure fasteners. It is a key barometer of the economy as its products are required in the most basic to the most advanced sectors of the economy

For more information, feel free to visit us or contact us on:

Bulawayo
Cnr Falcon Street and Wanderer avenueBelmont
tel: +263 9 471591-4/467746
email: sales@ct bolts.co.zw or buyer@ctbolts.co.zw

Harare
34 Douglas Road
Workington
tel: +263 4 669940-48/ 661313
email: sales@ct bolts.co.zw or buyer@ctbolts.co.zw



SPAREX

Sparex is a distributor of agricultural spare parts and accessories. Our customers include tractor and implement owners, agricultural engineers, country stores and hardware outlets. The Sparex product rage consists of over 3000 items and is broadly divided into 3 major groupings;

- Replacement parts for Agri tractors
- Replacement wearing parts for agricultural implements
- A wide range of fasteners, workshop tools, trailer equipment and paints

Sparex is housed at all Farmec branches

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Chairman's statement

Dear Stakeholder

2015 was a difficult year for the group largely due to a marked slow down in our two key sectors of exposure: mining and agriculture. The slowing growth rate of the Chinese economy and a re-gearing of that economy from investment led growth to consumption and services has roiled commodity markets the world over. Adding to the difficult global environment, the local agricultural season was severely affected by the El Nino weather phenomenon as well as the unavailability of finance. As a consequence group turnover was down 15% to $30.5m.

We have used the depressed trading environment to focus internally on three areas: gearing, costs and cash management.

Reduction in borrowings
We strengthened our balance sheet through a rights issue concluded in February 2015 for $5m. The money was used to retire expensive bank debt which was overdue and placing the business under strain. The combination of cash raised from the rights issue and collection of debtors helped to repay $ 6.78m of borrowings and materially reduced our total debt to equity ratio from 43% to 16%.

Cost control
We undertook a restructuring program where we right-sized the business for the level of business that we are underwriting. We reduced overheads across the group and we expect an average annual saving of $1.7m going forward.

Focus on cash
We increased our efforts to release cash tied up in debtors and inventory across the group. As a consequence we released a net cash amount of $ 7.4m from debtors and inventories. This cash was used to pay down debt and fund retrenchment / restructuring expenses. In the short to medium term collecting on our debtors and inventory remains our no 1 priority and is being monitored on a daily basis.

Operational review

Farmec
Volumes for tractors and implements were up on 2014. Tractor sales were up 10% on prior year but on prices which were on average 7% lower than the prior year. There was a strong improvement in the volume of implements sold. The net effect however was that Farmec recorded a 7% decline in revenues compared to 2014.

Barzem
The entity had a commendable performance with revenues up 9% on prior year. This was despite equipment sales being down 30% on prior year largely as a result of the collapse in commodity prices, especially base metals. Parts and services performed materially above prior year and powered through the overall growth in revenues. Our relationship with the Barloworld Group of South Africa afforded us an opportunity to export labour on a contract basis into the region particularly into Mozambique.

Mealie Brand
This business was the most affected by the drought and the low levels of disposable income in our communal farmers' pockets. Additionally our key export markets of Angola and Zambia were badly affected by the collapse in oil and copper prices respectively. Overall revenues at Mealie Brand were down 50% with exports at 25% of prior year.

On the positive side this leaves us with enough inventory for the 2016 year which affords us ample time to fundamentally remodel this business in order to effectively compete with imports from China and India.

CT Bolts
Broke-even with earlier restructuring efforts bearing fruit. The Board is happy with the energetic and responsive team at CT Bolts and will be allocating further trading capital to the business. The bulk of CT Bolts revenues currently come from the Bulawayo / Southern region and going forward we will add more focus to the Harare / Northern region to tap into this bigger market for revenue growth.

Industrial and domestic power systems
Genset volumes were up 49% in 2015 and we believe this sub-sector offers us a good opportunity in what will still be a difficult trading environment in 2016. We hold dealerships in this segment in both Farmec (Powermec) and Barzem.
We will be focusing on providing an end to end service offering in generator sales, parts and servicing – capital will be allocated to this segment in order to achieve budgeted performance.

Financial commentary

Overall revenues for the Group declined 15% to $30.5m largely as result of the collapse in demand at Mealie Brand.

Operating expenses were down 6% as a result of our efforts to rightsize the business. Included in operating expenses are once-off write-offs which were as result of restructuring / retrenchment costs and a determined clean-up of the balance sheet. The following non-recurring expenses are included in the 2015 financial performance;

• Staff restructuring	$1.1m
• Impairment of Puzey&Payne legacy debtors	$1.3m
• Impairment of share of Northmec JV investment	$0.4m
• Bad debts &stock obsolescence (NAV cleanup)	$ 1.0m
Total	**$3.8m**

Shareholders would recall that Puzey and Payne was disposed to management through an MBO in 2013 and the amounts written off are legacy debtors which the Board felt it was prudent to impair. The company will still vigorously pursue the recovery of these amounts.

Corporate activity and prospects

We strengthened our relationship with Barloworld of South Africa through an allotment of an additional 14% shareholding in Barzem in accordance with the existing shareholder's agreement. This achieved our important twin goals of protecting our rights to the Caterpillar dealership as well as raising money for Barzem. Barzem is now adequately capitalised and also has a strong cash position. Going forward we will work to ensure that Barzem benefits from the management practices and processes of Barloworld which is the largest Caterpillar dealership in the world.

We will work to protect our home market in Mealie Brand and then move on to reclaim market share in our traditional export markets.

We will seriously focus on the quality of our credit sales particularly in the whole goods markets in both Farmec and Barzem while at the same time sustaining efforts to collect the current debtors' books.

We expect a difficult trading year ahead and the Board will focus on trading profitably and responsibly at what is likely to be reduced volumes.

We will continue to focus on improving our internal processes and productivity to ensure that we will be ready for improvements in our underlying markets.

Directorate

On behalf of the Board I would like to extend my appreciation to Zed Rusike for his leadership of the Board for most of the 2015 year as well as the professional and principled way in which he handled the transition occasioned by the change in major shareholder. I would also like to thank Zondi Kumwenda and Francis Rwakonda for their contribution to Zimplow over the years. We wish them all the best in their future endeavours.

I would like to take this opportunity to welcome Mark Hulett as the new Chief Executive and wish him the best in this job as well as guaranteeing him the Board's support. I also welcome Messrs Mark Yong and Kalpesh Patel as non-executive directors.

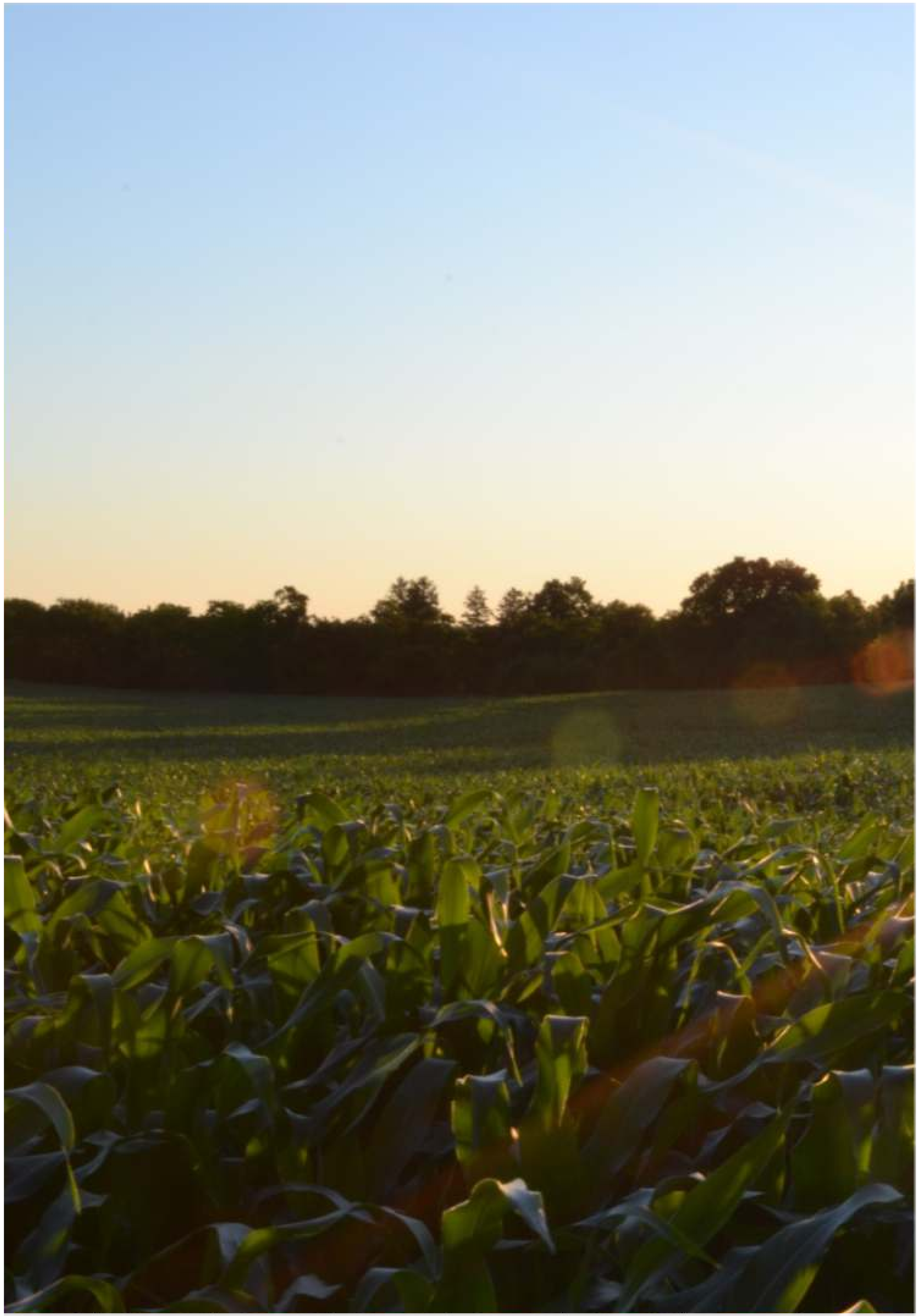
In closing the Board expresses its gratitude to all the staff of the Zimplow Group for weathering what was a difficult year. We are counting on them to protect and maximise shareholder value in the 2016 year and beyond.

Dividend

No dividend has been declared as the Group made a loss for the 2015 year.

T Chataika
Chairman

OVERVIEW
OVERVIEW



CORPORATE GOVERNANCE

ZIMPLOW

YOUR AGRICULTURE, INFRASTRUCTURE & MINING PARTNER

Board of Directors

THOMAS CHATAIKA
Non Executive Board Chairman

Thomas is the founder and Managing Director of INVESCI. He is a Chartered Accountant as well as a holder of the CFA charter

TIMOTHY MICHAEL JOHNSON
Non Executive Director

Tim was educated at Falcon College and is a holder of a B.Comm degree from Rhodes University. He was the Chief Executive of Cairns Holdings and then Astra Corporation Ltd before its demerger to form Astra Industries and Tractive Power Holdings Ltd. Tim is a Director of CABS, Astra Industries, Cimas Medical Aid Society and Chairman of RM Insurance Company. Tim is also a Trustees Representative of the Beit Trust, a UK registered charitable organization specializing in infrastructure grants to health and educational institutions. He was a non executive director of Tractive Power Holdings Limited before its acquisition by Zimplow.

NIGEL JOSEPH GEORGE EARLE
Non Executive Director

Nigel is a founder and owner of a number of highly successful businesses. In Mr Earle's 48-year working and business career he has achieved many material accomplishments in the industrial, civil and construction, mining and petroleum industries.

LANCE KENNEDY
Non Executive Director

Lance is a holder of a Master of Science Degree in Business Management in the Agriculture and Food Industries from the Royal Agricultural College in Cirencester in the United Kingdom and several other agricultural qualifications. He has a wealth of experience in the agriculture and farming sector including hands-on experience in managing farming operations in Australia. His career in the agricultural sector spans over 20 years.

GODFREY MANHAMBARA
Non Executive Director

Godfrey holds several academic qualifications, including a Diploma in Business Studies, a Bachelor of Science in Economics degree (Honours) from the University of London, and a Masters in Business Administration. He is an accomplished member of the Chartered Institute of Transport and Logistics (MCIOTL) UK and the Zimbabwe Institute of Management (Zim). In his executive career, Godfrey worked for Affretair as Marketing Executive before being elevated to Chief Executive. He then joined the Civil Aviation Authority of Zimbabwe (CAAZ) as Chief Executive, thereafter he went on to Reacon Services as Chief Executive Officer then onto BETA Holdings as Group Chief Operating Officer before being appointed Group Chief Executive, a position he still holds. Godfrey holds Directorships in several companies namely Beta Holdings, Rainbow Tourism Group (RTG), Prime Seed (Private) Limited. He is also Chairman of Zimnat Asset Management since 2005. He was a non executive director of Tractive Power Holdings Limited before its acquisition by Zimplow.

Board of Directors

SIBANI MNGOMEZULU
Non Executive Director

Sibani underwent legal training at Webber, Wentzel Bowens. Thereafter he worked for Merrill Lynch for several years. He spent time in New York and London and worked with global investment banking teams. Sibani left Merrill Lynch to study a Masters degree in Banking and Finance at Kings College London. Upon his return to South Africa, he was employed by Cazenove in Corporate Finance and later recruited by Barloworld Limited where he has held a variety of senior positions in the organisation. He was also admitted as an Attorney of the High Court of South Africa. Sibani is a member of the South African Institute of financial Markets, the institute of Directors and was a fellow of the Institute of Chartered Secretaries and Administrators. He completed an Executive Development programme -ESADE Business School in Spain and is currently a Director at Barloworld South Africa (Pty) Limited, Barzem Enterprises Limited and Barloworld Equipment Malawi Limited.

MARK YONG
Non Executive Director

Mark Yong is the Chairman and Director of Unchartered Group Limited (UGL), an international investment and holding company. UGL's portfolio includes real estate assets, development of commercial and residential real estate projects, luxury real estate developments, operation of luxury leisure and lifestyle businesses, leisure, hospitality and entertainment businesses.
UGL's investments are found in Ho Chi Minh (Vietnam), Singapore and Australia and they include
·A commercial building in a highly proclaimed IT district in Ho Chi Minh
·Broadway Plaza, Anson House, Tides – successful and strategic retail commercial and office buildings located in Singapore
·Hydro Majestic Hotel Blue Mountain – a high-end and historic hotel building located in New South Wales, Australia.
·Lilianfels Blue Mountain Hotel – a five star hotel housed in a historic country mansion located in New South Wales, Australia

Mark lives in Singapore. He is married and has two sons

KALPESH PATEL
Non Executive Director

Kalpesh is seasoned executive in the Steel industry and is currently the Chief Executive officer of Steelmakers Ltd in charge of its Sub-Saharan operations. He possesses a Bsc in Economics and a BA in Political Science including a Msc in Economics from the London School of Economics

MARK HULETT
Group Chief Executive Officer

Mark has extensive experience in both the agricultural and mining sectors which are the key central sectors to the Group's business. Mark has recently been the Chief Operating Officer (Tobacco Operations) of TSL Limited. Mark is a holder of Bachelor of Agricultural Science degree from the University of Adelaide. Mark is 51 and is married with three children.

PERFORMANCE REVIEW

Our Group Executive Committee

Mark Hulett

Group Chief Executive Officer
Qualifications: Bsc Agric Science (Adelaide)
Joined: 1 January 2016

Vimbayi Nyakudya

Group Financial Controller
Qualifications: B.Compt (Hons), CA(Z), CA(SA), MBL
Joined: 14 December 2015

Maxwell Chinorwadza

Group Company Secretary
Qualifications: BBS, FCIS, CGMA, MBA
Joined: 1 July 1994

Walter Chigwada

Managing Director, Mealie Brand
Qualifications: Bsc Animal Science, Msc Animal Nutrition, Dip Exec Mgt
Joined: 1 August 2013

Ruston Gumbo

Managing Director, Barzem
Qualifications: NCC- Diesel Plant Fitting, NTC, Dip in Gen Mgt
Joined: 1 February 1998

Douglas Beattie

General Manager, Farmec
Qualifications: HND Agriculture
Joined: August 2015

Shephered Sebata

General Manager, CT Bolts
Qualifications: RPA(Z), MIIA, MIAC, PAFA, MBA
Joined: 1 June 2009

Gladys Machawira

Group Internal Audit Manager
Qualifications: Articles of Clerkship, Bcompt (UNISA), ISO 9001:2000 Internal Auditor,

Joined: 1 August 2011

Keuemetsi Setoboli - Mupandawana

Group Human Resources Executive
Qualifications: BA (UZ), Dip IPMZ, MBA
Joined: 1 September 2013

...representing the following brands:

- MASSEY FERGUSON
- Challenger
- FALCON Est. 1985
- MONOSEM
- Perkins
- VALTRA
- MEALIE BRAND
- Master Farmer
- Vicon
- CAT
- HYSTER
- Sparex

Corporate Governance Approach & Review

Group Governance and approach

The Directors recognise the need to conduct the affairs of the Group with principles of transparency, integrity, and accountability and in accordance with generally accepted corporate practices, in the interests of its stakeholders. This process enables the Group's stakeholders to derive the assurance that, in protecting and creating value to Zimplow Holdings Limited's financial and human resources, the Group is being managed ethically, according to best practices. Sustainability principles are therefore pivotal to the Group's drive of value addition to its stakeholders

Zimplow's board of directors continues to provide effective leadership based on sound, ethical business foundations. The board considers the group's appropriate application of best practice including King III as an essential feature of the way the group behaves as a responsible corporate citizen and an integral part of the group's drive to remain a leading business.

The directors are ultimately responsible for the internal controls of the group. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. Ensuring that the proper monitoring of systems and controls is in place throughout the group is essential to providing assurance to the board regarding their effectiveness.

Board Mandate

The board is responsible for approving the strategic direction of the group and assisting management in achieving its strategic goals. The board is governed by a charter that sets out the framework of its accountability, responsibility and duty to the group.

The board conducts its business in the best interest of the group and fulfills its fiduciary duty to act in good faith, with due care and diligence, and by ensuring that the group performs in the interests of its broader stakeholder group, including present and future investors in the group, its customers and clients, its business partners, employees and the societies in which it operates.

Board Structure

The board of directors consists of a non-executive chairman, one executive director and six non-executive directors. The chairmen of the sub-committees are all non-executive directors. The board meets regularly to review results, dictate policy, formulate overall strategy and approve the budgets. They have introduced structures of corporate governance, certain functions and responsibilities have been delegated to the following committees. Their terms of reference and composition are regularly reviewed. We have provided brief biographies of each of the directors are on pages 22-23

PERFORMANCE REVIEW

PERFORMANCE REVIEW

Corporate Governance Approach & Review

Committee	Members	Mandate
Audit Committee	Godfrey Manhambara (Chairman) Thomas Chataika Lance Kennedy	The Group has an audit committee that assists the Board in the fulfilment of its duties. The audit committee deals, inter alia with compliance, internal control and risk management. The committee currently comprises of 3 (three) non-executive directors. A non-executive director chairs the audit committee. The committee meets at least 3(three) times a year with the Group's internal and external auditors to consider compliance with financial reporting requirements, monitor the appropriateness of accounting policies and the effectiveness of systems of Internal control and consider the findings of the internal and external auditors. Both the internal and external auditors have unrestricted access to the audit committee to ensure their independence and the objectivity of their reports.
Human Resources & Nominations Committee	Thomas Chataika (Chairman) Tim Johnson Sibani Mngomezulu	The remuneration commitee comprises 3 (three) non-executive directors. The Group's remuneration policy is to provide packages that attract, retain and motivate high quality individuals who will contribute substantially to the growth and success of the Group. This committee sets the remuneration of the executive directors and approves guidelines for the Group's pay reviews. Remuneration packages include a guranteed salary as well as a performance related incentive linked to the achievement of present profit targets. Nominations Commitee and Board Membership Criteria The nominations committee is responsible for developing criteria for filling vacant Board positions taking into consideration such factors as it deems appropriate. Relevant considerations include education and background, leadership and ability to exercise sound judgement, general business experience and familiarity with the Group's businesses. Candidates should not have any interests that would materiall impair his/her ability to exercise independent judgement or otherwise discharge the fiduciary duties owed as a director to the Company and its stakeholders. All candidates must be individuals of personal intergrity, ethical character and value and appreciate these qualities in others. It is expected that each director will devote the necessary time to the fulfillment of his or her duties as a director. In this regard, the Nominations Committee will consider the number and nature of each director's other commitments, including other directorships. The Nominations Commitee will seek to promote through the nominations process diversity on the Board of professional background, experience, expertise, perspective, age, gender and ethnicity.

Executive Committee

The executive committee sits between board meetings on a monthly basis to deliberate the implementation and execution of the group's strategic plans. The committee is composed of executive management as disclosed on page 24

Business Unit Governance

Each subsidiary business unit in the group has a formal Board with clearly defined responsibilities and objectives, which is responsible for the day to day running of its operations. A comprehensive governance reporting system ensures that each business unit is brought to account on a monthly basis. .

Subsidiary	Board Members
Barzem	Ruston Gumbo - Managing Director (Executive) Thomas Chataika - Non executive director Lance Kennedy - Non executive director Shane Fitzpatrick - Non- executive director (South African) Lesibana Lebwaba - Non Executive director (South African) Mark Hulett - Group Chief Executive Officer (Chairman)
Afritrac	Mark Hulett Vimbayi Nyakudya Oscar Guzzardi (South African) Shaun Lubaschagne (South Africa)
Manica Road	Mark Hulett Vimbayi Nyakudya

PERFORMANCE REVIEW

Sustainability Reporting

Our sustainability strategy was developed and strengthened by the process of conducting a materiality assessment through which Zimplow defined issues of relevance to stakeholders and the business. The process began by capturing a broad scope of issues that were relevant to our industry and our company such as climate change, water conservation, food security, energy conservation and use of renewable sources of energy, suppliers, waste management, employee health and safety, community relations and environmental stewardship. Our ambitions and emphasis are on identifying discrete areas where we are uniquely positioned to create lasting, positive impacts.

Zimplow recognises the need to meet the needs of the present without compromising the ability of future generations to meet their own needs. In the 2014 annual report we introduced the group's approach to sustainability, reporting on a framework which the group's business units have strove to operate in the effort to reduce negative enviornmental and social impacts. To this end the Group has a commitment going forward to move towards sustainable business practices.

The data in this report is based on the company's records. The report covers all the Group's operations.

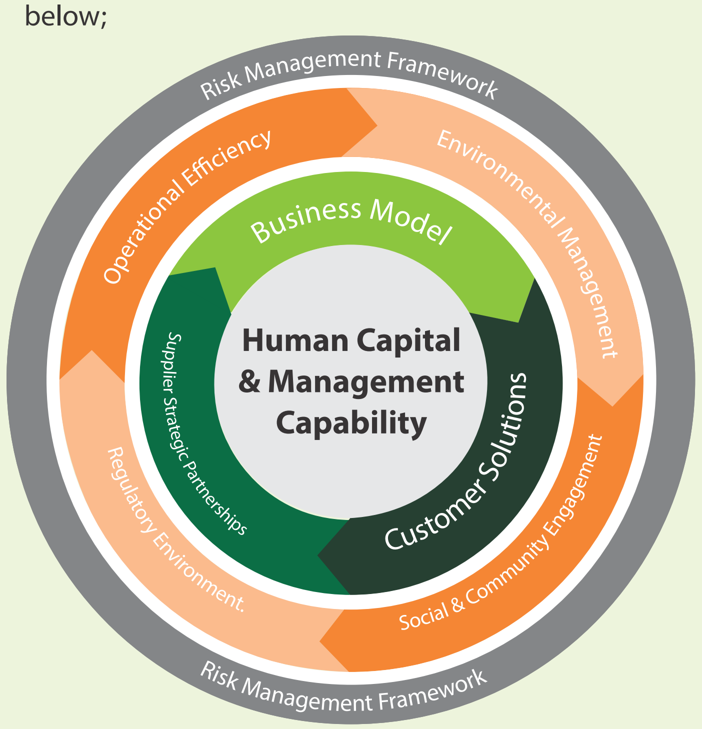
Our Strategy

Our strategic framework which has integrated the activities addressing the triple bottom line of financial, environment and social returns, balances the short and long-term interests of all stakeholders, including the communities in which we operate. We seek at all times to satisfy our stakeholders and therefore developed the following strategic objectives to underscore our commitment to this cause;

- Grow strategic partnerships with our suppliers & franchise holders, cultivating flexibility and cost leadership in our value chain
- Pledge to our customers that we are serious about delivering a quality service. We are also serious about passing on our supply chain savings to our customers making our product competitive on the marketplace. We aim to provide goods, parts & engineering solutions that support their every agricultural, infrastructural and mining needs
- Invest in our workforce through a safe and pleasant work environment and equiping them with best skills.
- To be environmentally and socially responsible corporate citizen.
- Capital preservation and delivering stakeholder value

Our strategic management model is intertwined with our risk management model. We are cognisant that in order to achieve our strategic objectives we have to either reduce, mitigate or accept risk that our businesses face. In developing our strategy we perform activities to identify and manage risks such as situational analysis of the industry, analysis of our competitive advantages as well as the company's operating environment covering political, economic, social, technological, environmental and legal (PESTEL) considerations.

Our workforce and transformative management forms the centre of our sustainability framework as depicted by the Zimplow's sustainability model below;



Zimplow's sustainability model

Risk Management Process

Group risk management approach

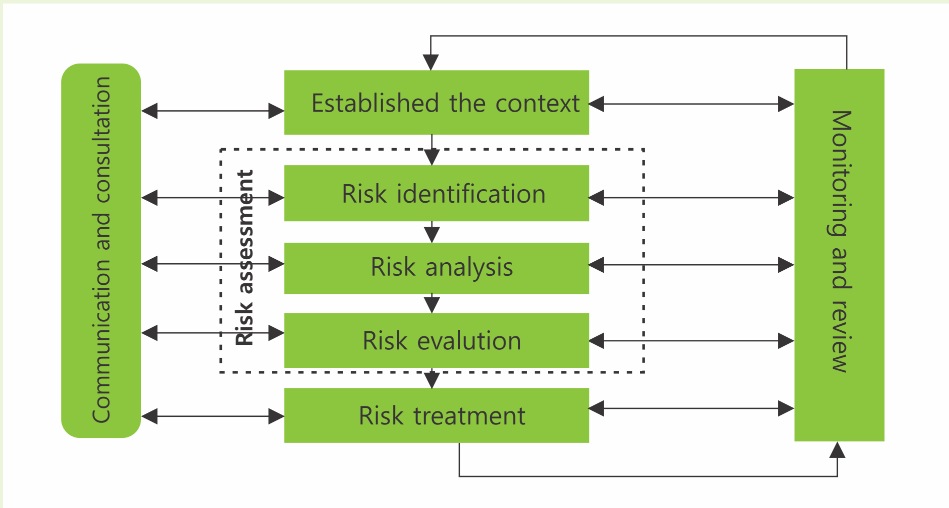
Eight masts, anchored with sound risk management practices, define our strategic thrust. Achievement of these masts ensures that the organisation survives this period of down turn in the economic sectors in which the organisation operates, which are expected to remain constrained, coupled with a generally difficult operating environment.

Our sustainability principles are supported by our business model which for years has managed to sustain our business units, keeping them rejuvinated, vibrant and ready to meet our customer needs.

Strategy implementation, monitoring and review are conducted through the preferred risk information managements system and actions to achieve specific strategic objectives are tracked in the system on an on-going basis. The purpose of the enterprise risk management policy is to align Zimplow with risk management best practices and to ensure the consistent application of risk management through the organisation.

Our enterprise risk management framework is premised on international certification standards and it follows the following structured processes:

Effective risk management underpins the delivery of our strategic objectives and the framework that we have developed for managing risks assists us to identify key risks at an early stage and develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level. Our risk management policy states that all Zimplow employees are responsible for acknowledging and managing the risks that are taken as part of their daily work. The board has appointed the audit and risk committee and the remuneration committee (Remco) to assist with the oversight and monitoring of risk management activities by the executive management.



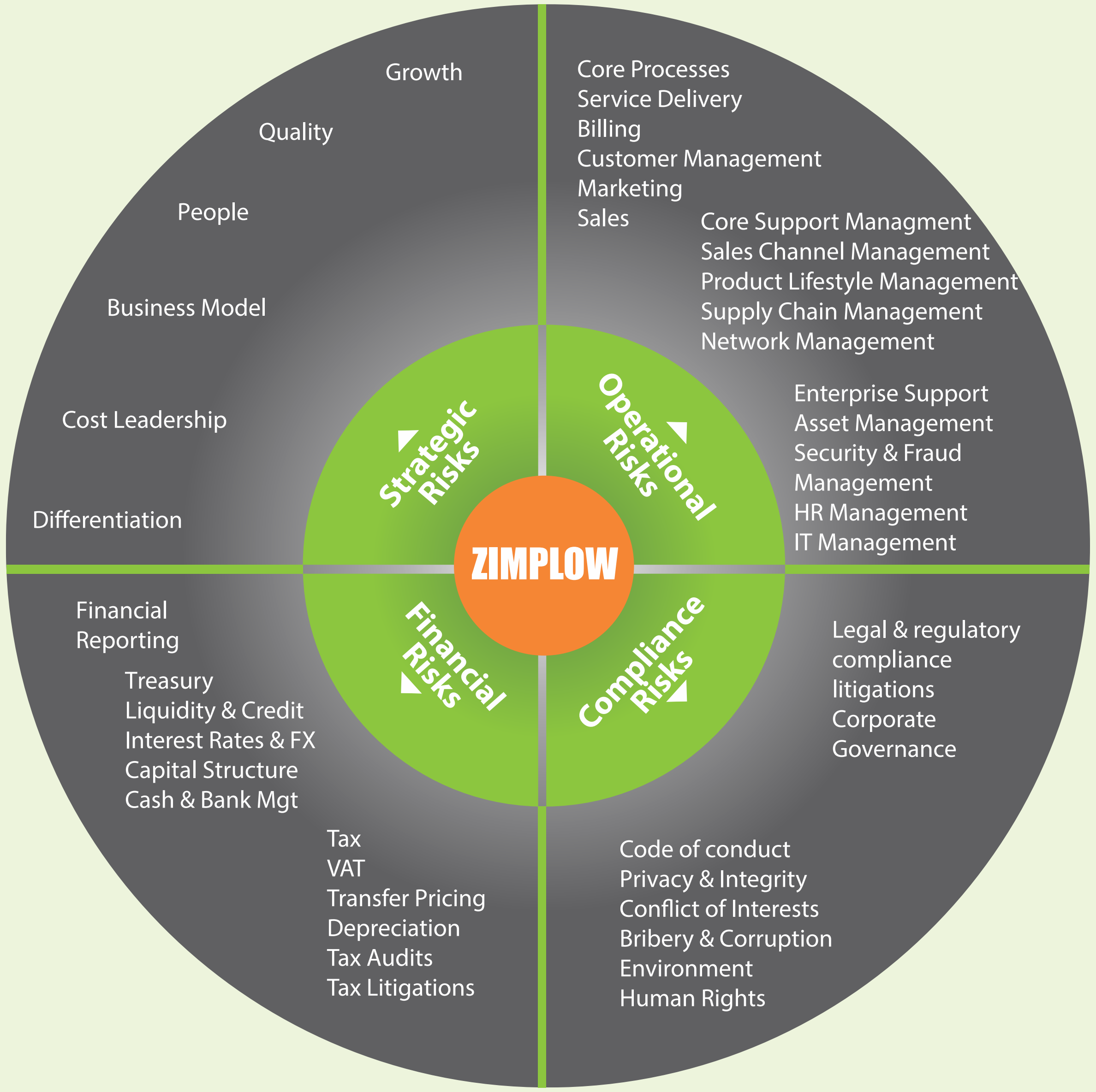
Referral risk information management system

Sustainability Reporting

The key roles and responsibilities for risk management in our organisation are summarised below:

Level	Key risk management roles and responsibilities
Board of directors (Board)	Corporate governance oversight of risk management performed by the executive management Review the performance of the board committees (Remco and audit and risk committees)
Board audit and risk committee	· Assists the board in fulfilling its corporate governance oversight responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environment risks · Monitoring and reviewing risk management practices of the company · Reviewing and approving risk-related disclosures
Board remuneration committee (Remco)	• Monitors trends in the Group industry's salary and bonus structures, policies and practices. • Monitors the incentive programs to ensure that they promote people effectiveness, retention of critical skills as well as on-going long term shareholder value
Executive management committee	• Reviews risks from time to time, initiates mitigation actions, identifies the risk owners and reviews the progress and effectiveness of mitigation actions • Formulates and deploys risk management policies • Deploys practices for the identification, assessment, monitoring, mitigation and reporting of risks
Business Unit management	• Responsible for managing their functions as per the Group risk management philosophy • Responsible for managing risks relating to the business decisions in their units, span of control or area of operations • Manage risks that may arise from time to time at the unit level
Employees	Adhering to risk management policies and procedures Implementation of prescribed risk mitigation actions Reporting risk events and incidents in a timely manner

Some of our key risks are as depicted in the diagram below (liquidity, emerging markets currency volatility, credit risk, competitor actions, dependence on principal suppliers, regulatory, critical skills)



Zimplow sustainability review framework

PERFORMANCE REVIEW

Stakeholders Engagement

The building of stakeholder trust and confidence, which underpins the profitability and sustainability of our businesses, guides Zimplow's approach to corporate social responsibility. Having adopted a transformational business philosophy, we seek opportunities to add sustainable value for all of our stakeholders and contribute to the betterment of society and the well-being of communities within our spheres of influence through responsible corporate citizenship.

While we focus on increasing value to our shareholders, we have also identified other stakeholder groups that are crucial to the success of our business due to their capacity to affect the businesses in our group and all our stakeholders. These specifically include customers, principals and suppliers, employees, the public sector, communities in the context of broader society and the natural environment, as well as the media. Zimplow's board and management give due regard to the legitimate expectations and interests of these stakeholders when taking decision in the best interests of the company.

Management of our relationships with key stakeholders in a proactive, open and mutually beneficial manner is at the core of our business model. Insights obtained in engagements with stakeholders assist in identifying emerging business opportunities and managing risk, and contribute to the formulation of our value propositions, strategic decisions and actions, performance and communications.

While responsibility for stakeholder engagement and management is decentralised to operations, appropriate stakeholder engagement policies, practices and reporting procedures are formulated at group level to establish clear lines of accountability and ensure compliance with the relevant laws, group standards and codes of conduct governing relationships with our stakeholders. A group executive has responsibility for stakeholder management and bringing to the board's attention potential gaps that may exist.

There is need to facilitate customer sharing across diverse Zimplow's operating divisions: This involves offering customers a single point of contact for the group to identify customer needs which could be met by other parts of he group, either as related or emerging new business opportunities, or which could be consolidated into existing integrated customer solutions.

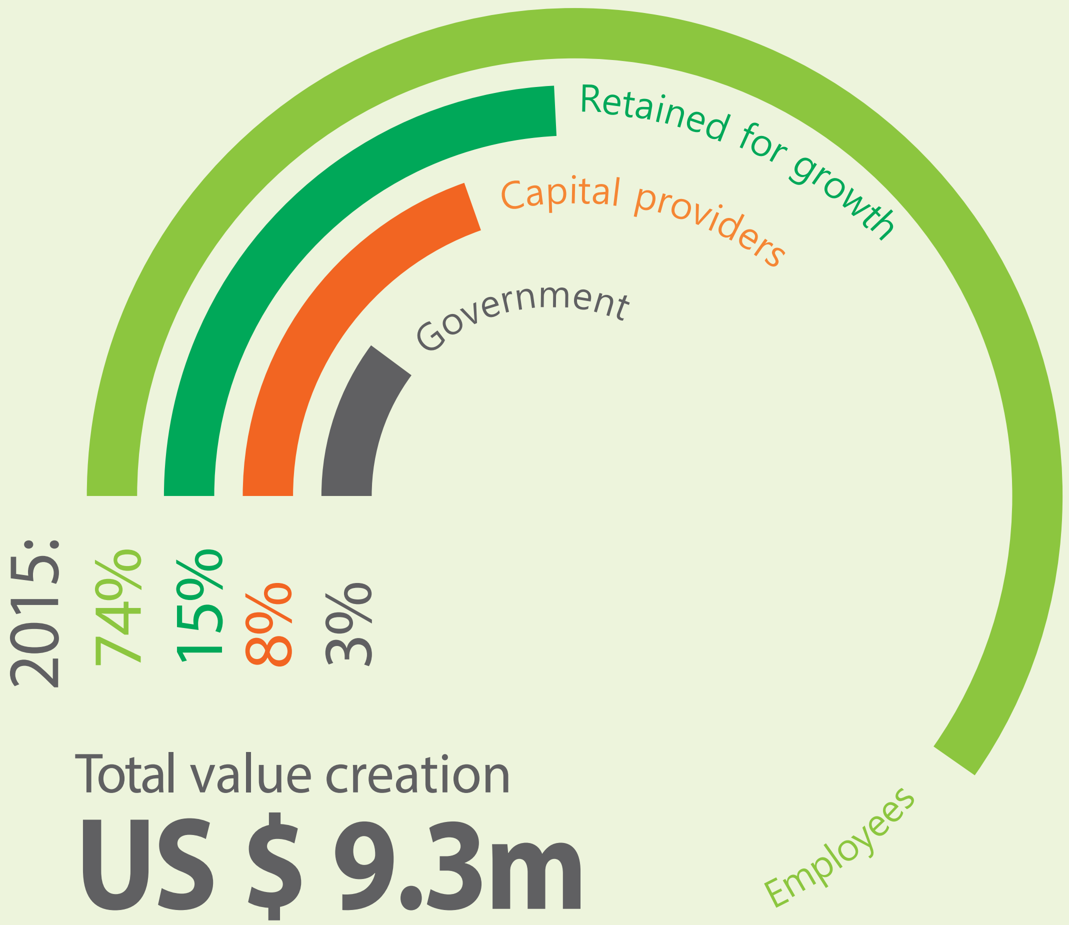
Stakeholders Engagement (continued)

Stakeholder	Mode of Engagement	Material Issues Raised	Responses/Action Taken
Customer Communities	• Customer Surveys • Product Road Shows • Customer Network Events	• Delivery of value and competitive pricing • Product range and promotions	• Understanding customer needs • Loyalty • Continuous customer engagement
Employees	• Works Council • Trade Unions • Employee surveys	• Income and benefits • Working conditions • Careers and opportunities	• Review and improvements • Enhance shared values
Suppliers	• Supplier briefings • Supplier satisfaction surveys • Workshops and meetings	Procurement opportunities • Sustainable sourcing and pricing • Supply chain efficiencies	• Continued engagements on options • Review terms
Shareholders	• Annual General Meetings • Investor and shareholder briefings	• Business growth • Value creation • Business risk • Long term targets	• Growth and value creation strategy implementation • Monitoring and long term investments
Finance Institutions	• Formal meetings • Briefings	• Lending terms and interest • Investment opportunities • Financial risk	• Negotiations and engagements • Improved facilities and new options
Governance and Regulations	• Policy briefings, compliance inspections, formal meetings	• Regulatory compliance • Business development compliance	• Achieving compliance with statutory requirements • Business regulatory compliance

Value added Statement

Our value added statement below shows the value created by the group for its stakeholders;

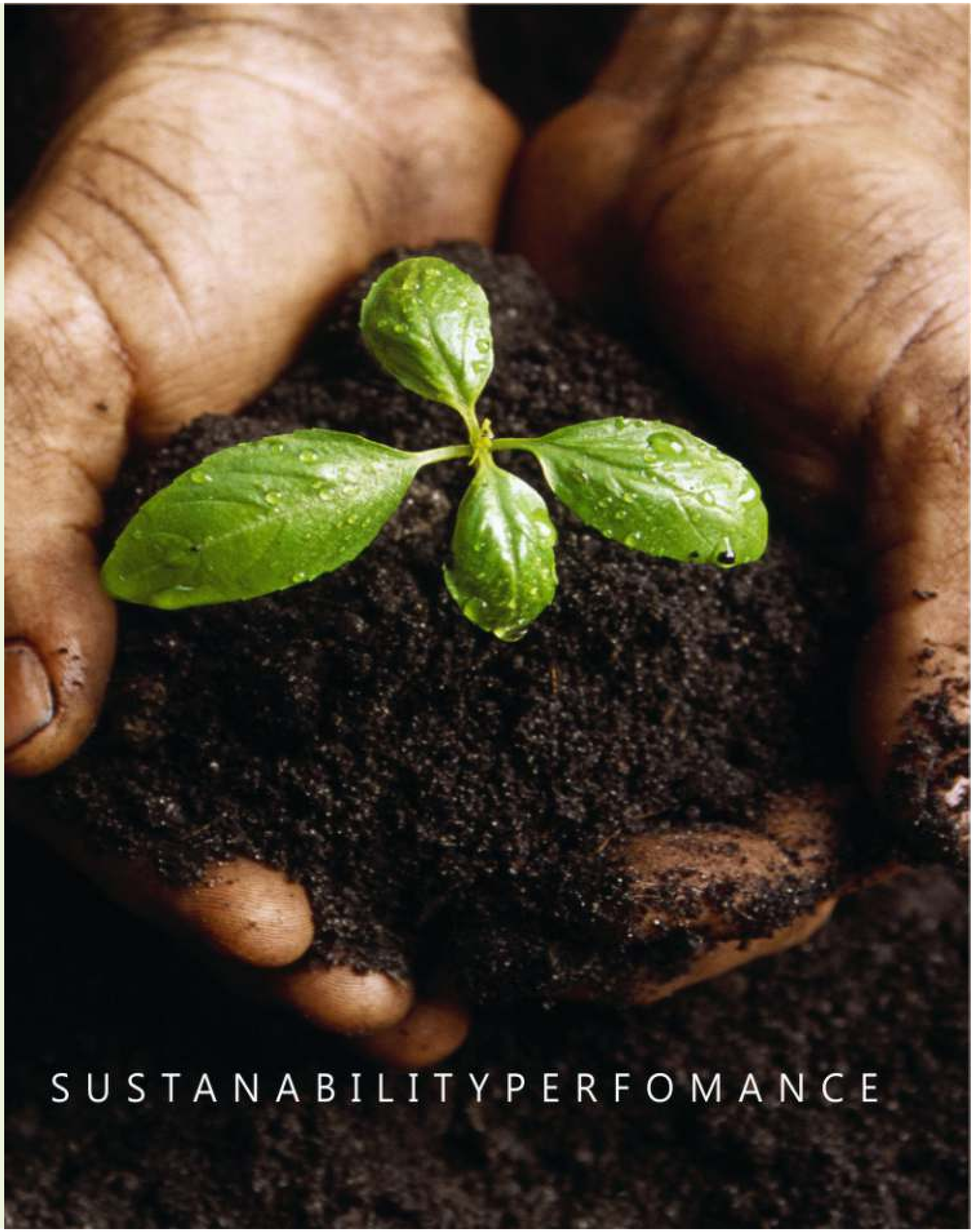
Number of employees	Revenue per employee	Value created per employee
377	US $ 80,795	$ 24 604
Down 39%	Up 39%	Up 44%



Total value creation

US $ 9.3m

2014: US $ 10.6 m



Human Capital Management

Zimplow recognises the value of investing in our workforce. We acknowledge our workforce the strength behind our brand as Zimplow therefore it is the group's intention to continuously build teams within the divisions that are motivated, inspired, self driven and action oriented in delivering value to our stakeholders.

Strategic Intent

- Health & Safety
- Talent management
- Leadership development
- Performance management

Talent Management

The group has a commitment to invest in growing our human capital capability in a sustainable manner. This therefore necessitates an annual workforce planning analysis to identify future manpower needs aligned to the company's strategic plans. Such evaluations then trigger the preparation of suitable training and developmental programs required to meet the manpower gaps. The organisation seeks to fill in gaps in manpower needs through internal recruitment, training and development. Our apprenticeship and attachment programs are pivotal to our talent management programs.

Leadership development

Together with our workforce, our human capital capability bundle is includes leadership. Therefore, our human resources sustainability policy focus on developing and equipping our leaders at all levels with tools and skills to ensure that they cascade the company vision and strategy with insight and inspiration in a way that continuously transforms the Group. Every leader in our business is held accountable for ensuring that his or her team has clear direction and understanding of their role to create sustainable value for all our stakeholders.

Performance management

The link between our success and our skills experience and qualifications is in built in out performance management programs. Performance is managed to recognise excellence and develop skills. The reward and performance management system is aligned to value creation through remuneration, coaching and reviews

Health & Safety

We are committed to creating a caring, equitable workplace and the safety and well-being of all Zimplow's employees is paramount. The focus for the year under review was on continued wellness support and learning for our employees and wellness personnel. Our Wellness Programmes continue to provide employees and their dependents with many opportunities to foster a lifestyle sensitive and responsive to all the dimensions of the total wellbeing.

DESCRIPTION OF TIME INVESTMENT	Unit	2015	2014
Average training hours per employee	Hrs	18	16
Leadership Development Programs	Hrs	30	50

PERFORMANCE REVIEW

Human Capital Management

The Group's Wellness statistics indicate that its Wellness Programmes continue to have a positive influence on the health and wellness behaviour of its employees. during the year . Refer to the table below detailing activities for the year

Programmes	Activities and Outcomes
Sporting activities, team building and wellness	Employees across the country participated in sports activities that include soccer, netball, volleyball and other activities.
Outreaches	At the draw for a product promotion for Mealie Brand, employees mingled with customers and had an address regarding dealing withe work-life balance.
Individual systems	Over 100 meetings were conducted with employees through formal and informal structures We encouraged employees and their dependents to attend Voluntary Counselling (VCT) centers and any other wellness promoting initiatives in their locality.
On the job training and coaching	Each department head is encouraged to have an understudy for purposes of succession planning and knowledge transfer.

PERFORMANCE REVIEW

Environmental Performance

The impact of environmental and climate change are critical to the viability of our business. Potential consequences on the environment and natural resources can be financial, physical and intangible. This necessitates the Group to take appropriate measures to minimize impact on the environment, climate and natural resources, which are considered as capital for the business.

Strategic Intent

- Environmental stewardship by our principal suppliers
- Efficient use of materials in our value chain.
- Green supply chains through reverse logistics and collaborative waste management.
- Efficiency in the use of scarce resources such as water & energy.

Reverse logistics & waste management

The greater part of our business involves the distribution of equipment and support of the equipment throughout the life of the equipment. As such, we also support our customers with the after life disposal of the equipment.

Our after life of equipment support include arranging for the recycling or reuse of the scrap metal or components of the used equipment. Below are the quantities of our initial attempts towards reverse logistics.

Environmental Stewardship by our Principals

Environmental stewardship is one of the criteria for supplier selection and anchors of our environmental sustainability approaches. We represent the leading original equipment manufacturers (OEMs) such as Caterpillar, Hyster, Massey Ferguson, Challenger, Monosem, Perkins, Sparex and we are of course the pioneers of the green plough, Mealie Brand and Master Farmer. In these principals and brands are synonymous with international best practice in green supply chains that is, in the way they support their value chains to the disposal of their products.

Materials in the value chain

As a group we focus on efficiency, as it has an effect of reducing our consumption of non-renewable resources at the same time improving our output. The table below summarises key material consumption by the Group:

Materials Used	Unit	2015	2014
Oil	Litres	40 374	26 901
Coal	Tons	267	453
Steel	Tons	1 617	3 308

Efficiency in water & energy consumptions

Although our operations as a group do not consume much energy, Zimplow recognises the importance of reducing consumptions of energy particularly non-renewable energy sources. In light of global warming, achieving energy efficiency is an important objective of our business. Below are the statistics of energy consumptions.

Energy Type	Unit	2015	2014
Electricity	MWH	71 727	134 468
Coal	Tons	267	453
Fuel for Generators	Litres	4 320	1 680

Water Resource

Our approach to water conservation is similar to energy, as water doesn't constitute a significant input in our operations. Water remains a critical resource to our sustainability approach particularly this year where the El Nino has affected the region. As a group, we monitor and measure our water consumption and the statistics are as below.

Source	Unit	2015	2014
Borehole	C/Litres	-	-
Municipal Water Supplies	C/Litres	40 190	64 454

PERFORMANCE REVIEW

Social & Community Engagement

The Group strives to continuously improve and maintain community investments at appropriate standing for the purpose of ensuring the Group' s long-term business success and sustainability. The Group believes that society is an integral part of the business, which the Group should continue to plough back to.

The Group is committed to contribute to sustainable community development. The Group units engage with communities and other stakeholder groups to identify potential need and contribution. The Group believes that the wellbeing of the society is integral in providing business opportunities and human capital, therefore the Group's investment is vital.

Strategic Intent

- Providing employment opportunities.
- Supporting community development.

Employment Creation

We are committed to empowering our communities through the provision of employment opportunities.

Community Development

We have been adopted various ways of community engagement and recently through our Mealie-Brand division provided donations and promotions, which the community has participated.

Farmec periodically holds equipment field-days around the country which educate the emerging farmer on current and upcoming farming technologies.

CT Bolts and Mealie Brand through their various distribution channels in Zimbabwe have sought out small indigenous businesses and provided them with distributorship and support of their products

Compliance, Regulatory & Ethics

The Group strives to comply with the various legislative and regulatory frameworks in which it operates and is committed to abide with all applicable laws and regulations in carrying out its mandate.

We value honesty, integrity and fair dealings and this is embedded in all our business practices and continue to place grear emphasis on this. The group endevors to uphold core business values and actively works to prevent the prevalence of unethical behaviours such as bribery and corruption. The company has guidelines within its Human Resources policy, Procurement policy hand other operational polices that seek to highlight and enforce such matters.

Twe also have ain-house team of internal auditors who regularly assess financial, business and compliance risks that the business is facing and conduct their operations independent to management.

The Group also has an audit committee that takes responsibility for setting out appropriate ethical reviews.

PERFORMANCE REVIEW

Directors' Responsibility Statement

Accounting Records And Financial Statements

The Directors are responsible for the maintenance of adequate accounting records as well as the preparation and integrity of the financial statements and related information contained in the annual report in a manner that fairly presents the state of affairs and the results of the Group's operations.

External Auditors' Role

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

Systems Of Internal Control

The Directors are also responsible for the Group's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to safeguard, verify and maintain accountability of assets and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

T Chataika
Chairman

M Hulett
Chief Executive Officer

Going Concern

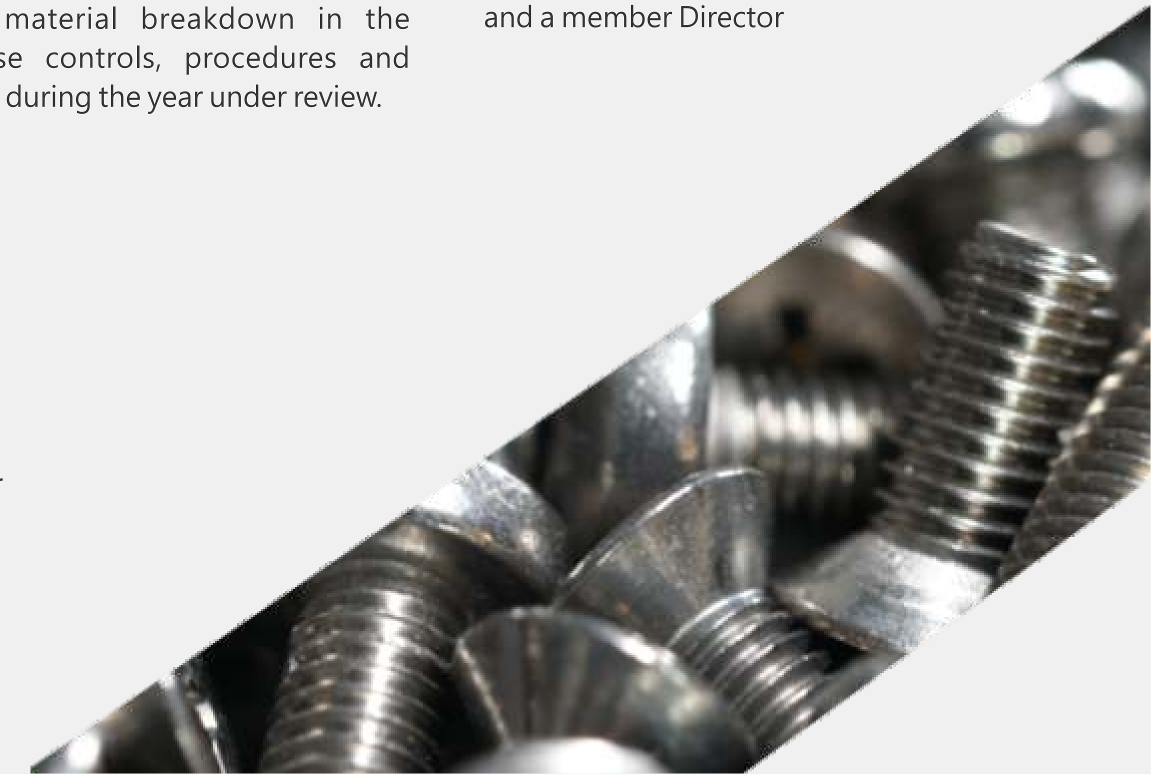
After reviewing the Group's budgets and related financial projections, the Directors have no reason, in all material respects, to believe that the Group will not continue to operate in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

Accounting Policies

In preparing the Group financial statements set out on pages 48 to 109 appropriate accounting policies have been applied, as have the relevant International Financial Reporting Standards, unless otherwise stated, and are supported, where necessary, by reasonable and prudent judgments and estimates.

Approval Of Financial Statements

The consolidated financial statements for the year ended 31 December 2015 present fairly, in all material respects the financial position and performance of Zimplow Holdings Limited and have been approved by the Board of Directors and are signed on its behalf by the Board Chair and a member Director



Report of the Directors

Your directors present their report together with the audited financial statements of Zimplow Holdings Limited (Zimplow) and its subsidiaries (together being "the Group") for the year ended 31 December 2015

Principal activities

The group is a diversified mining, construction, infrastructure and agricultural equipment manufacturer and distributor listed on the Zimbabwe Stock exchange

Share Capital

Authorised share capital
The authorised share capital of the company remains unchanged at 300 000 000 (Three hundred million) shares at a nominal value of US $ 0.004 each

Issued share capital
The issued share capital of the company increased from 155 678 825 shares to 235 465 865 in the period under review following the successful issue and conclusion of 79 787 040 shares by way of Renounceable Rights offer to existing shareholders

Unissued share capital
Unissued ordinary shares of 64,534,135 remain placed under the control of directors in terms of resolutions passed in Extra-ordinary General Meetings by members.

Financial affairs

The financial results of the company, set out on pages 48 to 109 have been audited by Ernst & Young and depict the constrained economic environment under which your company operates

Your directors have determined and are implementing strategies that should see the company maintain value and ride out the tough economic wave in which it is operating.

While the economic outlook remains difficult and uncertain, the directors believe that the company will continue to operate as a going concern in the forseeable future

Post-balance sheet events

At the time of conclusion of this report, after the close of the year, the directors report that:

1. Barloworld equipment has acquired an additional 14% stake in the mining, construction and earthmoving subsidiary for a consideration of US $

This additional capital will be used to further capacitate the subsidiary.

2. The sale of some properties held for sale was concluded at a total of $ 600 000. The proceeds have been applied back into the business to boost productive capacity.

Further information on the above transactions has been provided under note 33 of the attached financial statements

Dividend

In view of the challenging liquidity conditions and losses posted by the company, the board did not declare a dividend for the year ended 31 December 2015

Directorate

The names of directors and secretary are those in office at the time of printing this notice.

Auditors

Messrs Ernst & Young remain in office until conclusion of the Annual General Meeting on 31 March 2016, at which members will be asked to fix their remuneration and appoint auditors for the ensuing year. Ernst & Young have indicated their willingness to continue in office
For and behalf of the Board of Directors

T Chataika
Chairman

M Hulett
Chief Executive Officer

Independent Auditor's Report

EY
Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
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Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 4 750905 or 750979
Fax: +263 4 750707 or 773842
Email: admin@zw.ey.com
www.ey.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZIMPLOW HOLDINGS LIMITED

We have audited the accompanying consolidated and company financial statements of Zimplow Holdings Limited, as set out on pages 48 to 104, which comprise the consolidated and company statements of financial position as at 31 December 2015, the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Company Directors are responsible for the preparation and fair presentation of these consolidated and company financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated and company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated and company financial statements present fairly, in all material respects, the financial position of Zimplow Holdings Limited as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements
In our opinion, the consolidated and company financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of and in a manner required by the Companies Act (Chapter 24:03).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare
22 March 2016

Consolidated and Company Statement Of Profit Or Loss And Other Comprehensive Income

For the Year Ended 31 December 2015

	Notes	Group 31-Dec-15 US$	Group 31-Dec-14 US$	Company 31-Dec-15 US$	Company 31-Dec-14 US$ Restated*
REVENUE	4	**30,459,544**	**35,812,234**	**18,218,070**	**24,117,482**
Domestic		29,091,696	32,754,028	16,850,222	20,792,381
Export		1,367,848	3,058,206	1,367,848	3,325,101
Cost of sales		(21,183,749)	(25,252,603)	(13,513,501)	(17,829,163)
Gross profit		**9,275,794**	**10,559,631**	**4,704,569**	**6,288,319**
Net operating expenses		(13,696,892)	(12,993,792)	(9,236,046)	(8,765,686)
Operating loss		**(4,421,098)**	**(2,434,161)**	**(4,531,477)**	**(2,477,367)**
Other income		332,243	446,429	526,240	1,309,349
Loss on disposal of asset held for sale		-	(300,000)	-	-
Staff restructuring expenses		(1,125,138)	(127,972)	(1,001,709)	(127,972)
Fair value loss on investment property	12	-	(745,000)	-	-
Share of loss from Joint Venture	15	(31,810)	(28,678)	-	-
Available for sale reserve recycled from other comprehensive income		-	128,497	-	128,497
Impairment of Investment in Liftquip	15	(21,319)	-	(250,000)	-
Impairment of goodwill attributable to Liftquip	16	(98,124)	-	-	-
Loss before interest and tax		**(5,365,246)**	**(3,060,885)**	**(5,256,946)**	**(1,167,493)**
Finance income	6.3	416,241	559,835	103,841	260,759
Finance costs	6.4	(776,961)	(1,478,424)	(772,844)	(1,473,885)
Loss before tax		**(5,725,965)**	**(3,979,474)**	**(5,925,949)**	**(2,380,619)**
Taxation	8	945,490	885,423	1,118,261	73,992
Loss for the year		**(4,780,476)**	**(3,094,051)**	**(4,807,689)**	**(2,306,628)**
OTHER COMPREHENSIVE INCOME					
Items that will be recycled subsequently to profit or loss					
Fair value losses on available for sale financial assets			(4,032)	-	(4,032)
Exchange diferences on translation of foreign operations		(143,021)	(75,197)	-	-
Tax relating to items that will be subsequently reclassified to profit or loss			40	-	40
Available for sale reserve recycled to profit or loss			(128,497)	-	(128,497)
Other comprehensive loss for the year, net of tax		**(143,021)**	**(207,686)**	-	**(132,489)**
Total comprehensive loss for the year		**(4,923,497)**	**(3,301,737)**	**(4,807,689)**	**(2,439,117)**
Loss for the year attributable to:					
Owners of the parent		(4,791,849)	(2,944,439)	(4,807,689)	(2,306,628)
Non controlling interests		11,373	(149,612)	-	-
		(4,780,476)	**(3,094,051)**	**(4,807,689)**	**(2,306,628)**
Total comprehensive loss for the year attributable to:					
Owners of the parent		(4,892,400)	(3,115,449)	(4,807,689)	(2,439,117)
Non controlling interests		(31,097)	(186,288)	-	-
		(4,923,497)	**(3,301,737)**	**(4,807,689)**	**(2,439,117)**
Loss per share					
Basic	32	(0.02)	(0.02)		
Diluted	32	(0.02)	(0.02)		

* Certain amounts shown here do not correspond with the 2014 financial statements and reflect adjustments made. Refer to Note 10.

FINANCIAL REVIEW

Consolidated and Company Statement Of Financial Position

As at 31 December 2015

	Notes	Group 31-Dec-15 US$	Group 31-Dec-14 US$	Company 31-Dec-15 US$	Company 31-Dec-14 US$ Restated*	Company 1-Jan-14 US$ Restated*
ASSETS						
Non Current Assets		**16,905,114**	**16,830,764**	**17,706,737**	**17,745,641**	**18,345,607**
Property plant and equipment	11	11,901,526	12,836,803	3,974,041	4,631,488	4,931,827
Investment property	12	1,620,276	1,250,000	-	-	
Investment in subsidiaries		-	-	12,014,500	12,014,500	12,014,500
Investment in Liftquip		-	53,129	-	250,000	250,000
Deferred tax asset	8	2,138,632	1,078,500	1,560,996	424,213	4,111
Available for sale financial assets		-	-	-	-	213,769
Finance lease receivable - long term	18.1	-	20,640	-	20,640	
Investment in government treasury bills	18.2	135,778	135,778	-	-	
Long term receivables	23	157,200	404,800	157,200	404,800	931,400
Goodwill	16	951,702	1,051,114	-	-	
Current assets		**21,126,971**	**29,054,403**	**13,876,872**	**20,525,266**	**17,987,236**
Inventories	17	12,629,612	13,582,635	9,233,923	9,678,354	8,255,005
Finance lease receivable - short term	18.2	-	25,815	-	25,815	-
Short term portion of long term receivable	23	144,733	877,225	144,733	877,225	528,600
Trade and other receivables	18	5,736,292	11,421,448	2,980,455	7,645,688	6,962,146
Current tax receivable		-	170,843	-	32,476	362,282
Investment in financial assets		225,100	213,795	225,100	213,795	-
Cash and bank balances	21	2,391,234	2,762,642	1,292,661	2,051,913	1,879,203
Assets held for sale	8	980,000	980,000	-	-	
TOTAL ASSETS		**39,012,085**	**46,865,167**	**31,583,609**	**38,270,907**	**36,332,843**
EQUITY AND LIABILITIES						
Share capital		94,186	62,271	94,186	62,271	62,271
Share premium		19,471,129	14,6310,857	19,471,129	14,631,857	14,631,857
Capital reserve		5,258,192	5,258,192	7,036,174	7,036,174	7,036,174
Available for sale reserve		-	-	-		132,488
Revaluation reserve		1,932,439	1,932,439	2,330,628	2,330,628	2,330,628
Change in ownership reserve		(102,336)	(102,336)	-		-
Foreign currency transalation reserve		(316,618)	(216,067)	-		-
Retained (losses) / earnings		(2,696,375)	2,095,474	(9,267,845)	(4,460,157)	(2,153,530)
Equity attributable to owners of the parent		**23,640,617**	**23,661,830**	**19,664,272**	**19,600,773**	**22,039,888**
Non controlling interests		3,290,891	3,321,988	-		-
Total Equity		**26,931,508**	**26,983,818**	**19,664,272**	**19,600,773**	**22,039,888**
Non Current Liabilities		**2,232,493**	**5,320,129**	**435,995**	**3,277,515**	**1,079,891**
Deferred tax liability	8	1,763,946	1,981,150	-		-
Long term borrowings	20	468,547	3,338,979	435,995	3,277,515	1,079,891
Current liabilities		**9,848,084**	**14,561,220**	**11,483,342**	**15,392,619**	**13,213,064**
Trade and other payables	19	4,249,137	4,781,030	6,179,307	6,219,566	2,320,751
Provisions	19	1,775,913	1,516,414	1,481,001	956,249	209,058
Short term portion of long term borrowings	20	2,339,342	2,252,368	2,339,342	2,252,368	809,919
Short term borrowings	20	-	3,996,210	-	3,996,210	6,039,141
Bank overdraft		1,483,692	1,968,226	1,483,692	1,968,226	3,770,548
Current tax liabilities		-	46,972	-		63,647
TOTAL EQUITY AND LIABILITIES		**39,012,085**	**46,865,167**	**31,583,609**	**38,270,907**	**36,332,843**

* Certain amounts shown here do not correspond with the 2014 financial statements and reflect adjustments made. Refer to Note 10.

T. Chataika
Chairman

M Hulett
Chief Executive Officer

FINANCIAL REVIEW

Consolidated Statement Of Changes In Equity
For the year ended 31 December 2015

Group	Share Capital	Capital Reserve	Share Premium	Revaluation Reserve	Available For Sale Reserve	Change In Ownership Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable To Owners Of The Parent	Non Controlling Interest	Total
	US$	US$	US$	US $	US$	US $	US$	US$	US$	US$	US$
Balance on 1 January 2014	62,271	5,258,192	14,631,857	1,932,439	132,489	(102,336)	(177,546)	5,039,913	26,777,279	3,508,276	30,285,555
Loss for the year	-	-	-	-	-	-	-	(2,944,439)	(2,944,439)	(149,612)	(3,094,051)
Other comprehensive loss net of tax	-	-	-	-	(132,489)	-	(38,521)	-	(171,010)	(36,676)	(207,686)
Balance at 31 December 2014	62,271	5,258,192	14,631,857	1,932,439	-	(102,336)	(216,067)	2,095,474	23,6661,830	3,321,988	26,983,818
Issue of shares via Rights offer	31,136	-	4,966,192	-	-	-	-	-	4,997,328	-	4,997,328
Issue of shares to underwriter	779	-	124,221	-	-	-	-	-	125,000	-	125,000
Share issue costs*	-	-	(251,141)	-	-	-	-	-	(251,141)	-	(251,141)
Loss for the year	-	-		-	-	-	-	(4,791,849)	(4,791,849)	11,373	(4,780,476)
Other comprehensive income	-	-		-	-	-	(100,551)	-	(100,551)	(42,470)	(143,021)
Balance at 31 December 2015	94,186	5,258,192	19,417,129	1,932,439	-	(102,336)	(316,618)	(2,696,375)	23,640,617	3,290,891	26,931,508

Company Statement of Changes in Equity
For the year ended 31 December 2015

Company	Share Capital	Capital Reserve	Share Premium	Revaluation Reserve	Available For Sale Reserve	Retained Earnings (*Restated)	Attributable To Owners Of The Parent
	US$	US$	US$	US$	US$	US$	US$
Balance at 31 December 2013	62,271	7,036,174	14,631,857	2,330,628	132,489	(2,153,530)	22,039,889
Loss for the year	-	-	-	-	-	(2,306,628)	(2,306,628)
Other comprehensive loss, net of tax	-	-	-	-	(132,489)	-	(132,489)
Balance at 31 December 2014	62,271	7,036,174	14,631,857	2,330,628	-	(4,460,157)	19,600,773
Issue of shares via Rights offer	31,136	-	4,966,192	-	-	-	4,997,328
Issue of shares to underwriter	779	-	(779)	-	-	-	125,000
Share issue costs*	-	-	(251,141)	-	-	-	(251,141)
Loss for the year	-	-	-	-	-	(4,807,688)	(4,807,688)
Balance at 31 December 2014	94,186	7,036,174	19,417,129	2,330,628	-	(9,267,845)	19,664,272

*Share issue costs comprised $ 126,141paid for in cash and $ 125 000 paid via the issue of shares

*Retained Earnings has been restated in line with adjustments described in Note 10

Consolidated and Company Statement Of Cashlows
For the Year Ended 31 December 2015

	Notes	Group 31-Dec-15 US$	Group 31-Dec-14 US$	Company 31-Dec-15 US$	Company 31-Dec-14 US$ Restated
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating loss before interest and tax		**(5,365,245)**	**(3,060,885)**	**(5,256,946)**	**(1,167,493)**
Adjustment for non cash items:					
Depreciation and amortisation of property, plant and equipment		837,225	991,140	509,290	562,054
Effect of prior period error (Note 10)		-	-	-	
Fair value loss / (gain) on investment properties		-	745,000	-	-
Income recycled from Other Comprehesive Income		-	(128,497)	-	(128,497)
Share of loss from Liftquip		31,809	28,678	-	-
Impairment of Goodwill attributable to Liftquip		98,124	-	-	-
Bad debt recovered - Government Treasury Bills acquired		-	(135,778)	-	-
Loss on disposal of asset held for sale		-	300,000	-	-
Impairment of investment in Joint Venture		21,319	-	250,000	-
(Profit) / loss on disposal of property, plant and equipment		(47,411)	57,372	(47,411)	57,372
Operating loss before working capital changes		**(4,424,910)**	**(1,202,970)**	**(4,545,067)**	**(676,564)**
Decrease / (increase) in inventories		953,023	(773,778)	444,431	(1,423,350)
Decrease / (increase) in trade and other receivables		6,494,649	(1,546,591)	5,791,141	(897,337)
Decrease / (increase) in Finance lease receivables		46,455	(46,455)	46,455	(46,455)
Increase / (decrease) in trade and other payables		(272,394)	2,223,144	484,493	4,646,006
Cash inflow /(outflow) from operating activities		**2,796,823**	**(1,346,650)**	**2,221,453**	**1,602,301**
Finance income received		416,240	559,835	103,841	260,759
Finance costs paid		(776,961)	(1,478,424)	(772,844)	(1,473,885)
Taxation paid		(361,505)	(485,160)	(15,761)	(99,841)
Net cash inflow/ (inflow) from operating activities		**2,074,598**	**(2,750,399)**	**1,536,690**	**289,334**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(127,412)	(475,677)	(61,084)	(369,213)
Proceeds on disposal of property, plant and equipment		88,140	45,177	88,140	45,177
Proceeds from disposal of asset held for sale		-	3,200,000	-	-
Proceeds from disposal of Available for sale financial assets		-	209,746	-	209,746
Net cash inflows from disposed subsidiaries		41,105	177,975	41,105	177,975
Net cash inflow from investing activities		**1,833**	**3,157,221**	**68,161**	**63,685**
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares via Rights offer		4,977,328	-	4,977,328	-
Share issue costs		(126,141)	-	(126,141)	-
Proceeds from borrowings		-	6,000,439	-	6,000,439
Repayment of borrowings		(6,779,668)	(4,403,297)	(6,750,756)	(4,378,426)
Net cash (outflow)/ inflow from financing activities		**(1,908,481)**	**1,597,142**	**(1,879,569)**	**1,622,013**
Increase / (decrease) in cash and cash equivalents		**167,950**	**2,003,964**	**(274,717)**	**1,975,032**
Cash and cash equivalents at the beginning of the year		794,416	(1,092,005)	83,687	(1,891,345)
effects of exchange rates on the balance of cash held in foreign operations		(54,824)	(117,543)	-	-
Cash and cash equivalents at the end of the year		**907,542**	**794,416**	**(191,030)**	**83,687**
Comprising of;		**907,542**	**794,416**	**(191,030)**	**83,687**
Cash and bank balances		2,391,234	2,762,642	1,292,661	2,051,931
Bank overdraft		(1,483,692)	(1,968,226)	(1,483,692)	(1,968,226)

Notes to the Financial Statements

1. Corporate information

The consolidated financial statements of Zimplow Holdings Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 25 February 2016. Zimplow Holdings Limited, the Company, is a limited company incorporated and domiciled in Zimbabwe and whose shares are publicly traded. The registered office is located at 39 Steelworks Road, Heavy Industrial Sites in Bulawayo, Zimbabwe.

The principal activities of the Group are: manufacture and distribution of animal drawn implements, manufacture and distribution of metal fasteners for mining, construction and agricultural industries, distribution of tractors, generators and mechanised implements as well as the distribution of earthmoving and mining equipment.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Group' considered and applied new and revised International Financial Reporting Standards (IFRS) and interpretations that were mandatorily effective for annual periods beginning on or after 1 January 2015.
Application of these new standards and interpretations did not have a material impact on the group.

2.2 New and revised Standards in issue but not yet effective

The following new standards, amendments and interpretations have been issued but are not yet effective and are relevant to the Group's operations:

Standard/Interpretation	Content	Applicable for financial years beginning on/after
IFRS 5 (annual improvement)	Non current assets held for sale and discontinued operations	1 January 2016
IFRS 7 (annual improvement)	Financial instruments: Disclosures	1 January 2016
IFRS 9 (amendments and all versions)	Financial instruments	1 January 2018
IFRS 10, IFRS 12 and IAS 28 amendments	Investment entities: Applying the consolidation exception	1 January 2016
IFRS 10 and IAS 28 amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	TBA
IFRS 11 (amendments)	Account ing for interests in joint operations	1 January 2016
IFRS 14 (new)	Regulatory Deferral Accounts	1 January 2016
IFRS 15 (new)	Revenue from contracts with customers	1 January 2018
IFRS 16 (new)	Leases	1 January 2019
IAS 1 (amendments)	Disclosure initiative	1 January 2016
IAS 9 (annual improvement)	Amendments	1 January 2016
IAS 16 and IAS 38	Amendments	1 January 2016
IAS 16 and IAS 41(amendments)	Bearer Plants	1 January 2016
IAS 27(amendments)	Equity accounting	1 January 2016
IAS 34 (annual improvement)	Amendments	1 January 2016

Notes to the Financial Statements(Continued)

IFRS 5 (annual improvement)

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued

IFRS 7 (annual improvement)

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

IFRS 9 (amendments) 'Financial instruments'

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements that provide guidance on classification and measurement, impairment, hedge accounting and derecognition.

IFRS 10, IFRS 12 and IAS 28

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

These also clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS3 Business Combinations)
- Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.
- These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 11

The amendments clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11

IFRS 14 (new)

Permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements

IFRS 15 (new)

'Revenue from Contracts with Customers". Provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows;

Step 1: Identification of the contract with the customer
Step 2: Identification of the performance obligations in the contract
Step 3: Determination of the transaction price
Step 4: Allocation of the transaction price to the performance obligations in the contracts.
Step 5: Recognition of revenue when (or as) the entity satisfies a performance obligation.

IFRS 16 (new)

Specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting

Notes to the Financial Statements

substantially unchanged from its predecessor, IAS 17.

IAS 1 (Amendments)
Addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

IAS 19 (annual improvement)
Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid

IAS 16 and IAS 38 (Amendments)
The amendments clarify of acceptable methods of depreciation and amortization. The amendments clarify that a revenue-based method is not considered to be an appropriate manifestation of consumption.

IAS 34 (annual improvement)
Clarifies the meaning of 'elsewhere in the interim report' and require a cross-reference.

IAS 27 (Amendments)
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group will consider these amendments when they became effective.

The Group is considering the implications of these new standards, amendments and interpretations, and the impact on the Group and timing of their adoption.

3. Summary of significant accounting policies

3.1 Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and presented in United States dollars (US dollars), which is the Group's functional and presentation currency.

3.2 Basis of preparation
The consolidated financial statements hae been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Notes to the Financial Statements(Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 Company 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when
the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.
The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between
(I) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are always recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment

arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date and;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, whenapplicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 Financial instruments , or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional

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amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses (if any).
For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate is described in note 3.6 below.

3.6 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any

excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.7 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 asset (or disposal group) is available for immediate sale in its; present condition (subject only to terms that are usual and customary for sales of such asset or disposal group) and its sale is

highly probable. 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 loss 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.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence or joint control over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

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 to sell.

3.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.
The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend and interest income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is generally when provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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
The Group's policy for recognition of revenue from operating leases is described in note 3.10 below.

3.10 Leasing

Leases are classified as Finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Amounts due from lessees under Finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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.

The Group as lessee
Assets held under Finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a Finance lease obligation.

Lease payments are apportioned between Finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

3.11 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Notes to the Financial Statements(Continued)

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At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into United States Dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.
In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to noncontrolling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.12 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 incurre

3.13 Employee benefits

Retirement benefit costs and termination benefits
Payments to defined contribution retirement plans are recognised in profit or loss in the year of contribution.

A liability for termination benefits recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14 Share-based payment arrangements

Share-based payment transactions of the Company
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in 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 equity-settled employee benefits reserve.

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 entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Share-based payment transactions of the acquiree in a business combination
When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion

of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date.

If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets 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 its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted.

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Property, plant and equipment

Items of Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses, if any, apart from plant and machinery which are measured at fair value, less accumulated depreciation and impairment losses, if any, recognised after the date of a revaluation. Valuations, performed by the Group's Directors or independent external valuers, are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

When items of property, plant and equipment are revalued, any accumulated depreciation at the date of a revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount after revaluation equals its revalued amount.

Any revaluation surplus (increase in the carrying amount of an asset as a result of a revaluation) is recognised in other comprehensive income and accumulated in equity (revaluation reserve) in the statement of changes in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. The decrease, however, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity as a revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.
Depreciation is calculated on a straight line basis over the estimated useful lives of the asset as follows:

- Buildings: 50 years;
- Plant and machinery: 5 to 50 years;
- Motor vehicles: 5 years;
- Office furniture and computer equipment: 4 to 10 years.
- Freehold land is not depreciated

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The depreciation methods, useful lives and residual values of assets are reviewed and adjusted, if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

3.17 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.
Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.18 Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets-research and development expenditure

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination
Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

319 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see note 3.17 above).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.20 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

Raw materials
Purchase costs on weighted average cost.

Consumable stores
Landed cost

Wholegoods, parts and work in progress
Direct material and labour cost, appropriate share of production expenses and where applicable, customs duty paid.

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

3.21 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. When 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 (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where 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 from the contract.

Restructuring
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.

Warranties
Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date ofsale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Contingent liabilities acquired in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18 Revenue.

3.22 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments

Financial assets and financial liabilities are initially measured at fair value. 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.

3.23 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.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method
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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL
Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

- A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 40.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent

and ability to hold to maturity. Subsequent to initial recognition, held-tomaturity investments are measured at amortised cost using the effective interest method less any impairment.

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 others [describe]) 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.

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

Listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fairvalue at the end of each reporting period.
Changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of the Available for Sale reserve.

When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the Available for Sale Reserve is reclassified to

profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Other foreign exchange gains and losses are recognised in other comprehensive income.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
significant financial difficulty of the issuer or counterparty; or

- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.24 Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments
The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to the applicable reserve. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and hasa recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.25 Derivative financial instruments

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

3.26 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.
Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss onthe hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

3.27 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors of the Company are 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 results 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.29.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Control over Afritrac (Pty) Limited

Afritrac (Pty) Limited is a subsidiary of the Group even though the Group has only a 49% ownership interest and has only 49% of the voting rights in Afritrac (Pty) Limited.

The Group has held its 49% ownership since 2011 and the remaining 51% of the ownership interests are held by four shareholders in equal capacity that are unrelated to the Group. The directors of the Company assessed whether or not the Group has control over Afritrac (Pty) Limited based on whether the Group has the practical ability to direct the relevant activities of Afritrac (Pty) Limited unilaterally.

In making their judgement, the directors considered the Group's absolute size of holding in Afritrac, the relative size of and dispersion of the shareholdings owned by the other shareholders and the Group's ability to appoint or remove the majority of Afritrac Board members. After assessment, the directors concluded that the Group has a sufficiently dominant voting interests to direct the relevant activities of Afritrac (Pty) Limited and therefore the Group has control over the company.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss

may arise.

The carrying amount of goodwill on 31 December 2015 was $ 951 702 (31 December 2014: $ 1 051 114)
Impairment losses of $ 98 214 relating to goodwill allocated to the Liftquip t/a Northmec business unit impaired on 31 December 2015 were recognised

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The directors determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available.

Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed under the applicable notes.

4. Revenue
An Analysis of Group revenue and results for the year

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Sale of goods	27,646,246	33,422,717	17,185,065	23,017,151
Services rendered	2,766,623	2,055,569	1,033,005	1,100,331
Investment property rental income	46,675	333,948	-	-
Total	**30,459,544**	**35,812,234**	**18,218,070**	**24,117,482**

5 . (Loss) / profit for the year

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Loss for the year is attributable to:				
Owners of the company	(4,791,849)	(2,944,439)	(4,807,688)	(2,306,627)
Non controlling interests	11,373	(149,612)	-	-
	(4,780,476)	**(3,094,051)**	**(4,807,688)**	**(2,306,627)**
Loss for the year has been arrived at after charging (crediting):				
Impairment loss recognised on trade receivables (note 18)	2,083,176	1,901,427	1,761,774	1,678,289
Depreciation				
Depreciation of property, plant and equipment	836,495	991,140	509,290	666,358
Direct operating expenses arising from investment properties				
Investment properties that generated rental income during the year	42,135	294,668	-	-
Employee benefits expenses				
Defined contribution plans expense	461,662	199,986	304,427	199,986
Salaries and allowances	5,695,425	7,437,465	3,573,762	5,044,981
Administration expenses	6,527,809	5,397,905	4,645,482	3,340,713
Selling expenses	269,223	419,981	378,187	390,821
Staff restructuring expenses	1,125,138	127,972	1,001,709	127,972
Auditor's remuneration	122,851	208,054	57,534	141,833
Director's emoluments				
Fees	65,294	103,532	65,294	103,532
Other emoluments	-	-	-	-
Other gains and losses				
(Profit) / loss on disposal of property, plant and equipment	(47,411)	57,365	(47,411)	57,365
Loss on disposal of asset held for sale	-	300,000	-	-
Exchange gains	106,837	-	106,837	-
Exchange losses	(14,662)	(27,544)	(14,662)	(10,058)

FINANCIAL REVIEW

6. GROUP PRIMARY RESULTS
For the year ended 31 December 2015
6.1 Segment revenue and results

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the sector of the economy serviced and the type of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around the differences in sectors of the economy and products or services. Specifically the Group's reportable segments under IFRS 8: Operating segments are therefore as follows;

Mining and infrastructure
- Mining equipment, parts and related services

Farming
- Animal drawn equipment, parts and related services
- Tractors, tractor drawn equipment, parts and related services

Property
- Property rental and property management

The disclosed results are an analysis of the Group's revenue and results from operations by reportable segment. Segment revenue reported below represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Internal transactions are appropriately eliminated on consolidation and data aggregation.

The "Farming" segment comprises the following business units: Mealiebrand, Farmec and Afritrac The "Mining and Infrastructure" segment comprises of the following business units: Barzem and CT Bolts The following is an analysis of the Group's revenue and results from continuing operations by reportable segment

31 December 2015	Mining and Infrastructure US$	Farming US$	Property US$	Adjustments US$	Total US$
Revenue	12,885,802	17,736,850	60,234	-	**30,682,886**
Intersegment revenue	–	(209,784)	(13,558)	–	**(223,342)**
Total revenue	**12,885,802**	**17,527,066**	**46,676**	**-**	**30,459,544**
Segment operating profit	69,357	(4,367,562)	(122,892)		**(4,421,098)**
Other items					
Staff restucturing expenses	(138,577)	(986,561)	-	-	**(1,125,138)**
Other income	71,598	260,645	-	-	**332,243**
Share of loss in Liftquip	-	-	-	(31,809)	**(31,809)**
Impairment of investment in Liftquip	-	-	-	(21,319)	**(21,319)**
Impairment of goodwill in Liftquip	-	-	-	(98,124)	**(98,124)**
Finance income	307,264	246,997	642	(138,663)	**416,240**
Finance costs	(49,249)	(866,374)	-	138,663	**(776,961)**
Income taxes	(97,510)	1,011,166	31,833	-	**945,490**
GROUP LOSS AFTER TAX					**(4,780,475)**
Segment assets	11,587,919	45,971,410	4,653,765	(23,201,009)	**39,012,085**
Segment liabilities	(2,372,167)	(19,947,468)	(88,902)	10,327,960	**(12,080,577)**
Other segment information					
Depreciation	237,159	599,336	-	-	**836,495**
Additions to non-current assets	51,348	76,064	-	-	**127,412**
Allowance for credit losses recognised in profit or loss	321,402	1,761,774	-	-	**2,083,176**

FINANCIAL REVIEW

6.1 Segment revenue and results (continued)

31 December 2014	Mining and Infrastructure	Farming	Property	Adjustments	Total
	US$	US$	US$	US$	US$
Revenue	12,217,769	23,618,094	357,086	-	**36,192,949**
Intersegment revenue	-	(357,578)	(23,137)	-	**(380,715)**
Total revenue	**12,217,769**	**23,260,516**	**333,949**	**-**	**35,812,234**
Segment operating (loss)/ profit	(559,652)	(2,221,553)	347,044	-	**(2,434,161)**
Other items					
Merger and restucturing expenses	-	(127,972)	-	-	**(127,972)**
Other income	-	446,429	-	-	**446,429**
Share of loss in Joint Venture	-	-	-	(28,678)	**(28,678)**
Recycled from Other Comprehensive Income	-		-	128,497	**128,497**
Loss on disposal of asset held for sale	-	-	(300,000)	-	**(300,000)**
Fair value loss on investment property	-	-	(745,000)	-	**(745,000)**
Finance income	292,050	267,563	222	-	**559,835**
Finance costs	-	(1,478,424)	-	-	**(1,478,424)**
Income taxes	77,213	20,400	787,810	-	**885,423**
GROUP LOSS AFTER TAX					**(3,094,051)**
Segment assets	11,991,899	30,136,790	4,774,970	(38,492)	**46,865,167**
Segment liabilities	(2,757,431)	(12,858,398)	(104,967)	(4,160,553)	**(19,881,349)**
Other segment information					
Depreciation	354,811	636,329	-	-	**991,140**
Additions to non-current assets	(30,809)	(444,868)	-	-	**(475,677)**
Allowance for credit losses recognised in profit or loss	513,253	223,138	-	-	**736,391**
Fair value losses recognised in other comprehensive income	(4,032)	-	-	-	**(4,032)**

6.2 Revenue from major products and services

The following is an analysis Of the Group's revenue from from its major products and services;

	31-Dec-15	31-Dec-14
	US$	US$
Mining and Construction equipment	4,407,154	4,505,249
Animal drawn equipment	5,267,623	9,518,792
Tractors and tractor drawn equipment	9,051,726	12,641,394
Services of equipment	2,766,623	2,055,569
Parts and fasteners of equipment	8,919,743	6,757,282
Property rentals	46,675	333,948
Total Revenue	**30,459,544**	**35,812,234**

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6.3 Finance income

	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	US$	US$	US$	US$
Bank deposits and investments	21,485	178,616	16,282	171,484
Other loans and receivables	394,755	381,219	87,558	89,275
	416,241	**559,835**	**103,841**	**260,759**

6.4 Finance costs

	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	US$	US$	US$	US$
Finance costs arising from				
Long term Loan facilities with financial institutions	421,799	182,187	417,683	177,648
Short term Loan facilities with financial institutions	133,884	731,844	133,884	731,844
Overdrafts held with financial institutions	158,671	529,378	158,671	529,378
Other interest bearing borrowings - Letter of credit facility	62,606	35,015	62,606	35,015
	776,961	**1,478,424**	**772,844**	**1,473,885**

7. Share capital

Subject to Section 183 of the Companies Act (Chapter 24:03), and to the limitations of the Zimbabwe Stock Exchange, the unissued shares are under the control of the Directors, in terms of Extraordinary General Meetings of Members held on 30 August 1989, 10 November 2004, 16 November 2005, 14 November 2007, 29 June 2013 and 29 December 2014

7.1 Rights Issue

Following the approval of a Renounceable Rights Offer by the shareholders at an EGM held on 29 December 2014, the company pursued and successfully concluded the rights offer of 77 840 000 ordinary shares to holders of Ordinary Shares at a price of US$0.0642 (6.42 US cents), on the basis of one (1) new ordinary share for every two (2) Ordinary Shares in issue . A total of Four Million Nine Hundred and Ninety Seven Thousand Three Hundred and Twenty Eight United States Dollars ($ 4,997,328) was raised and all channelled towards retirement of borrowings. The rights issue was concluded on 14 February 2015 with subsequent listing of the rights offer shares on 29 February 2015. Pursuant to the underwriting fee, an additional 1 947 000 ordinary shares at a price of US $ 0.0642 (6.42 US cents) were issued to the underwriter. In accordance with IAS 33 -Earnings Per Share, the rights issue shares have been weighted in the current period for purposes of earnings per share calculations. Prior period earnings per share has been restated to take account of the rights issue.

7.2 Increase in authorised share capital

At an Extraordinary General Meeting held on 29 December 2014, the shareholders approved a resolution to increase the authorised share capital of the company from 200,000,000 (Two Hundred Million) ordinary shares of a nominal value of US $ 0.0004 each to 300,000,000 (Three hundred million) ordinary shares of US $ 0.004

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7.3 Reconciliation of authorised and issued share capital

	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Authorised share capital				
Number of ordinary shares at the beginning of the year	300,000,000	200,000,000	300,000,000	200,000,000
Increase in authorised share capital		100,000,000		100,000,000
(Approved 29 December 2014)				
Number of ordinary shares at the end of the year	**300,000,000**	**300,000,000**	**300,000,000**	**300,000,000**
Nominal value per share(US$)	0.0004	0.0004	0.0004	0.0004
Total value of shares(US$)	**120,000**	**120,000**	**120,000**	**120,000**
Unissued shares under the control of the directors	**64,534,135**	**144,321,175**	**64,534,135**	**144,321,175**
Reconciliation of the number of shares in issue				
Issued number of shares at the beginning of the year	155,678,825	155,678,825	155,678,825	155,678,825
Shares issued pursuant to rights issue (Note 7.1)	77,840,000	-	77,840,000	-
Shares issued to underwriter pursuant to rights issue (Note7.1)	1,947,000	-	1,947,000	-
Total number of shares in issue	**235,465,825**	**155,678,825**	**235,465,825**	**155,678,825**

Issued and fully paid number of shares				
Number of ordinary shares	235,465,825	155,678,825	235,465,825	155,678,825
Nominal value per share(US$)	0.0004	0.0004	0.0004	0.0004
Total value of shares(US$)	**94,186**	**62,271**	**94,186**	**62,271**

7.4 At 31 December 2015, the directors of the Group held directly and indirectly, the following

Name	Year Ended 31-Dec-15	Year Ended 31-Dec-14
T. Chataika	-	-
M. Hulett+	-	-
N. Earle	-	-
T Johnson	417	417
G Manhambara	417	417
L. Kennedy	23,935,345	23,435,343
S Mngomezulu	417	417
K Patel+	-	-
M Yong+	- 96,006,854	- 31,845,521
Z Kumwenda*	6,054	6,054
F Rwakonda*	417	417

+ Appointed during the year
* Resigned during the year

	Group		Company	
8. Taxation	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
8.1 Charge based on income for the year				
Zimbabwe income tax	313,324	382,080	-	260,992
Taxation relating to foreign operation	(1,209)	11,938	-	-
Deferred tax credit	(1,277,336)	(1,524,559)	(1,136,783)	(420,102)
Withholding taxes	18,522	63,968	18,522	63,968
Capital gains tax	-	181,150	-	21,150
Taxation	**(945,490)**	**(885,423)**	**(1,118,261)**	**(73,992)**
Consolidated statement of other comprehensive income				
Deferred tax related to items charged or credit directly to OCI during the year:				
Fair value (loss) / gain on available for sale financial assets	-	40	-	40
8.2 Reconciliation of tax charge				
Tax on loss for the year at 25.75% (inclusive of 3% AIDS levy)	(1,449,066)	(788,178)	(1,525,932)	(326,200)
Tax efect on expenses that are not deductible in determining taxable profit	630,538	593,904	509,233	311,695
Income taxed at special rates	-	(99,638)	-	(84,892)
Export promotion incentive	(9,699)	(8,148)	(9,699)	(8,148)
Tax effect of non-taxable income		(828,481)		(78,172)
Tax effect of correction of prior period errors	(110,385)		(110,385)	
Taxation charge/(credit) from foreign subsidiary	(29)	11,938	-	-
Capital gains tax	-	181,150	-	21,150
Withholding taxes	18,522	63,968	18,522	63,968
	(945,490)	**(885,423)**	**(1,118,261)**	**(73,992)**
8.3 Deferred tax liability				
Key components of deferred tax:				
Accelerated wear and tear	2,385,617	2,514,390	704,670	787,077
Investment properties	124,500	124,500	-	-
Prepayments	12,306	94,891	12,306	94,891
Deferred income	(77,263)	(22,547)	(62,147)	(13,371)
Gain on financial assets	-	-	-	-
Provisions	(1,023,662)	(721,040)	(409,029)	(217,073)
Assessed losses	(1,827,216)	(1,074,340)	(1,827,216)	(1,074,340)
Net exchange gains /(losses)	20,420	(1,438)	20,420	(1,438)
Deferred taxes in foreign subsidiary	10,612	(11,766)	-	-
Net deferred tax (asset) / liability	**(374,686)**	**902,650**	**(1,560,996)**	**(424,213)**

The Directors have made an assessment that the Group and Company will make suficient taxable profits in future through which deferred tax assets arising from assessed losses will be utilised. Furthermore, under tax legislation assessed losses can be utllised for a period up to 6 years, a period which the Group and Company tax assets are yet to extinguish. The net deferred tax liability has been reconciled to amounts disclosed in the statement of financial position as follows;

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Reflected in the statement of financial position as follows;

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Deferred tax asset	(2,138,632)	(1,078,500)	(1,842,599)	(955,515)
Deferred tax liability	1,763,946	1,981,150	281,603	531,302
Net deferred tax (asset) / liability	**(374,686)**	**902,650**	**(1,560,996)**	**(424,213)**

	Group		Company	
8.4 Reconciliation of deferred tax liabilities (net)	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Opening balance as at 1 January 2015	**902,650**	**2,427,209**	**(424,213)**	**(4,111)**
Release for the year	(1,277,336)	(1,524,559)	(1,136,783)	(420,102)
Tax expense during the period in other comprehensive income	-	-		-
Closing balance as at 31 December 2015	**(374,686)**	**902,650**	**(1,560,996)**	**(424,213)**

9. Assets Classified as Held for Sale

As previously disclosed in the financial results for the year ended 31 December 2014, the Group remains committed to its intention to dispose properties held for sale within the next 12 months.

Buyers have been secured for a commercial property valued at $ 440 000, a residential property valued at $ 70 000 and 2 vacant stands valued at $ 45 000 each, all located in Masvingo.

The sale transactions were concluded subsequent to year end.

Refer to Note 33 detailing events after the reporting date. The remaining properties are 4 houses, located in Masvingo, Bulawayo and Gweru respectively and the search for buyers continues. The table reconciles the movement in the value of assets held for sale from the beginning to the end of the year

	31-Dec-15 US$	31-Dec-14 US$
Freehold land and buildings held for sale	980,000	3,500,000
Disposed of during the year	-	(3,500,000)
Classified as held for sale during the year	-	980,000
Closing balance at the end of the year	**980,000**	**980,000**

10. Correction of prior period errors

Following strategic intent to preserve value for stakeholders by housing Group properties in a separate company, the title of Group land and buildings domiciled in former TPH divisions (now Divisions of Zimplow Holdings after the 2013 restructuring) were transferred into Manica Road Investments (Private) Limited (the Property company) between 2002 and 2012).

The property Company is a subsidiary of Zimplow Holdings. No accounting entries were recorded to account for the transfer in the accounting records and the property continued to be accounted for under the Zimplow divisions and reported as part of the Zimplow's separate financial statements.

10. Correction of prior period errors

Furthermore, buildings classified as assets held for sale with a carrying amount of $980 000 and previously classified as investment property, were also recorded in the accounting records of Zimplow , the Company, instead of the property company.

The above errors were discovered after management performed a detailed verification of its property portfolio.

Adjustments have been recorded in the current year to record the properties in the correct Group company. Below is the impact of the adjustments on previously reported financial statements;

Impact on statement of financial position

	Company	
	31 Dec 2014 US $	1 Jan 2014 US $
Decrease in property plant and equipment	(5,146,982)	(5,251,286)
Decrease in investment property / assets held for sale	(980,000)	(975,000)
Decrease in deferred liability	1,374,348	1,400,956
Net decrease in equity	**(4,752,634)**	**(4,825,330)**

Impact on statement of profit or loss

	Company
	31 Dec 2014 US $
Decrease depreciation charge	104,304
Decrease fair value gain in investment property	(5,000)
Increase deferred tax charge	(26,608)
Net decrease in the loss for the year	**72,696**

The impact of this correction on prior period earnings per share information is immaterial.

11. Property, plant and equipment

11.1 Group	Land And Buildings	Plant And Machinery	Motor Vehicles	Office Furniture And Computer Equipment	Total
At cost/valuation	**US$**	**US$**	**US$**	**US$**	**US$**
At 31 December 2013	**9,064,264**	**2,663,284**	**2,732,067**	**603,996**	**15,063,611**
Additions	89,026	65,326	235,927	85,398	475,677
Effects of foreign currency exchange	(4,884)		(13,671)	(6,214)	(24,769)
Disposals		(25,405)	(359,070)	(14,642)	(399,117)
At 31 December 2014	**9,148,406**	**2,703,205**	**2,595,253**	**668,538**	**15,115,402**
Additions	-	22,895	64,320	40,198	127,412
Effects of foreign currency exchange	(11,885)	-	(19,649)	(2,365)	(33,899)
Disposals	(60,000)	(800)	(663,717)	(16,452)	(740,969)
At 31 December 2015	**9,076,521**	**2,725,300**	**1,976,207**	**689,919**	**14,467,946**
Accumulated depreciation					
At 1 January 2014	**(193,006)**	**(119,050)**	**(1,083,885)**	**(198,382)**	**(1,594,323)**
Charge for the year	(153,163)	(117,029)	(634,271)	(86,677)	(991,140)
Effects of foreign currency exchange	367		9,013	916	10,296
Disposals		1,319	285,550	9,699	296,568
At 31 December 2014	**(345,802)**	**(234,760)**	**(1,423,593)**	**(274,444)**	**(2,278,599)**
Charge for the year	(175,010)	(119,376)	(459,256)	(82,853)	(836,495)
Effects of foreign currency exchange	1,558	-	16,768	1,672	19,998
Disposals	3,879	63	516,560	8,173	528,675
At 31 December 2015	**(484,695)**	**(2,500,124)**	**(3,386,692)**	**(718,456)**	**(2,566,420)**
Carrying amount					
At 31 December 2015	**8,561,146**	**2,371,227**	**626,687**	**342,467**	**11,901,526**
At 31 December 2014	**8,802,604**	**2,468,445**	**1,171,660**	**394,094**	**12,836,803**

11.3 Fair value measurement of the group's plant and machinery

The group's plant and machinery are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Details of the fair value hierachy of the group's plant and machinery as at 31 December 2015 are as follows:
:

Fair value hierarchy: 2015

	Level 1 US $	Level 2 US$	Level 3 US$	Fair Value at 31-Dec-15
Manufacturing plant and machinery			2,519,323	**2,519,323**

Fair value hierarchy: 2014

	Level 1 US $	Level 2 US$	Level 3 US$	Fair Value at 31-Dec-15
Manufacturing plant and machinery			2,468,446	**2,468,446**

11.2 Company (Restated)	Land And Buildings	Plant And Machinery	Motor Vehicles	Office Furniture And Computer Equipment	Total
At cost/valuation	**US$**	**US$**	**US$**	**US$**	**US$**
At 1 January 2014	**1,204,825**	**2,923,932**	**2,814,265**	**531,162**	**7,474,184**
Additions	21,244	53,287	219,324	75,358	369,213
Disposals	-	(25,405)	(334,619)	(13,766)	(373,790)
At 31 December 2014	**1,226,069**	**2,951,814**	**2,741,546**	**594,259**	**7,513,688**
Additions	-	9,295	24,487	27,301	61,084
Disposals	(60,000)	(800)	(574,586)	(16,452)	(651,838)
At 31 December 2015	**1,166,069**	**2,960,310**	**2,191,447**	**605,108**	**6,922,934**
Accumulated depreciation					
At 1 January 2014	**(96,097)**	**(281,257)**	**(1,880,447)**	**(263,186)**	**(2,520,987)**
Charge for the year	(82,778)	(109,147)	(364,030)	(71,423)	(627,379)
Disposals	-	1,319	256,024	8,822	266,165
At 31 December 2014	**(178,875)**	**(389,085)**	**(1,988,453)**	**(325,787)**	**(2,882,200)**
Charge for the year	(36,421)	(109,841)	(293,273)	(69,755)	(509,290)
Disposals	3,879	63	430,482	8,173	442,597
At 31 December 2015	**(211,411)**	**(498,863)**	**(1,851,244)**	**(387,689)**	**(2,948,893)**
Carrying amount					
At 31 December 2015	**954,651**	**2,461,447**	**340,203**	**217,740**	**3,974,041**
At 31 December 2014	**1,047,193**	**2,562,730**	**753,093**	**268,472**	**4,631,488**

Revaluation of plant and machinery was performed by a qualified, registered and independent valuer in the last revaluation cycle in 2012. Plant and machinery were revalued at their depreciated replacement costs.

level 3 valuation assumptions

A depreciation factor was applied to each item of plant and machinery (based on maintenance patterns, obsolescence and age) as the equipment is relatively customised and has no active market.

Other notes on Group and company property plant and equipment

The Group and Company property, plant and equipment are not encumbered. Had the cost model been applied, the carrying amount of revalued plant and machinery would have been $ 983,954 (2015) and $ 1,045,138 (2014) for both the Group and the Company.

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12. Investment Property

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Balance as at 1 January 2015	1,250,000	2,975,000	-	975,000
Additions acquired in settlement of receivables	370,276	-	-	
Change in fair value	-	(745,000)	-	5,000
Property reclassified as held for sale	-	(980,000)	-	(980,000)
Balance as at 31 December 2015	**1,620,276**	**1,250,000**	**-**	**-**

12.1 Fair value measurement of the Group's investment properties

Commercial properties

The fair value of the Group's commercial property as at 31 December 2015 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards 2015 (the "Red Book"); International Valuation Standards (IVS) and the REIZ (Real Estate Institute of Zimbabwe) Standard . The valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. There has been no change to the valuation technique during the year. There were no material changes to valuation inputs between the current and prior year.

Vacant residential stands

During the year, the group received a parcel of residential stands in Ruwa and Crowhill respectively as settlement of amounts receivable from a customer. The company director's performed a valuation on these stands using the market comparable approach by reviewing recent market prices of similar properties.

Based on this assessment, the carrying amount of the stands did not differ significantly from fair value.

Valuation techniques used to determine Level 3 values

Class of property	Valuation technique	Key observable inputs	Range	Property size
Commercial properties	Market comparable approach	price per sq meter	$ 100 -$ 200*	7,454sq meters
Vacant residential stands	Market comparable approach	price per sq meter	$ 8 - $ 12	1,000 sq meters each

* blended commercial structure and land value price

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2015 are as follows:

Fair value hierarchy - 2015	Level 1 US $	Level 2 US$	Level 3 US$	Fair Value at 31-Dec-15
Commercial properties	-		1,250,000	1,250,000
Vacant residential stands	-		370,276	370,276
Total			**1,620,276**	**1,620,276**

Fair value hierarchy - 2014	Level 1 US $	Level 2 US$	Level 3 US$	Fair Value at 31-Dec-14
Commercial properties	-		1,250,000	1,250,000
			1,250,000	**1,250,000**

There were no transfers between levels in both 2014 and 2015

Sensitivity analysis

The value of investment properties is subject to material changes to key valuation inputs such as the property value per square meter. An increase or decrease in the value per square meter in the group's investment property would result in a positive or negative movement in the value of the Group's investment property

Details of the income and expenditure of the group's investment properties are as follows;

	31-Dec-15 US$	31-Dec-14 US$
Rental income from investment properties	42,135	333,948
Direct operating expenses on properties that did not generate rental income	-	-

No material direct revenue generation costs such as repairs and maintenance were incurred by the Group. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties.

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18. Trade and other receivables

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Local trade receivables	6,876,985	10,728,482	3,764,259	6,380,604
Foreign trade receivables	965,587	1,071,848	965,587	1,211,497
Other receivables and prepayments	2,444,450	2,830,261	1,435,559	1,955,530
Allowance for credit losses (trade and other receivables)	(4,550,729)	(3,209,143)	(3,184,950)	(1,901,943)
	5,736,292	**11,421,448**	**2,980,455**	**7,645,688**
Ageing of receivables that are past due but not impaired				
30-60 days	1,007,189	2,913,644	320,832	1,974,100
61-90 days	719,217	1,102,713	137,857	722,489
91-120 days	1,840,879	1,180,716	1,586,570	902,611
Over 120 days	976,552	5,728,398	536,646	3,517,094
Total	**4,543,836**	**10,925,471**	**2,581,906**	**7,116,294**

See note 27 on credit risk of trade receivables, which explains how the group manages and measures credit quality of trade receivables that are neither past due nor impaired.

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Movement in the allowance for credit losses				
Balance at beginning of the year	3,209,143	1,707,053	1,901,943	322,016
Impairment losses recognised on receivables	2,083,176	1,901,427	1,761,774	1,678,289
Amount written off during the year as uncollectible	(82,197)	(20,412)	(82,197)	(31,094)
Amounts recovered during the year	(659,393)	(378,925)	(396,570)	(67,267)
Balance at end of the year	**4,550,729**	**3,209,143**	**3,184,950**	**1,901,943**

Trade receivables terms (local and foreign)

The credit period on sales of goods ranges between 60 – 90 days. No interest is charged on outstanding trade receivables. Before accepting any new customer, members of the Group's executive team and sales administrators deliberate the prospective customer's credit worthiness. Members of the Group's executive team, its sales administrators and marketing managers often meet prospective customers in order to conduct background and screening checks and attach a credit quality rating before accepting credit trading customers. Credit limits are defined for each customer and set by the executive team. Credit limits and customer quality are constantly reviewed.

18. 1 Finance lease receivables

Group and Company	31-Dec-15 US$	31-Dec-14 US$
Current Finance lease receivables	-	25,815
Non-current Finance lease receivables	-	20,640
Total Finance lease receivables	-	**46,455**

Leasing arrangements

The 2 year Finance leases entered into by the group on the previous period were cancelled in the current year. This was due to review of the leasees financial position and the likelihood to continued future payments. Outstanding balances were converted into debtors under normal terms and conditions

18.2 Investment in government treasury bills

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Government treasury bills	135,778	135,778	-	-
Total	**135,778**	**135,778**	-	-

The Group through Barzem (Private) Limited was issued with Treasury bills by the Government of Zimbabwe as settlement of a debt that amounted to US $ 135 778. Three bills were issued on 28 August 2014 which mature in April 2017, 2018, 2019 respectively. The Treasury bills attract an interest rate of 2% per annum and a half yearly coupon.The bills were issued a discount rate of 2.009937% and have a yield to maturity rate of 2.009%. The effect of discounting these bills to present value would not be material.

19. Trade, other payables and provisions

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
19.1 Trade and other payables				
Local trade payables	1,343,762	776,284	1,071,049	570,158
Foreign trade payables	2,401,694	3,017,660	1,822,172	1,664,965
Intercompany payables	-	-	3,058,832	3,127,317
Other payables and accrued expenses	503,681	987,087	227,255	857,126
Total	**4,249,137**	**4,781,031**	**6,179,307**	**6,219,566**

Local trade payables

The average credit period on local purchases of key manufacturing inputs ranges between 7 – 30 days (from date of invoice).

Foreign trade payables

The average credit period on foreign purchases of key manufacturing inputs is 30 days (from date of invoice). No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that trade payables are paid within the pre-agreed credit terms.

19. 2 Employee benefit provisions

Opening balance at 1 January 2015	1,516,414	620,921	956,249	209,058
Additional provision recognised	581,810	993,858	568,257	845,556
Reductions arising from payments	(322,311)	(98,365)	(43,505)	(98,365)
Balance at 31 December 2015	**1,775,913**	**1,516,414**	**1,481,001**	**956,249**

These provisions relate to paid annual leave, restructuring costs and bonuses.

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13. Capital commitments

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Authorised but not yet contracted	367,484	475,677	367,484	369,213
Authorised and contracted	108,515	1,861,456	40,082	376,794
	475,999	**2,337,133**	**367,484**	**746,007**

14. Available for sale financial assets

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Balance as at 1 January 2015	-	213,769	-	213,769
Change in fair value	-	(4,023)	-	(4,023)
Disposals	-	(209,746)	-	(209,746)
Balance as at 31 December 2015	-	-	-	-

15. Investments held in joint ventures

Name of Joint Venture	Principal activity	Place of incorporation and business	Proportion of ownership interests and voting rights held by the Group 31-Dec-15	31-Dec-14
Liftquip (Private) Limited t/a Northmec Zimbabwe	Retail of high horsepower tractors, combine harvesters and farming implements	Zimbabwe	50%	50%

The above joint venture was accounted for using the equity method in these consolidated financial statements and its reporting period was identical to that of the Group.

Impairment of Investments held in joint venture

Following the non-renewal of the CASE tractor franchise by the franchisor, which anchored the operations of Liftquip (Private) Limited (the joint venture), management has assessed the investment held in the Joint Venture for impairment.

The investment was carried at cost at Company level (IAS 27.10) and equity accounted at group level as directed by the applicable IFRS. The carrying amounts of the investment were found to be fully impaired on 30 June 2015 and the company entered into winding up proceedings with effect from August 2015

16. Goodwill

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Balance at beginning of year	1,051,114	1,054,398	-	-
Impairment of Goodwill allocated to Liftquip	(98,124)	-	-	-
Efect of foreign currency exchange diferences	(1,288)	(3,284)	-	-
Balance at year end	**951,702**	**1,051,114**	-	-

Due to synergies that arose on acquisition, the goodwill relating to the acquisition of Tractive Power Holdings Limited Group (TPH) is attributed to the Farmec business unit. The Portion attributable to business units which have been discontinued as cash generating units has long since been impaired. This residual goodwill allocated to FARMEC represents the lowest level at which goodwill is monitored for internal management purposes.

In applying IAS 36, goodwill relating to the above acquisition has been tested for impairment at the same level as the Farmec Business unit.

Budgeted operating cash flows for the related business unit were projected and discounted at the group's average pre-tax cost of capital. The calculations performed indicated that goodwill was not impaired. The following key assumptions were made in determining the value in use:

i. The forecast horizon of 3 years was used. The forecast horizon comprises of the approved budget for 2016 drafted in the last quarter of 2015, where after perpetuity growth rate of 1% was used.

ii. The values assigned to the three year forecast; that is revenue, cost and growth assumptions reflect current trends, anticipated market developments and management's experience.

iii. The key assumptions for the recoverable amount calculation are the long term growth rate and the discounting rate.

The long term growth rate used is purely for impairment testing of goodwill under IAS 36 and does not reflect the long term planning assumptions used by the group for investment proposals or for any other assessments.

iv. A discount rate of 11.5% per annum, being the group's pre-tax weighted average cost of capital, was used.

17. Inventories

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Raw materials	718,114	1,013,412	718,114	926,926
Finished goods	6,959,380	7,288,586	3,949,143	3,602,328
Spares and components	5,528,256	5,487,984	5,142,803	5,356,447
Provision for obsolescence	(576,138)	(207,347)	(576,138)	(207,347)
Total inventories at lower of cost and net realisable value	**12,629,612**	**13,582,635**	**9,233,923**	**9,678,354**

No amounts were written of or were reversed in profit or loss with regards to inventory write-downs to net-realisable value.

The cost if inventories included in cost of sales amounted to $ 21,077,743 for the Group (2014 - $ 24,241,788) and $ 13,407,492 for the Company (2014 - $16,818,349)

20. Borrowings

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Current borrowings				
Unsecured at amortised cost				
Bank loans	-	3,996,210	-	3,996,210
Total current borrowings	-	**3,996,210**	-	**3,996,210**
Short term portion of Long term borrowings				
Asset based finance secured by inventory holdings				
Bank loans	2,339,342	2,252,368	2,339,342	2,252,368
Total short term portion of Long term borrowings	**2,339,342**	**2,252,368**	**2,339,342**	**2,252,368**
Non current borrowings				
Asset based finance secured by inventory holdings				
Bank loans	435,995	3,302,336	435,995	3,277,515
Other entities	32,552	36,643		-
Total non current borrowings	**468,547**	**3,338,979**	**435,995**	**3,277,515**
Total borrowings				
Current and short term portion of long term borrowings	2,339,342	6,248,579	2,339,342	6,248,579
Non current	468,547	3,338,979	435,995	3,277,515
Total	**2,807,889**	**9,587,558**	**2,775,337**	**9,526,093**
Maturity profile of borrowings				
Due within 1 year				
0-3 months	1,066,617	4,231,919	1,066,617	4,226,645
3-6 months	468,921	726,371	468,921	722,855
6-12 months	970,394	1,488,094	937,842	1,475,786
Total due within 1 year	**2,417,235**	**6,446,384**	**2,384,683**	**6,425,286**
Due after 1 year				
1-2 Years	769,606	3,411,446	769,606	3,382,365
2-3 Years		9,029	-	-
3-4 Years		2,257	-	-
Total due after 1 year	**769,606**	**3,422,732**	**769,606**	**3,382,365**
Maturity profile of overdraft facilities				
Due within 1 year				
0-3 months	44,991	1,968,226	44,991	1,968,226
3-6 months	1,528,953	-	1,528,953	-
6-12 months	-	-	-	-

Borrowings due after 1 year above represent the expected cash outflows on settlement. The weighted average cost of borrowing for the year was 11.6% (2014 - 11.5%). Borrowings are held with local financial institutions and secured by a Notarial General covering bond on over movable assets

21. Cash and bank balances

	Group		Company	
	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Cash at bank and on hand	2,388,799	2,730,806	1,290,226	2,020,077
Foreign cash at bank (other than US$)	2,435	31,836	2,435	31,836
Total	**2,391,234**	**2,762,642**	**1,292,661**	**2,051,913**

22.1 Revaluation Reserve

The Revaluation reserve arises on the revaluation of land and buildings and items of plant and machinery. When revalued assets are sold, the portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the revaluation reserve can be made where they are in accordance with the requirements of the Company's memorandum and articles of association, the Companies Act of Zimbabwe and relevant case law. Amounts may also be effectively distributed out of the revaluation reserve as part of a share buy-back. Generally, there is no restriction on the payment of 'bonus shares' out of the revaluation reserve.

However, the payment of cash distributions out of the reserve is restricted by the terms of the Company's memorandum and articles of association. These restrictions do not apply to any amounts transferred to retained earnings. The directors do not currently intend to make any distribution from the revaluation reserve.

22.2 Capital Reserve

The Capital reserve arose from the conversion of Zimbabwe dollar (ZWD) balances into United States dollars on 1 February 2009.

22.3 Available for Sale Reserve

The Available for sale reserve represents the cumulative gains and losses arising on the revaluation of available for sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed or are determined to be impaired.

22.4 Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies into the Group's presentation currency (United States dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency reserve are reclassified to profit or loss on disposal of the foreign operation.

22.5 Change in ownership reserve

The Change in ownership reserve arose when Zimplow acquired there residual non-controlling interests in Tractive Power Holdings Limited in January 2014. It represents the difference between the amount by which the carrying amount of the non-controlling interest was adjusted and the fair value of the consideration paid. According to IFRS 10.B96 such changes on ownership interest must be recognised directly in equity

23. Long Term receivables arising from disposal of subsidiary companies

	31-Dec-15 US$	31-Dec-14 US$	31-Dec-15 US$	31-Dec-14 US$
Long term receivables	157,200	404,800	157,200	404,800
Short term portion of long term receivables	144,733	877,225	144,733	877,225
Total long term receivables	**301,933**	**1,282,025**	**301,933**	**1,282,025**

The long term receivables have agreed repayment terms and attract interest at a rate of 5%. The maximum payment period is 3 years.

24. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows;

Name of subsidiary	Principal activity	Place of incorporation and business	Proportion of ownership interests and voting rights held by the Group	
			31-Dec-15	31-Dec-14
Barzem Enterprises (Private) Limited	Sale, distribution and maintenance of mining and earthmoving equipment	Zimbabwe	65%	65%
Manica Road Investments (Private) Limited	Property rental and management	Zimbabwe	100%	100%
African Traction and Associated Technologies (Pty) Limited	Manufacture, sale and distribution of animal drawn implements	South Africa	49%	49%

An analysis of group subsidiaries with material non-controlling interests is as follows;

Name of subsidiary	Place of incorporation and business	Proportion of ownership interests and voting rights held by non-controlling interests		profit/(Loss) allocated to non-contolling interests		Accumulated non-contolling interests	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Barzem Enterprises (Private) Limited	Zimbabwe	35%	35%	66,325	(148,538)	3,074,979	3,008,654
African Traction and Associated Technologies (Pty) Limited	South Africa	51%	51%	(54,951)	(1,047)	215,913	313,335

* Zimplow Holdings Limited concluded a transaction to issue new shares amounting to an additional 14% to Barloworld Equipment which will result in Zimplow's ownership in Bazem being diluted from from 65% to 51%. . The transaction was approved by the Regulatory authorities on 31 January 2016. Barzem will continue to be a subsidiary of Zimplow Holdings Limited. More information is provided on in the note relating to subsequent events.

* The Group has a 49% ownership interest in African Traction and Associated Technologies (Pty) Limited (Afritrac) domiciled in South Africa. The Group's interest in Afritrac was acquired in February 2011 and there has been no change in the Group's ownership in Afritrac since then. The remaining 51% of the ordinary shares of Afritrac are owned by the four previous shareholders in their individual capacities at 12.75%.

Details of non-wholly owned subsidiaries with material non-controlling interests

The summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations is as follows;

Barzem Enterprises (Private) Limited

	31-Dec-15	31-Dec-14 US$
Current assets	7,491,333	7,951,735
Non current assets	2,803,575	2,819,381
Current liabilities	(1,509,255)	(2,174,961)
Non-current liabilities	-	-
Equity attributable to owners of the company	**8,785,654**	**8,596,155**
Non-controlling interests	3,074,979	3,008,654
Revenue	11,679,290	10,714,110
Expenses and taxation	(11,428,981)	(11,136,363)
Profit / (loss) for the year	**189,499**	**(422,253)**
Dividends paid to non controlling interests	-	-
Other comprehensive income	-	-
Net cash inflow /(outflow) from operating activities	649,759	(62,449)
Net cash outflow from investing activities	(42,075)	(15,445)
Net cash inflow/(outflow)	**607,484**	**(77,895)**

African Traction And Associated Technologies (Pty) Limited

	31-Dec-15 US$	31-Dec-14 US$
Current assets	477,595	756,921
Non current assets	80,829	90,170
Current liabilities	(102,513)	(183,011)
Non-current liabilities	(32,552)	(49,698)
Equity attributable to owners of the company	**423,358**	**614,382**
Non-controlling interests	215,913	313,335
Revenue	725,293	964,335
Expenses	(834,250)	(966,350)
Loss for the year	**(108,957)**	**(2,105)**
Dividends paid to non controlling interests	-	-
Other comprehensive income	-	-
Net cash (outflow) / inflow from operating	(122,672)	51,960
Net cash outflow from investing activities	(13,523)	(43,694)
Net cash(outflow) / inflow from financing activities	(1,159)	20,218
Net cash (outflow)/ inflow	**(137,353)**	**28,484**

25. Related Party Disclosures

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

Company name	Amounts owed by related parties		Amounts owed to related parties	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
Balances	US$	US$	US$	US$
Balances with companies controlled by key management	6,337	37,645	9,429	-

Balances payable or receivable from entities controlled by key management personnel are disclosed under trade and other receivables and payables in the statement of financial position.

Company name	Sales and services rendered to related parties		Purchases and services received from related parties	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
Transactions	US$	US$	US$	US$
Transactions with companies controlled by key management	97,659	80,060	59,566	135,565
Transaction with post-employment benefit plan	-	3,200,000	-	-

In the prior year, the Group disposed a building located in Harare for US $ 3 200 000 to the Zimplow Group Pension fund. This building was previously held as an asset held for sale.. The pension fund was Financed the purchase through a mortgage bond with a local bank.

Sales of goods to related parties were made at the Group's usual list prices with purchases being made at market prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The investment and loans owed by the joint venture (Liftquip (Private) Limited amounting to $ 21 319 and $ 106 716 respectively were written off in the current year owing to closure of the business

	Group		Company	
Compensation to key management personnel	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	US$	US$	US$	US$
Short-term employee benefits	2,033,595	1,838,382	1,962,171	1,483,009
Post employment benefits	68,519	73,030	51,390	54,772
Termination benefits	475,000	-	475,000	-
Total	**2,577,114**	**1,911,412**	**2,488,561**	**1,537,781**

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly he remugneration of directors and key executives is determined by the Group's Remuneration Committee having regard to the performance of individuals and market trends.

Transactions with Key Management Personnel - Loans to Key Management Personnel

A loan of $ 275 000, approved by the Remuneration committee and disclosed in the prior period financial statements was written off this year. Further to the 778,394 options granted to senior management, 1 556 788 were granted this year at an exercise price of $ 0.065. Refer to Note 28 for further details.

26. Operating leases: with no contingent rent

	Up To 1 Year	1-5 Years
Future minimum lease payments: 2015	US$	US$
Future minimum lease payments at 31 December 2015	84,150	336,600
Future minimum lease payments: 2014		
Future minimum lease payments at 31 December 2014	84,017	336,667

26.1 Operating lease with no contingent rentals

The Group Corporate office leases offices from the Zimplow Group Pension Fund. The total lease payments for the year amounted to $ 96 768 with no contingent rent payments. The lease agreement is for an indefinite period and does not provide the Head Office with an option to purchase the premises nor does it impose any restriction.

Afritrac leases certain office properties. Leases are negotiated for an average term of 3 years and are fixed for the agreed period. No contingent rentals are payable.

26.2 Operating lease with contingent rentals

Operating leases relate to premises occupied by CT Bolts(Bulawayo and Harare). The non – cancellable nature of theGroup's leases would ordinarily necessitate disclosures in accordance with IAS 17: 35 ("Leases"). Rentals are charged as a percentage of monthly turnover. In this regard, future minimum lease payment commitments over prescribed periods would need to be disclosed in accordance with the particulars of lease arrangements. Given the contingent rental payment terms in place throughout most of the current reporting period and in place as at period end, the aforementioned disclosures are not considered relevant and accordingly do not form part of the note. The Group's contingent rental payment terms, introduced in previous years, are based on a percentage of the monthly turnover of CT Bolts. Payments are remitted monthly, in arrears, to the former owner of the business unit. Set payment terms are not leveraged or indexed to any external sources and are considered to relate only to the Zimbabwean economic environment.

Application Guidance to IAS 39:"Financial Instruments: Recognition and Measurement" states that operating lease payments based on turnover is a common contingent rental term within leases that is categorised as an embedded derivative. Such embedded derivatives are however considered closely related to the host lease contract and accordingly, do not have to be separated from the lease contract as a whole. The Group, as lessee, therefore continues to expense such contingent payments as they arise.

	2015	2014
Group	US$	US$
Payments recognised as an expense	49,183	45,868

		2014
Company		US$
Payments recognised as an expense	49,183	45,868

27. Financial instruments

27.1 Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising return to stakeholders through the optimisation of the debt and equity balance. The Group's strategy remains unchanged from 2014.

The capital structure of the Group consists of net debt (borrowings as detailed in note 20) offset by cash and bank balances and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests) The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group bi-annually. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of 15%-35% determined as the proportion of net debt to equity.

Group	2015 US$	2014 US$
Debt (1)	4,291,581	9,587,558
Cash and bank balances	(2,391,234)	(2,762,642)
Net debt	**1,900,347**	**6,824,916**
Equity (2)	26,983,818	26,983,818
Net debt to equity ratio	7.04%	25%

(1) Debt is defined as long- and short-term borrowings
(2) Equity includes all capital and reserves of the Group that are managed as capital

27.2 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, interest rate risk and other price risk), credit risk and liquidity risk.

Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.The Corporate Treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreigncurrency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Group	31-Dec-15 S. African Rand US$	31-Dec-15 Botswana Pula US$	31-Dec-15 British Pound US$	31-Dec-14 S. African Rand US$	31-Dec-14 Botswana Pula US$	31-Dec-14 British Pound
ASSETS						
Trade and other receivables	6,419	252	-	-	-	-
Cash and cash equivalents	3,328	89	-	7,356	38,734	
Total assets	**9,747**	**341**	**-**	**7,536**	**38,734**	**-**
Liabilities						
Trade and other payables	(584,780)	-	(109,280)	(215,520)	(459)	(153,663)
Total net position	**(584,780)**	**341**	**(109,280)**	**(208,164)**	**38,275**	**(153,663)**

Company	31-Dec-15 S. African Rand US$	31-Dec-15 Botswana Pula US$	31-Dec-15 British Pound US$	31-Dec-14 S. African Rand US$	31-Dec-14 Botswana Pula US$	31-Dec-14 British Pound US$
ASSETS						
Trade and other receivables	6,419	252	- -	-	-	-
Cash and cash equivalents	3,328	89	-	3,820	38,734	-
Total assets	**9,747**	**341**	**- -**	**3,820**	**38,734**	**-**
Liabilities						
Trade and other payables	(584,780)		(109,280)	(368,609)	(459)	(153,663)
Total net position	**(584,780)**	**341**	**(109,280)**	**(368,609)**	**38,275**	**(153,663)**

The table below details the Group's sensitivity to the strengthening of the US$ against the South African Rand, Botswana Pula and the British Pound by 10%, with all other variables held constant. The analysis was applied to monetary items at the reporting

Group	31-Dec-15 S. African Rand US$	31-Dec-15 Botswana Pula US$	31-Dec-15 British Pound US$	31-Dec-15 Total US$	31-Dec-14 S. African Rand US$	31-Dec-14 Botswana Pula US$	31-Dec-14 British Pound US$	31-Dec-14 Total US$
Profit before taxation	3,356	(3)	16,307	**19,660**	25,577	3,521	15,366	**44,465**

Company	31-Dec-15 S. African Rand US$	31-Dec-15 Botswana Pula US$	31-Dec-15 British Pound US$	31-Dec-15 Total US$	31-Dec-14 S. African Rand US$	31-Dec-14 Botswana Pula US$	31-Dec-14 British Pound US$	31-Dec-14 Total US$
Profit before taxation	3,413	(3)	16,307	**19,717**	11,017	3,521	15,366	**29,904**

Interest rate risk

The Group may be exposed to interest rate risk because entities in the Group may borrow funds at variable interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Alternatively, borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings are settled as promptly as possible if interest rates are unfavourable and the Group always strives to negotiate the most favourable rates and tenures to avoid both cash flow and fair value interest rate risk. The Group endeavours to maximise interest rates on investments and minimise interest rates on borrowings. The Group policy is to adopt anon – speculative policy on managing interest rate risk. In the current and presented prior period, Group borrowings were at fixed terms and interest rates. The an assessment made by the directors of the company revealed that the current interest rates in borrowings approximated market rates.

Credit risk

Credit risk relates to the risk that trade counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss being incurred. Potential concentrations of credit risk consist principally of short term cash and cash equivalents, investments and trade receivables. Credit risk related to cash deposits and equity security investments held in listed concerns was attributed to Group deposits and short term cash surpluses held with major banks and financial institutions of high credit standing and within investment limits assigned to each counter party. Investment limits with banks and financial institutions are assigned by the Group's Executive Committee in an effort to minimise the concentration of risk and therefore mitigate financial loss through potential counter party failure. The Group's Board of Directors reviews the limits and investment placements on a periodic basis and approves the Committee's proposals accordingly, or alternatively rejects related proposals and effects changes to Group policy.

The Group similarly adopts the afore mentioned approach in formulating policy over equity security investments.

Credit risk related to trade receivables:

Trade receivables comprise a relatively large and widespread customer base. Group entities perform on going credit evaluations of the financial condition of their customers. Credit limits are established for all customers based on internal credit rating assessments after extensive prospective customer background and credit reference checks are performed. Outstanding customer receivables are regularly monitored and a full time credit control department exists to independently perform this function. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Accordingly, the Group has no significant concentration of credit risk which has not been adequately provided for. The Group's maximum exposure to credit risk at 31 December 2015 and further specific credit risk mitigating activities adopted by the entity are as shown in note 18 and 21.

Liquidity risk

Liquidity risk relates to a risk of a shortage of corporate funds being experienced. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market
positions. The Group maintains flexibility in funding by maintaining funding availability under committed credit lines. The Group's objective is to maintain a beneficial balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans, whilst always considering the need for potential funding source diversification
through the introduction of Finance lease or hire purchase arrangements, or the issuance of preference shares. As at the reporting period end date, the Group's external funding sources were limited to bank overdrafts and interest bearing loans and borrowings. The Group has access to financing facilities, which were fully utilised in the current period. The Group expects to meet its core trading based obligations from operating cash flows and proceeds from the realisation of its
financial assets. The table below summarises the maturity profile of the Group's financial liabilities (excluding borrowings, whose maturity profile is disclosed under note 20) at 31 December 2015 based on contractual undiscounted payments:

	Group		Company	
Maturity profile of trade and other payables.	**31-Dec-15 US$**	**31-Dec-14 US$**	**31-Dec-15 US$**	**31-Dec-14 US$**
Due within 1 year	1,067,046	-	1,067,046	-
On demand	442,547	257,444	480,888	230,263
Less than 3 months	2,633,099	4,523,587	4,631,373	5,989,303
Total	**4,142,693**	**4,781,031**	**6,179,307**	**6,219,566**

Refer to note 20 for disclosure of the maturity profile of borrowings based on contractual undiscounted

Fair value

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

28. Share based payments

28.1 Details of the employee share option plan

The Company has a share option scheme for executives and senior employees of the Group and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executive and senior employees with more than five years' service with the Group would be granted options to purchase ordinary shares at an exercise price of US$0.065 per ordinary share.

The scheme related to a total of 7,783,941 shares which approximates 5% of the issued share capital of the Company. Each employee share option is converted into one ordinary share of the Company on exercise. No amounts would be paid or payable by the recipient on receipt of the option.

The options carried neither rights to dividends nor voting rights and could be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted was calculated in accordance with the performance-based formula approved by shareholders at previous annual general meetings and approved by the Human Resources Committee. The formular rewards executives and senior employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- improvement in share price
- reduction in warranty claims
- improvement in net profit
- results of client satisfaction surveys
- improvement in return to shareholders
- reduction in rate of staff turnover

Option series	Number	Percentage	Expiry date
Granted in 2014	778,394	10%	2019
Granted in 2015	1,556,788	20%	2020

28.2 Movements in shares options during the year

The following reconciles the share options that were oustanding at the beginning and the end of the year

	Group		Company	
	31-Dec-15 Number of options	**31-Dec-14 Number of options**	**31-Dec-15 Number of options**	**31-Dec-14 Number of options**
Balance at beginning of the year	**778,394**	-	**778,394**	-
Granted during the year	1,556,788	778,394	1,556,788	778,394
Exercised during the year	-	-		-
Balance at the end of the year	**2,335,183**	**778,394**	**2,335,183**	**778,394**

No share options were exercisable at the end of the year.

28.3 Value of share options at the end of the year

Similar to the prior period, the valuation method for share options was difficult to the unavailability to reasonably plausible inputs for reccomended valuation models. However in rare cases IFRS 2:24 allows the intrisic value method. At year end the company's
$ 0.0019 against an exercise price of $ 0.065. As such no entries we recorded to value the current option series

32. Earnings per share

	Group	
	31-Dec-15	31-Dec-14
Basic loss per share(US$)		
Basic loss per share	(0.02)	(0.02)
Diluted loss per share(US$)		
Diluted loss per share	(0.02)	(0.02)

The information below was used to calculate earnings per share;

	Group	
	31-Dec-15	31-Dec-14
Weighted average number of ordinary shares in issue:		
For the purpose of basic loss per share	**190,514,958**	**168,039,505**
Add dilutive impact of shares	-	-
For the purposes of diluted loss per share	**190,514,958**	**168,039,505** -
Loss for the year used in the calculation of basic and diluted loss per share	**(4,791,849)**	**(2,944,439**

The 2 335 183 share options held by senior management at year end were granted at an exercise price of US $ 0.065. The average market price of the Company's shares was US $ 0.062 during the period. In accordance with IAS 33.46 and IAS 33.47 the options held by senior management were not dilutive.

Renounceable Rights offer

Following the approval of a Renounceable Rights Offer by the shareholders at an EGM held on 29 December 2014, the company pursued and successfully concluded the rights offer of 77 840 000 ordinary shares to holders of Ordinary Shares at a price of US$0.0642 (6.42 US cents), on the basis of one (1) new ordinary share for every two (2) Ordinary Shares in issue. A total of Four Million Nine Hundred and Ninety Seven Thousand Three Hundred and Twenty Eight United States Dollars ($4,997,328) was raised and all channelled towards retirement of borrowings. The rights issue was concluded on 14 February 2015 with subsequent listing of the rights offer shares on 29 February 2015. In accordance with IAS 33 -Earnings Per Share, the rights issue shares have been weighted in the current period for purposes of earnings per share calculations. Prior period earnings per share has been restated to take account of the rights issue.

33. Events after the reporting date

Allotment of shares to Barloworld

Barzem Enterprises (Pvt) Ltd allotted 36 373 shares to Barloworld Equipment which amount to an additional 14% holding for consideration of US $ 840 000. The transaction was approved on 30 January 2016 thus the group's interest in Barzem has been reduced from 65% to 51%. In line with IFRS 10, Barzem will continue to be a subsidiary of Zimplow Holdings Limited

Disposal of assets held for sale

A non-core commercial property in Masvingo valued at $440 000 was disposed in January 2016. Firm commitments for 2 vacant stands and a residential property were received in February 2015 valued at $90 000 and $70 000 respectively, all domiciled in Masvingo. The purchasers are not related parties to the company as defined in Section 10 of the ZSE Listings Requirements. Proceeds from the disposal are anticipated to be used to boost the productive capacity of group business units. The considerations comprise of cash payments. No shares or other securities formed part of the consideration. Benefits expected to accrue to the company are the cash price net of capital gains taxes. Losses will not be recognized on disposal as selling prices are equal to carrying amounts. These properties were included in assets held for sale on 31 December 2015.

ZIMPLOW

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CORPORATE AND SHAREHOLDER INFORMATION

Shareholders' analysis

For the year ended 31 December 2015

	No. of shareholders	shareholders%	No. of shares held	shares %
1-5 000	1,150	79.64%	1,039,111	0.44%
5001-10 000	89	6.16%	639,201	0.27%
10 001-25 000	90	6.23%	1,1456,455	0.62%
25 001-5 0000	33	2.29%	1,145,337	0.49%
50 001-100 001	35	2.42%	2,507,421	1.06%
100 001-200 000	14	0.97%	1,976,993	0.84%
200 001-500 000	12	0.83%	3,3816,029	0.83%
500 001-1 000 000	02	0.14%	1,422,619	0.6%
1 000 001 and Above	19	1.32%	221,462,699	94.05%
	1,444	**100%**	**234,465,865**	**100%**
Type of shareholders				
Local Companies	203	14.06%	183,524,152	77.94%
Pension Funds	33	2.29%	20,090,640	8.53%
Local Nominees	62	4.29%	13,032,839	5.53%
Local individual resident	995	68.91%	6,988,959	2.97%
Insurance companies	13	0.9%	5,349,556	2.27%
Fund Managers	25	1.73%	2,717,843	1.15%
Charitable and trusts	29	2.01%	1,900,841	0.81%
New non resident	55	3.81%	1,702,904	0.72%
Foreign nominee	02	0.14%	106,294	0.05%
Deceased estates	15	1.04%	30,783	0.01%
Foreign individual resident	01	0.07%	9,430	
Other investments and trust	09	0.62%	8,818	
Government / Quasi	01	0.7%	2,668	
Employees	01	0.7%	138	
	1,444	100%	235,465,865	100%

Top 10 largest shareholders		
Sino Properties (Pty) Ltd	96,006,854	40.77%
Kencor Holdings (Private) Limited	24,935,343	10.59%
TFS Nominees (Private) Limited	20,840,494	8.85%
Stanbic Nominees (Private) Limited	16,354,522	6.95%
Yumiko Investments (Private) Limited	13,089,629	5.56%
NRZ Contributory Pension Fund	11,553,529	4.91%
Barloworld Equipment UK Ltd	7,340,933	3.12%
SCB Nominees 033663700053	6,883,062	2.92%
Charter Mining Pvt Ltd	5,540,612	2.35%
Flame Lily Venture Capital Group	4,054,625	1.72%

Form of Proxy for the Annual General meeting

I / We ……Of………………………
…………………………………………………………………………………………Being member/members of the above Company, hereby appoint: Mr. / Mrs. / Ms. / Dr ……………………………………………………………………………………Or failing him……
……………………………………………………………………………………………Of……………………………………………………
………………………………………………………………………as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company and any adjournment thereof.

Signature………………………Signed this ………………………………………of ……………… 2016

Note

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, and speak in his stead. The person appointed need not be a member.
2. Proxy forms should be lodged at the registered office of the Company by no later than 48 hours before the time of holding the meeting.
3. Any alterations or corrections made to this form of proxy (including the deletion of alternatives) must be initialed by the signatory/signatories.
4. Shareholders are requested to submit key questions in writing at least ive days before the date of the meeting to enable comprehensive answers to be prepared. This will not preclude them from raising questions from the floor.

Physical and Postal Delivery

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CORPORATE & SHAREHOLDER INFORMATION