Padenga Holdings Limited
Annual Report 2011

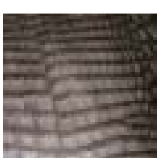
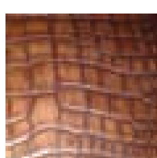
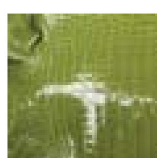
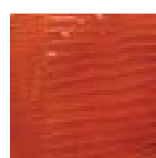
PADENGA

PADENGA

Mission Statement

To be the principal and preferred supplier of premium grade crocodilian skins to the luxury brand houses of the world.

Contents

PADENGA

Corporate Information

Directorate & Management

Board

The primary responsibility of the Board is to discharge its fiduciary responsibility to the shareholders and the Company. The Board is accordingly, the highest policy organ of the Company and also sets its strategy. Meeting quarterly, the Board receives key information pertaining to the operations of Padenga.

Composition

The Board consists of three executive directors and three non -executive directors, comprising a cross-section of professionals and major shareholder representatives.

The Non-executive directors of Padenga comprise individuals with proven track records and a wide range of different skills and experience, which they employ for the Company's benefit , and who also provide crucial independence and guidance in the Company's strategic decision making process and corporate governance practices.

Corporate Information(continued)

Details of Directors

The full names and positions of the Directors of Padenga as at 30th June 2011 are set out below:

Directors:	Position Held:
Alexander Kenneth Calder	Non-Executive Chairman
Gary John Sharp	Chief Executive Officer
Oliver Tendai Kamundimu	Chief Financial Officer
Michael John Fowler	Executive Director
Annie Mutsa Mazvita Madzara	Non- Executive Director
Thembinkosi Nkosana Sibanda	Non-Executive Director

(All Directors appointed September 2010)

Executive Management	Position Held:
Gary Sharp	Chief Executive Officer
Oliver Kamundimu	Chief Financial Officer
Michael Fowler	Executive Director
Charles Boddy	Operations Executive
Mike Mukarati	Human Resources Executive
Jimmyson Kazangarare	General Manager Kariba Crocodile Farm
Prince Chapeyama	General Manager Nyanyana Crocodile Farm
Pierre Steyn	General Manager Ume Crocodile Farm
Jeremiah Hunzwi	Abattoir Manager

Company Secretary and Registered Office:
Andrew Lorimer
First Floor, Edward Building
Corner First Street and Nelson Mandela Avenue

P O Box A88, Avondale
Harare
Zimbabwe

Transfer Secretaries:
Innscor Transfer Secretaries
1 Ranelagh Road
Highlands

P O Box A88, Avondale
Harare
Zimbabwe

Auditors:
Ernst & Young
Chartered Accountants (Zimbabwe)
Angwa City
Corner Julius Nyerere/Kwame Nkrumah Avenue

P O Box 702
Harare
Zimbabwe

Legal Advisors:
Coghlan, Welsh & Guest
Executive Chambers
14-16 George Silundika Avenue
Central Business District

P O Box 53
Harare
Zimbabwe

Principal Bankers:
CBZ Bank Limited
Union House
60 Kwame Nkurumah Avenue

P O Box 3313
Harare
Zimbabwe

Principal Bankers:
Standard Chartered Bank Zimbabwe Limited
1st Floor, Africa Unity Square Building
68 Nelson Mandela Avenue

P O Box 60
Harare
Zimbabwe

PADENGA

Financial Highlights

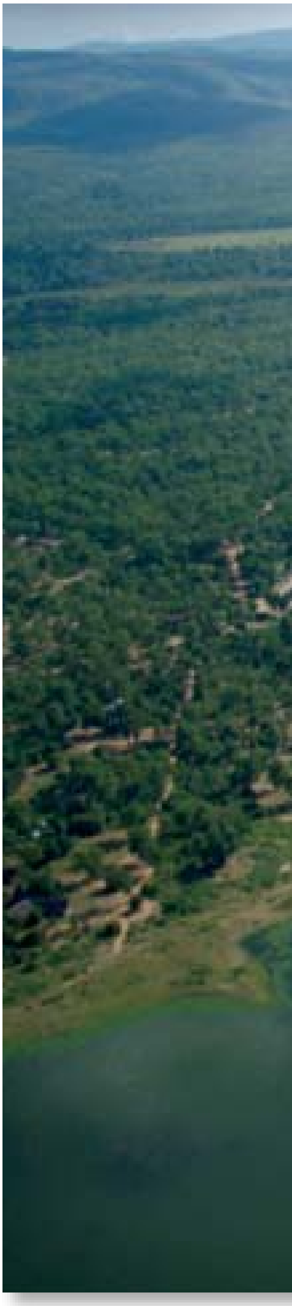
Company Summary

	2011 US$
Turnover	19,635,664
Operating profit before depreciation	6,314,748
Profit before taxation	4,966,489
Profit attributable to shareholders	3,701,889
Cash generated by operations	6,461,898
Property, plant and equipment additions	549,196
Net assets	30,760,293

Share Performance

Basic earnings per share (cents)	0.68
Dividends declared and paid during the year (cents)	-
Dividends declared and paid since balance sheet date (cents)	0.16
Total dividends declared and paid (cents)	0.16
Market price per share - 30 June 2011 (cents)	6.50
Market capitalisation	35,203,574
Number of shares in issue at 30 June 2011	541,593,440

Integrity | Respect | Passion | Fairness | Excellence | Discipline | Team Spirit



Chairman's Statement

The Company produced pleasing results in its first year of operation as a stand-alone listed entity.

FINANCIAL

Culling numbers and turnover were consistent with expectations for the period. A total of 45,390 crocodiles were culled during the eleven months under review against a budget of 45,306. All skins produced during the year were sold and consequently we closed the year with zero skins in stock. This brought the total number of skins sold in the financial year to 62,884, this including 17,495 skins that were in stock at the beginning of the period. Total revenue realized for the period amounted to US$19,635,664 against a budget of US$19,751,233. The company recorded an operating profit before depreciation of US$6,314,748 and a profit before tax of $4,996,489.

Cash generated from operations amounted to US$6.4 million which was mainly used to repay loans. A total of US$5 million was repaid thereby reducing our loans from $7.8 million at the beginning of the period to a balance of US$2.8 million outstanding at year end. These remaining loans were repaid in full subsequent to year-end. New short term loans will be accessed in the year to June 2012 to finance working capital.

These results were attained in a challenging trading environment, particularly in the first half of the year when we witnessed a sharp decline in the rate of exchange of the US dollar against the rand. This depreciation of the dollar, coupled with bans on the importation of some key feed ingredients and a shortage of Soya locally resulted in price increases of feed and other strategic inputs which are mainly imported from South Africa.

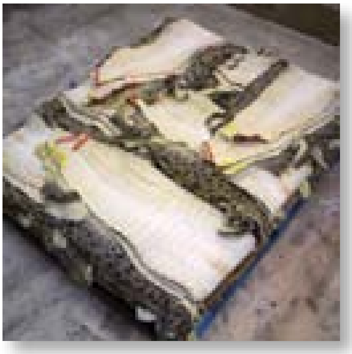
OPERATIONS

The full year culling quota was achieved at a grade quality better than budgeted. As in the year to June 2010, all skins were graded by our customer's representatives and resulted in an 88% first grade ratio against a full year target of 80%. The average skin size achieved was 4% below the budgeted size and is attributed to a loss of growth resultant from frequent dietary formulation changes that occurred as a consequence of the ban on the importation of certain animal feeds during the year to June 2011.

We closed the year with a total of 115,704 animals on the ground, made up of 110,660 grower crocodiles and 5,044 breeders. The grower crocodiles are aged between seven months and three years and are housed at ideal densities in the pens. These numbers are in line with our production model where we will henceforth cull 42,000 animals a year. The breeders are made up of 1,948 mature breeders and 3,096 immature breeders aged between six and nine years.

The main focus of our capital expenditure projects in the period has been to improve pen floor surfaces across all farms as well as to increase breeder pen space at Ume Crocodile Farm. We will continue these construction projects into the next financial year to ensure that skins are not compromised by abrasive floors and to provide the appropriate facilities for the large crop of young breeders that are reaching reproductive maturity in line with our objective of becoming self sufficient in domestic egg production by 2014.

"Padenga consistently supplies three of the five



DIVIDEND

Notwithstanding the pressure on working capital arising from the seasonality of the business and which necessitates loan financing, the Board has deemed it appropriate to declare a dividend of 0.16c per share to be paid to shareholders registered with the company as at 30th September 2011.

SUSTAINABLE DEVELOPMENT

In line with best practice codes, a Sustainable Development Report is incorporated in the annual report. The Company recognizes its commitment to ensuring the sustainability of its operations and to minimizing its environmental footprint.

HUMAN RESOURCES

The industrial relations environment within the workplace remained harmonious during the year. The Company has embarked on an initiative to identify skills deficiencies and to implement focused training programmes that will address the shortcomings apparent.

PROSPECTS

We intend to cull and sell 42,800 skins in the year to June 2012. There is still some uncertainty in the exotic skins markets worldwide, but this is predominantly at the low end of the quality market. The current years target of 42 800 skins are fully contracted for sale to luxury brand customers and we expect demand for our premium quality skins to remain high.

Financial results released by Padenga's major customers during and subsequent to the Global Financial Crisis continue to confirm increasing sales volumes and enhanced profits notwithstanding the general negativity in the industry. The decisions taken by the Company in 2008/9 to down-size in volume; to focus exclusively on the production of top quality skins and to target sales specifically to premium luxury brand customers has placed us in good stead. We expect demand for our premium quality skins to remain high and we are assured of selling all the skins we produce.

We are actively pursuing investigations into the commercial production of other crocodilian species and in particular, alligator production in the Southern United States of America. The alligator business model is attractive and warrants furthur investigation and examination. This is on-going and the outcome will be reported in due course.

APPRECIATION

I would like to take this opportunity to thank my fellow directors, management and staff for the excellent results achieved and look forward with optimism to improving on these results in the year ahead.

A K Calder
Chairman

TOP-TIER CROCODILIAN LEATHER TANNERIES IN THE WORLD."

Corporate Governance Statement

The following statement sets out the governance framework the Board has adopted at Padenga and highlights the work undertaken by the Board and its Committees during the financial year

Approach to Governance

Padenga Holdings Limited is committed to meeting the expectations of shareholders, stakeholders and employees for accountability, transparency, integrity and sustainability through the adoption of the principles and practices of international best practices codes of Corporate Governance. The Directors endeavour to comply with the key principles of Corporate Governance which emphasise the need for well balanced effective boards, strong risk management and internal control oversight and sound stakeholder relations. The Board, with the assistance of Board Committees, determines the most appropriate corporate governance practices for Padenga with the understanding that corporate governance is a continual improvement process which considers legal requirements, practicality and affordability. Members of the Board, management and staff are responsible for upholding the goals and values to which Padenga aspires, namely: Integrity; Pursuit of Excellence; Respect; Passion; Fairness; Discipline; Humility with Confidence; To be the Best; and Team Spirit.

Compliance with Corporate Governance Codes

The Directors have adopted, as a guideline, the key principles outlined in the King Corporate Governance code, and the Principles for Corporate Governance in Zimbabwe, as laid out in the Manual of Best Practice.

Board of Directors

The Board comprises three executive Directors and three independent non–executive Directors. The Board meets quarterly to provide input and oversight to the strategic planning process and monitors operational performance. Padenga has adopted a number of practices to regulate the division of responsibilities between the Board and management namely:

- having an equal number of independent directors on the Board with the Chairman being independent.
- the separation of the roles of Chairman and the Chief Executive officer.
- the Board sub–committees are chaired by independent directors and have a majority of independent members.
- the Board and Board Committees have the mandate if necessary to seek advice from independent experts to assist them in carrying out their duties.

A comprehensive Board Corporate Governance Manual has been developed which includes the Board Charter detailing its purpose, powers and specific responsibilities, Board annual work plans, and the policies and processes for Board and Director performance evaluation. Not all aspects of this have been adopted and implemented to date but will be in the future when deemed practical and appropriate.

Audit Committee

Padenga has an audit committee that assists the Board in the fulfilment of its duties. The committee currently comprises two independent non–executive Directors and one executive Director and an independent Director chairs the committee. The committee meets quarterly with the internal and external auditors to monitor the appropriateness of accounting policies, the effectiveness of systems of internal control and to consider the findings of the internal and external auditors. The committee's responsibilities include monitoring risk management, internal control and compliance matters. To ensure their independence and objectivity both the internal and external auditors have unrestricted access to the audit committee. The internal audit function is currently outsourced to external service providers and the internal audit Charter and work plans have been adopted and agreed

by the committee. Once the risk management systems have been strengthened the internal audit function will be expanded to include the monitoring of risk developments and altering its scope of work to ensure it is risk based.

Remuneration Committee

The remuneration committee comprises two independent non–executive Directors and one executive Director who determine, on behalf of the Board and shareholders the individual remuneration packages for the executive Directors and other executive management. The Chairman of the committee is independent. The remuneration committee makes recommendations to the Board that promote appropriate remuneration policies and practices and ensures these are implemented. Padenga's remuneration policy is to provide remuneration packages that attract, retain and motivate high quality individuals who will contribute greatly to the growth of Padenga. Where necessary external remuneration advisors assist the committee in determining the appropriate remuneration levels and practices.

Terms of Reference and work plans have also been established for the nominations committee. This committee has not yet been formally established hence, as an interim measure, its key functions are being dealt with by the remuneration committee as necessary.

Risk Management

The management of risk is decentralised to operating divisions, but in compliance with company policies on risk, the process is reviewed centrally by the executive committee, which is supervised by the audit committee. Although no formal enterprise risk assessment has been conducted yet, the focus of risk management currently hinges on identifying, assessing, managing and monitoring all known forms of risk across the company. The board is comfortable that management has identified the key business risks and taken appropriate measures to mitigate them.

Codes of Conduct and Ethics

Padenga has developed Codes of Conduct and Ethics which have been adopted by the Board. These Codes provide the employees and Directors with a practical set of guiding principles to help them make decisions in their everyday work. The codes embody honesty, integrity, quality and trust and employees and Directors are required to demonstrate these behaviours as representatives of Padenga.

The key principles underlining these codes are:

- We act in Padenga's best interest and value its reputation
- We act with honesty and integrity
- We commit to ensuring Justice and Fairness in our dealings with staff, customers and the general public
- We seek to build Trust between ourselves and all those with whom we interact
- We treat others with respect, value differences and maintain a safe working environment
- We identify conflicts of interest, expose them and manage them responsibly
- We respect privacy and confidentiality – our intellectual property is tightly guarded.
- We do not make or receive improper payments, benefits or gains.
- We report breaches of our Codes, the law or Padenga's policies or procedures

Sustainable Development Report

Sustainability is development that is planned to meet the needs of the present without limiting options for future generations. In recent years the International Community has come to expect companies harvesting natural resources not only to manage their businesses but to take a leading role in ensuring that those natural resources are utilized in a sustainable manner. Padenga recognizes its responsibility towards sustainable development and is therefore developing strategies to meet this obligation.

Strategies:

1. Ranched operation

   Padenga's current operational model constitutes ranching as defined by CITES and is an internationally approved method of crocodile production that safeguards the population status of wild crocodiles. Eggs are harvested from wild crocodiles under the auspices of annual quotas set, and permits issued by the Zimbabwean Parks and Wildlife Management Authority. Detailed statistical returns pertaining to egg collection are submitted to the regulating authority annually and provide critical information relating to the wild crocodile population status, reproductive activity, recruitment and other key population trends. This information is used to evaluate the on-going conservation status of wild crocodiles in Zimbabwe. A provision exists in the annual egg collection permits for a proportion of stock hatched from wild harvested eggs to be returned to the wild should population trends indicate that such action is necessary. No such action has been prescribed for many years, confirming the success of the ranching model in enhancing the population status of wild crocodiles in Zimbabwe

2. Reducing reliance on eggs collected from the Wild

   Notwithstanding the success of the ranching model in maintaining a viable population of wild crocodiles in Zimbabwe, Padenga has committed itself to a programme of self-reliance on domestic egg production from domestic breeders raised to maturity on the farm. This initiative was precipitated by the fact that there is increased competition from stakeholders for the finite wild egg resource available in Zimbabwe and that Padenga cannot expect to retain the privilege of a wild egg collection quota in perpetuity. We appreciate that this authority may be withdrawn at any time and be re-allocated to other stakeholders. We have committed ourselves to a domestic breeder development programme and by 2015 will produce 100% of our egg requirements from domestic stock.

3. Local community crocodile conservation initiatives

   Crocodiles are traditionally viewed by local communities along the shoreline of Lake Kariba as predators that threaten their lives and livelihood. The reptiles prey on people and livestock, as well as breaking nets and impacting on the ability of the fishing communities to maximize their catches. Consequently, crocodiles caught in nets are killed and nests are destroyed in order to limit the effects of the animal on the local population. Padenga staff members have for many years conducted pre- and post-egg collection visits to shoreline communities and embarked on conservation education programmes during which the overall value of the crocodile to the Nation is explained and reinforced. Communities are encouraged not to destroy crocodiles caught in nets and are incentivized to protect and report nests so that the eggs can be collected. Over a fifteen year period this initiative contributed to a doubling of the numbers of crocodile nests located and eggs collected annually within the collection area allocated to Padenga which indicates a material increase in the wild crocodile population in the area. This is a local success story and Padenga is proud to have played its part in this initiative.

4. Effluent Discharge and Waste Utilisation.

   Padenga has made significant progress towards completely eliminating treatment chemicals from its operating protocols and the volumes of these occurring in the discharge water are less than 10% of those levels prevailing a year ago. Notwithstanding these significant advances, food and faecal waste in the ponds still contribute to levels of organic material in the discharge water exceeding WHO standards. This attracts significant and unsustainable penalties imposed by the Environment Management Authority. The Company is committed to further and full treatment of its discharge water and is looking at ways to turn this liability into an asset. Initiatives under consideration include the establishment of a bio-gas unit with the energy produced being used to fuel the hatchling hot water units and the establishment of barbel ponds with the organic waste in the discharge water as well as excess feed waste going towards feeding the fish stock.

5. Local Conservation Initiatives

   Padenga provides strategic support to "The Tashinga Initiative" (TTI), a Wildlife protection project that targets the problems of unsustainable resource use, illegal activities and a serious loss of operational capacity in the various protected areas within the Zambezi Valley. In particular, Padenga supports TTI's initiatives in Matusadona National Park where a number of donor funded projects seek to strengthen the capacity of the resident management staff with the objective of halting the loss of integrity in terms of biodiversity and in re-building the infrastructural capacity of the Park. Padenga provides logistical and support services to the projects and to the wildlife authority staff based at Tashinga.

6. Benefiting Local Communities

The remoteness and location of the Ume Farm dictate that our business priorities have to be closely integrated with those of the local communities and from which the majority of our staff are drawn. The socio-economic challenges that the country faces manifest themselves the most in the remote and marginal areas of the country. During 2011, Padenga supported the establishment of a grinding mill at the Mola Business Centre and continues to service and provide spares for this unit on an on-going basis. Community members are provided with free transport across the Lake to and from Kariba town on any of Padenga's transporters that have surplus capacity. For a large part of the population, this is the only means of transport for them to procure food and to seek medical attention at the District Hospital. The company provided material support to local education initiatives through the donation of a computer to The Heights Primary School and solicited for and facilitated donations of educational materials from an Irish Veterinary associate to Nyamhunga Primary School.

7. Safety, Health and Environmental Programmes

Padenga has invested significantly in recent years in the resources needed to provide appropriate occupational health and primary health care services to our staff and dependents. The company operates two registered medical clinics, one at the north bank (Kariba) farms and one at the remote Ume farm. These are administered by Innscor Health Care Services Harare under contract to Padenga Holdings Ltd. Each clinic is staffed by a qualified state registered nurse and with a locum Doctor visiting the Kariba clinic weekly. The clinics are available to staff and immediate family members for medical consultations and services. On average, four hundred consultations are occurring monthly demonstrating the use that is made of the medical service. In addition to the provision of primary health care services, the clinic staff also provide treatment to persons injured on duty as well as coordinating access by staff and dependents to formal Government health care initiatives such as specialist Eye Care; Oral Health and Child Immunization programmes.

The nurses (Health Officers) are responsible for oversight of the Company's Safety, Health and Environmental programmes. They attended an Industrial Nurses Course conducted by the National Social Security Authority in Harare to give focus to this essential initiative. They also provide medical surveillance duties in respect of the health status of staff engaged in prescribed areas of the business such as Abattoir White area employees who have to be certified free of salmonella infection.

Finally, Padenga actively promotes programmes aimed at both education pertaining to HIV/Aids prevention and the treatment of employees and dependents that may be infected by the disease. Coordinated HIV testing and counseling is available at the workplace in partnership with the New Start Centre, Chinhoyi. The Company facilitates access by HIV positive employees and dependents to Anti-retroviral treatment and convenes sensitization sessions for staff. Male and female condoms are freely distributed at the workplace in an effort to promote safe sex practices. There is an on-going initiative to maintain awareness of HIV/Aids through talks to staff and family members and the distribution of reading material on the subject.

Notwithstanding these initiatives, Padenga still has a long way to go towards adopting acceptable and responsible sustainable development programmes commensurate with its status as a producer and supplier of premium quality skins to the most iconic brands in the world. We commit ourselves towards working to these goals and reporting appropriately on the environmental and social challenges that most affect our business performance and matter most to our key stakeholders.

Report Of The Directors

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the eleven months ended 30 June 2011.

The Company was listed on the Zimbabwe Stock Exchange on the 29th of November 2010. Its trading period is from 1st of August 2010 to 30 June 2011.

Share Capital

At 30 June 2011 the authorised share capital of the Company is at 800 000 000 ordinary shares of $0.0001 each, and the issued share capital at 541 593 440 ordinary shares.

During the year no share options were granted.

Financial Results	US$
Profit before taxation	4 966 489
Income tax charge	(1 264 600)
Profit for the year	3 701 889
Profit attributable to shareholders	3 701 889

Dividends

Notwithstanding the pressure on working capital arising from the seasonality of the business and which necessitates loan financing, the Board has deemed it appropriate to declare a dividend of 0.16c per share to be paid to shareholders registered with the company as at 30th September 2011.

Reserves

The movement in the reserves of the Company are shown in the notes to the financial statements.

Directors and their Interests

Since the listing of Padenga Holdings on the Zimbabwe Stock Exchange, there have been no changes to the directorate. In terms of the articles of association Messrs M.J. Fowler and T.N. Sibanda retire by rotation and being eligible offer themselves for re-election. No directors, had during or at the end of the year, any material interest in any contract of significance in relation to the Company's business. The beneficial interests of the Directors in the shares of the company are given in note 16.4 of the financial statements.

Directors' Fees

Shareholders will be asked to approve payments of the Directors' fees detailed in respect of the period ended 30 June 2011.

Auditors

Shareholders will be asked to approve the remuneration of the auditors for the financial period ended 30 June 2011 and to re-appoint Ernst & Young as auditors of the Company to hold office for the following year.

For and on behalf of the Board.

AK CALDER
Chairman

Harare
30 August 2011

MJ FOWLER
Executive Director

Harare
30 August 2011

Directors Responsibility for Financial Reporting

The Directors of the Company are required by the Companies Act and Zimbabwe Stock Exchange listing regulations to maintain adequate accounting records and to prepare financial statements that present a true and fair understanding of the state of affairs of the Company at the end of each financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Appropriate accounting policies have been used and consistently applied, and reasonable and prudent judgments' and estimates have been made.

The Directors believe that the balance sheet that has been presented as at 30 June 2011 is a fair reflection of the assets and liabilities of the Company and therefore a fair reflection of the shareholders equity in the business.

The Directors have satisfied themselves that the Company is in a sound financial position and has adequate resources to continue operations for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The Board recognizes and acknowledges its responsibility for implementing and overseeing the Company's systems of internal financial control. Padenga maintains internal controls and systems that are designed to safeguard the assets of the Company, prevent and detect errors, negligence and fraud and ensure the completeness and accuracy of the Company's records. The Company's Audit Committee has met the external auditors to discuss their reports relating to their work, and which includes an assessment of the relative strengths and weaknesses of critical control areas and processes.

No breakdown in internal controls involving material loss have been reported to the Directors in respect of the period under review. The financial statements for the period ended 30 June 2011, which appear on pages 15 to 37, have been approved by the Board of Directors and are signed on its behalf by:

AK CALDER
Chairman

MJ FOWLER
Executive Director

PADENGA

ERNST & YOUNG

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way/
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 4 750905 / 750979
Fax: +263 4 750707 / 773842
E-mail: admin@zw.ey.com

Report of the Independent Auditors

To the members of Padenga Holdings Limited

We have audited the accompanying financial statements of Padenga Holdings Limited as set out on pages 15 to 37, which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 management, as well as evaluating the overall presentation of the financial statements.

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

Audit Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Padenga Holdings Limited at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory Requirements

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

Ernst & Young.

ERNST & YOUNG

CHARTERED ACCOUNTANTS (ZIMBABWE)

Harare
15 November 2011

Statement of Comprehensive Income

For the period ended 30 June 2011

	Notes	Eleven months ended 30 June 2011 US$
Revenue	7	19 655 322
Other income	7.1	28 607
Net operating costs	7.2	(13 369 181)
Operating profit before depreciation		**6 314 748**
Depreciation	11	(1 163 880)
Operating profit before interest and fair value adjustments		**5 150 868**
Fair value adjustments on biological assets		757 122
Fair value adjustments on meat		19 512
Profit before interest and tax		**5 927 502**
Interest payable	8	(961 013)
Profit before tax		**4 966 489**
Income tax charge	9	(1 264 600)
Profit for the period attributable to shareholders of the company		**3 701 889**
Other comprehensive income		-
Total comprehensive income attributable to shareholders of the company		**3 701 889**
Earnings per share (cents)		
Basic earnings per share	5	0.68
Diluted earnings per share	5	0.68

Statement of Financial Position

As at 30 June 2011

	Notes	30 June 2011 US$
ASSETS		
Non-current assets		
Property, plant and equipment	11	13 625 717
Biological assets	13.1	1 289 679
		14 915 396
Current assets		
Biological assets	13.2	15 658 064
Inventories	14	1 000 839
Trade and other accounts receivable	15	7 089 515
Cash and cash equivalents		626 466
		24 374 884
Total assets		**39 290 280**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	16	54 159
Share premium	17	27 004 245
Retained earnings	18	3 701 889
Total equity		**30 760 293**
Non-current liabilities		
Deferred tax liability	19	4 296 864
		4 296 864
Current liabilities		
Short term loans	20	2 885 812
Trade and other accounts payable	21	1 089 340
Provisions	22	179 720
Current tax liability	9.2	78 251
		4 233 123
Total liabilities		**8,529,987**
Total equity and liabilities		**39 290 280**

K Calder
Chairman

O T Kamundimu
Executive Director

Harare
30 August 2011

Statement of Changes in Shareholders' Equity

For the period ended 30 June 2011

	Notes	Share Capital US$	Share Premium US$	Retained Earnings US$	TOTAL US$
Balance on 1 August 2010		-	-	-	-
Issued during the year	16	54 159	27 366 073	-	27 420 232
Adjustments of pre-incorporation costs		-	(361 828)	-	(361 828)
Profit for the period		-	-	3 701 889	3 701 889
Shareholders' equity at 30 June 2011		54 159	27 004 245	3 701 889	30 760 293

Statement of Cash Flow

For the period ended 30 June 2011

	Notes	Eleven months ended 30 June 2011 US$
Cash generated from operating activities	10.1	6 461 898
Interest received	7.1	19 658
Interest paid	8	(961 013)
Taxation paid	9.2	(155 306)
Total cash available from operations		**5 365 237**
Investing activities	10.2	251 962
Net cash flow before financing activities		**5 617 199**
Financing activities		**(4 990 733)**
Decrease in borrowings		(4 990 733)
Net increase in cash		626 466
Cash and cash equivalents at 1 August 2010		-
Cash and cash equivalents at 30 June 2011		626 466

1 Corporate Information

Padenga Holdings Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange. The principal activity of the Company is the production and rearing of crocodiles and the export of Nile crocodile skins and meat.

2 Basis of preparation

The financial statements are based on the statutory records that are maintained under the historical convention, except for biological assets that have been assessed at fair value. The financial statements are presented in United States Dollars (USD).

2.1 Statement of Compliance

The financial statements have been prepared in conformity with IFRS, promulgated by the International Accounting Standards Board (IASB), which comprises the standards, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations developed by IFRS Interpretations Committee (formerly called the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC)). The financial statements have been prepared in compliance with the Zimbabwe Companies Act (Chapter 24:03).

3 Adoption of new and revised standards and interpretations

3.1 New and revised IFRSs with no material effect on current year reporting

Amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- *IFRS 3 Business Combinations (issued May 2010):* amendment provides clarification that the measurement choice regarding non-controlling interest at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation.
- *IFRS 7 Financial Instruments: Disclosures (issued May and October 2010):* amendment provides clarification on the required level of disclosure about credit risk and collateral held and provides relief from disclosures previously required regarding renegotiated loans. It increases the disclosure requirements for transactions involving transfers of financial assets.
- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments:* Provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments.

3.2 New and revised IFRSs in issue, but not yet effective

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

- *IFRS 9 Financial Instruments (issued November 2009, amended October 2010):* new requirements for the classification and measurement of financial assets and liabilities and for derecognition.
- *IFRS 10 Consolidated Financial Statements (issued May 2011):* Includes a new definition of control which is used to determine which entities are consolidated. This will apply to entities, including special purpose entities (now known as structured entities). The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore consolidated, and may result in a change to the entities which are within a group.
- *IFRS 11 Joint Arrangements (issued May 2011):* Describes the accounting for joint arrangements with joint control; proportionate consolidation will no longer be permitted for joint ventures.
- *IFRS 12 Disclosure of Interests in Other Entities (issued May 2011):* Includes all disclosures that are required relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. An entity is now required to disclose the judgments made to determine whether it controls another.
- *IAS 12 Income Taxes (revised December 2010):* limited scope amendment relating to recovery of underlying assets.
- *IAS 24 Related Party Disclosures (revised November 2009):* Modifies the definition of a related party and simplifies disclosures for government related entities.
- *IFRIC 13 Customer Loyalty Programmes (revised 2010).*
- *IFRS 13 Fair value measurements* provides guidence on how to measurefair value of financial assets and liabilities when fair value measurement is required or permitted by IFRS.

Accounting Policies (continued)

4 Summary of significant accounting policies

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received , excluding discounts, rebates and value added tax. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as the principal agent. The Company has concluded that it is acting as the principal in all of its revenue arrangements.

The following specific recognition criteria must be met before revenue is recognised:

Sale of goods
Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon delivery.

Rendering of services
Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Where the outcome cannot be measured reliably, revenue is recognised to the extent that expenses incurred are eligible to be recovered. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Commission
Commission is recognised when the Company's right to receive the commission has been established.

Interest income
Revenue is recognised as interest accrues using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends
Revenue is recognised when the Company's right to receive payment is established.

Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed as incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Foreign currencies
The Company's financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. The tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of the historical cost basis in a foreign currency are translated using the exchange rates ruling at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the dates when the fair value was determined.

Differences on exchange arising from re-translation of the opening net investment in subsidiaries, associated companies and joint ventures, and from the translation of the results of those entities at average rates, are taken to reserves. Upon disinvestment of a foreign entity, translation differences related to that entity are taken to income.

Foreign currencies

Where a forward exchange contract has been established, the rate in the forward exchange contract is applicable. Transactions during the year are translated at rates of exchange ruling at the time of those transactions. Translation and transaction gains or losses on conversion or settlement are normally dealt with in profit or loss statement.

Leases

The determination of whether an arrangement contains a lease depends on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the assets.

The Company has entered into various operating lease arrangements. Operating lease payments are recognised as an expense in profit or loss statement on a straight line basis over the lease period.

Retirement benefit costs

Retirement benefits are provided for Company employees through the Innscor Africa Limited Pension Fund. The company's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules.

All eligible employees contribute to the National Social Security Authority defined contribution pension scheme. The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994, is determined by the systematic recognition of legislated contributions.

Property, plant and equipment

Plant and equipment are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment impairment losses. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are requiring replacement in intervals, the company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Land is carried at cost whereas buildings are carried at costs less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the expected useful lives of the assets such that the cost is reduced to the residual values of the assets over the useful lives of the assets.

The various rates of depreciation are listed below:

Freehold property	2%
Buildings and improvements	2.5%
Leasehold improvements	the lesser of the lease period and 10 years
Plant, Fittings and Equipment	3% - 25%
Vehicles	10% - 30%

The carrying values of property, plant and equipment are reviewed for impairment annually, or earlier where indications are that the carrying value may be irrecoverable. When the carrying amount exceeds the estimated recoverable amount ,assets are written down to the recoverable amount.

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 value of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed by the Company, and prospectively adjusted if necessary, on an annual basis. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

Impairment of assets

The Company assesses at each reporting date, or earlier where indications that impairment exists, whether an asset may be impaired. This entails estimating the asset's recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use. Market values are used to determine fair values of assets. Where the asset's carrying amount exceeds its recoverable amount, the asset is considered impaired and its carrying amount is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of time value of money and the risks specific to the asset. Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

At each reporting date, the Company assesses whether previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the recoverable amount is estimated in order to reverse the previously recognised impairment losses. A previously recognised impairment loss is reversed only to the extent that there has been a change in the estimates used in determining the asset's recoverable amount since the last impairment loss was recognised. If that is the case the asset's carrying amount is increased to its recoverable amount. However, the increased carrying value of the asset is limited to the carrying value determinable, net of depreciation, had the impairment not occurred. Such reversal is taken to the income statement. After the reversal, depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Biological assets

Biological assets are living animals that are managed by the Company. Agricultural produce is the harvested product of the biological asset at the point of harvest. Thereafter, products are classified as inventory.

The biological assets of the Company constitute the crocodile livestock. At initial recognition, biological assets are valued at historical cost. Subsequent to initial recognition, biological assets are measured at fair value less estimated point of sale costs. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction.

Fair value is determined by reference to the average theoretical life span of the crocodile stock and the prevailing market prices. The stock is evaluated in terms of its respective life span at the reporting date and consideration given to the different saleable products that could be derived from crocodiles of each age group at the time. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products.

Changes in the carrying value of biological assets are taken directly to the profit or loss.

Financial assets

Financial assets include trade and other accounts receivable, cash and cash equivalents and investments.

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through the profit or loss income, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through the statement of comprehensive income, directly attributable transaction costs. The Company determines the classification of its financial assets on initial recognition .

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value

Financial assets at fair value through the profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through the profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Financial assets at fair value through the profit or loss are carried in the statement of financial position with changes in fair value recognised in the profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through the profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through the profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets which carry fixed or determinable payments and fixed maturities and which the Company has the positive intention and ability to hold to maturity. These are initially measured at fair value. After initial measurement held to maturity investments are measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount, less allowance for impairment. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in the profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. At year end there was no held-to-maturity investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a other comprehensive income and accumulated in the available for sale reserve in equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is recognised through other comprehensive income into profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions reference to the current market value of another instrument, which is substantially the same discounted cash flow analysis and option pricing models. At year end there was no available-for-sale financial assets held.

Trade and other accounts receivable

Trade and other accounts receivable are subsequently carried at amortised cost after taking into account fair value less an allowance for any uncollectible amounts. Provision for bad debts is made when there is objective evidence that the company will most probably not recover the debts. Bad debts are impaired when identified.

Cash and cash equivalents.

Cash and cash equivalents comprises cash at banks and in hand and short-term deposits with an original maturity of three months or less.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or company of financial assets is impaired . Financial asset or company of financial assets is deemed to be impaired if, and only if, there is objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event')and the loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is measurable decrease in the estimated future cash flows , such as changes in arrears or economic conditions that correlate with defaults.

Accounting Policies (continued)

Financial assets carried at amortised cost

For financial assets carried at cost, the Company first assesses whether the objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest is recorded as part of financial income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If in subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is de-recognised when:

The rights to receive cash flows from the asset have expired.

The Company has transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement: and either the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset , but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from the asset or had entered a pass -through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset is recognised to the extent of the Company's continuing involvement in the asset.

In that case, the company also recognises an associated liability . The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Financial liabilities

Financial liabilities include trade and other accounts payable, bank overdrafts and interest bearing loans, and these are initially measured at fair value including transaction costs and subsequently amortised costs. Gains or losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a debt basis, or to realize the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any certain reimbursements.

If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to those provisions. Where discounting is used, the increase in the provision due to passage of time is recognised in the profit or loss as a borrowing cost.

Provision for leave pay

Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Accounting Policies (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to theextent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity or other comprehensive income is recognised in equity and not in the profit or loss. Deferred income tax assets and deferred income tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax except:

- where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of Value Added Tax included. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. In general, cost is established on the first in, first out basis. Cost represents the cost of materials and where appropriate, direct labour and manufacturing overheads related to stage of manufacture. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of the completion and the estimated costs necessary to make the sale.

Key estimates, uncertainties and judgments

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year:

Useful lives and residual values of property ,plant and equipment

The Company assesses useful lives and residual values of property ,plant and equipment each year taking into consideration past experience , technology changes and the local operating environment. The useful lives are set out in note and no changes to those useful lives have been considered necessary in during the period. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

Fair valuation of biological assets - crocodiles

The company assumes that all incoming livestock is born on 1 December every year and that the average theoretical lifespan of a crocodile is 33 months. The fair value calculation is performed only when the crop reaches 12 months of age. Crops that have exceeded an age of 33 months are discounted by 10% in the first year and 5% in the second year. Average skin and meat prices that were achieved in the financial year, or those on the latest invoices where there is a material change, are used in the fair value calculation. The average skin price used in the fair value calculation is that for a second grade skin sold to Padenga's principal customer.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or company of financial assets is impaired. Financial asset or company of financial assets is deemed to be impaired if, and only if, there is objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and the loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

5. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in circulation during the period.

Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in circulation during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	30 June 2011 US$
Net profit attributable to ordinary equity holders of the company	3 701 889
Weighted average number of ordinary shares for basic earnings per share	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution	541 593 440
Basic earnings per share (US cents)	0.68
Diluted earnings per share (US cents)	0.68

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

6. Dividends paid

Subsequent to year end, dividends declared per share are based on the number of shares in issue on the effective date of declaration and entitlement of the shares to the dividend.

A dividend of 0.16 cents per share payable to shareholders of the Company registered as at 30 September 2011 was declared.

		30 June 2011 US$
7.	**Revenue**	
	Sales	19 635 664
	Interest income	19 658
		19 655 322
7.1	**Other Income**	13 407
	Discount Recieved	15 200
	Other Income	28 607
7.2	**Operating profit before depreciation and amortization include the following charges/(credits)**	
	Cost of goods and services sold	6 721 036
	Other operating costs (note 7.2.2)	3 562 529
	Staff costs (note 7.2.3-4)	3 085 616
		13 369 181
7.2.1	**Other operating costs**	
	Variable costs	364 931
	Fuel and energy	681 635
	Repairs and maintenance	847 465
	Finance expenses	97 596
	Other overheads	1 570 902
		3 562 529

Notes to the Financial Statements (continued)

7.2.2 Audit fees and expenses

	30 June 2011 US$
Current year	45 000
Fees for other services	19 180
	64 180

7.2.3 Director Emoluments

Fees	34 865
Other	354 277
	389 142

7.2.4 Employee benefits expense

Wages and salaries	2 892 670
Social security costs	26 016
Medical aid	105 631
Pension	61 299
	3 085 616

7.2.5 Exchange (gain)/loss

Realised	(782)
Unrealised	802
	20

7.2.6 Operating lease charges included in other operating costs

145 966

7.2.7 Profit on disposal of property, plant and equipment

(52 347)

7.2.8 Write offs

Included in cost of sales and other operating costs are:	
Inventories written off	11 013

8. Interest payable

Interest payable	961 013

9. Taxation

9.1 Income tax charge

Current income tax charge	233 556
Deferred tax charge	1 031 044
	1 264 600

9.2 Taxation paid

Taxation provided	(233 556)
At 30 June 2011	78 251
	(155 306)

9.3 Reconciliation of rate of taxation

	%
Statutory rate of taxation, inclusive of AIDS levy	25.75
adjusted for:	
Non-taxable/non-deductible items	(0.29)
Effective rate	**25.46**

Notes to the Financial Statements (continued)

	Note	30 June 2011 US$
10. Cash flow information		
10.1 Cash generated from operations		
Profit before interest and taxation		5 907 844
Depreciation		1 163 880
Loss on disposal of investments		69
Fair value adjustment on biological assets		(776 634)
Profit on disposal of property, plant and equipment		(52 348)
Adjustment non distributable reserves (pre-incorporation costs)		(361 827)
Increase in inventories		(286 102)
Decrease in biological assets		2 483 704
Increase in receivables		(2 271 753)
Increase in payables		643 534
Increase in Provisions		11 531
		6 461 898
10.2 Investing activities		
Net cash flow arising from the acquisition of the Niloticus Division of Innscor Africa Limited	10.3	777 407
Expenditure on property, plant and equipment		(549 196)
Proceeds on disposal of property, plant and equipment		127 248
Expenditure on non-current biological assets		(103 497)
		251,962
10.3 Net cash flow arising from the acquisition of the Niloticus Division of Innscor Africa Limited		
Property, plant and equipment		(14 315 302)
Other Investments		(69)
Non-current biological assets		(1 186 181)
Current biological assets		(17 365 134)
Inventories		(714 737)
Trade and other accounts receivable		(4 817 761)
Cash and cash equivalents		(777 407)
Trade and other accounts payable		445 806
Provisions		168 189
Deferred tax liability		2 064 889
Interest-bearing borrowings		7 876 546
Net assets of the Niloticus Division acquired		**(28 621 161)**
Equity issued to Innscor Africa Limited		28 621 161
Cash consideration		-
Add: cash and cash equivalents acquired		777 407
Net Cash Flow		**777 407**

Notes to the Financial Statements (continued)

11. Property, plant and equipment

	Freehold property US$	Leasehold improvements US$	Plant, fittings & equipment US$	Motor vehicles US$	Total US$
Cost					
At 1 August 2010	-	-	-	-	-
Acquired through purchase of the Niloticus Division from Innscor Africa Limited	80 086	12 563 138	1 456 867	215 210	14 315 302
Additions	-	227 089	166 001	156 106	549 196
Disposals	-	-	(2 895)	(90 130)	(93 025)
At 30 June 2011	80 086	12 790 227	1 619 973	281 186	14 771 472
Depreciation					
At 1 August 2010	-	-	-	-	-
Disposals	-	-	1 459	16 666	18 125
Charge for the year	(1 572)	(849 469)	(216 721)	(96 118)	(1 163 880)
At 30 June 2011	(1 572)	(849 469)	(215 262)	(79 452)	(1 145 755)
Net carrying amount:					
At 1 August 2010	-	-	-	-	-
At 30 June 2011	78 514	11 940 758	1 404 711	201 734	13 625 717

11.1 Reconciliation of opening and closing carrying amounts

	30 June 2011 US$
Net carrying amount 1 August 2010	-
Cost	-
Accumulated depreciation	-
Movement for the year:	
Acquired through the purchase of the Niloticus Division from Innscor Africa Limited	14 315 302
Additions at cost	549 196
Net carrying amount of disposals	(74 900)
Depreciation charge for the year	(1 163 880)
Net carrying amount 30 June 2011	13 625 717
Cost	14 789 597
Accumulated depreciation	(1 163 880)

Security

Net book value of fixed assets pledged as security for borrowings. (Note 20)	2 500 000

12. Investments

	Notes	30 June 2011 US$
Listed Investments		-
Total other Investments		-

Reconciled As follows:

	Notes	US$
At 1 August 2010		
Acquired through the purchase of the Niloticus Division from Innscor Africa Limited	10.3	69
Disposal		(69)
At 30 June 2011		-

13. Biological assets

Reconciliation of opening and closing carrying amounts

13.1 Non-current biological assets - Breeder Crocodiles

	Notes	US$
At 1 August 2010		
Acquired through the purchase of the Niloticus Division from Innscor Africa Limited	10.3	1 186 181
Expenditure on current biological assets		103 498
At 30 June 2011		1 289 679

13.2 Current biological assets - Grower Crocodiles

	Notes	US$
At 1 August 2010		-
Purchase		-
Acquired through the purchase of the Niloticus Division from Innscor Africa Limited	10.3	17 365 134
Sales		(6 660 012)
Births		118 219
Expenditure on current biological assets		4 077 601
Fair value adjustment (excluding meat valuation $19 512)		757 122
At 30 June 2011		15 658 064

Biological assets worth $12m have been pledged as collateral for borrowings.

At 30 June 2011, the Company had the following number of live animals:

Number of live crocodiles	115 704

Biological assets risk management policies

Biological assets are live animals that are managed by the Company. Agricultural produce is the harvested product obtained from the biological asset. Biological assets for the Company constitute live crocodiles.

These biological assets are exposed to various risks, which include, disease or infection outbreaks, theft, price fluctuations and market risk. The Company has put in place measures and controls to mitigate losses from the above risks. These measures and controls include, inter alia, insurance against theft and natural deaths, vaccination to prevent infections and formal marketing contracts that include a regular evaluation of prices and an assessment of market trends.

The fair value of biological assets has been established on the fair value less cost to sell basis in accordance with IAS41. In arriving at their estimates of fair value, the Directors have used their market knowledge, their professional judgment and consideration of historical transactional comparables.

The table below reflects the sensitivity of Profit/Loss before tax due to a change in assumptions. The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable, the negative impact on profit would be of a similar magnitude.

Crocodiles	% Change	Effect on profit before tax US$
Fair value less cost to sell - skins	5%	691 308
Fair value less cost to sell - meat	5%	43 206

Notes to the Financial Statements (continued)

	30 June 2011 US$
14. Inventories	
Consumable stores	492 222
Raw materials and packaging	508 617
	1 000 839

The amount of write-down of inventories recognised as an expense is US$ 11 013.

There are no inventories pledged as security for borrowings.

15. Trade and other accounts receivable	
Trade receivables	6 345 874
Prepayments and other receivables	743 641
	7 089 515

Trade receivables are non-interest bearing and are generally on 30 day terms.

As at 30 June 2011, there were no trade receivables that were past the due date that were provided for.

As at 30 June 2011, an allowance for credit losses was provided for on other receivables amounting to $174 654.

As at 30 June 2011, the age analysis of trade receivables was as follows:

	Total US$	Neither past due nor impaired US$	30 - 60 days US$	61 - 90 days US$
30 June 2011	6 345 874	6 314 972	-	30 902

16. Ordinary share capital

	30 June 2011 US$
16.1 Authorised	
800 000 000 ordinary shares of $0,0001 each	**80 000**
16.2 Issued and fully paid	
541,593,440 ordinary shares of US$0.0001 each	**54 159**
Total issued share capital	54 159
16.3 Unissued shares	
Unissued, to be held in reserve under control of Directors	**25 841**

16.4 Directors' shareholdings

The Directors held directly and indirectly the following number of shares:

Alexander Kenneth Calder	-
Gary John Sharp	1 250 000
Oliver Tendai Kamundimu	113 200
Michael John Fowler	107 858 631
Annie Mutsa Mazvita Madzara	-
Thembinkosi Nkosana Sibanda	-
	109 211 831

There has been no material change in the Directors' interests subsequent to 30 June 2011 to the date of this report.

17. Share premium

	Note	30 June 2011 US
At 1 August 2010		-
Share Premium arising on issue of 541 593 440 shares to Innscor Africa Limited		27 004 245
At 30 June 2011		27 004 245

18. Returned earnings

At 1 August 2010	-
Profit for the period	3 701 889
At 30 June 2011	3 701 889

19. Deferred tax liability

19.1 Analysis of deferred tax liability

Accelerated depreciation for tax purposes	3 093 158
Fair value adjustments on biological assets	1 164 991
Prepayments -current year	38 715
	4 296 864

20. Short term loans

	Rate of interest	Year Repayable	
Secured			
Local short term borrowings	13%-15%	up to -90 days	2 885 812

Short term borrowings form part of the core borrowings of the Company and are renewed on maturity in terms of ongoing facilities negotiated with the relevant financial institutions. The facility is secured by first charge over certain of the Company's fixed assets and livestock with a carrying value of $12 000 000.

The Company had a short-term facility of $8 000 000 of which $2 885 812 was utilized. The balance of $5 114 188 was unutilized at reporting date.

Borrowing powers
In terms of the Company's Articles of Association, the Company may, with previous sanction of an ordinary resolution of the company in a general meeting, borrow, on the determination of the Directors, amounts that do not exceed the aggregate of total shareholders' funds.

21. Trade and other accounts payable

	30 June 2011 US$
Trade payables	281 922
Other payables	807 418
	1 089 340

Trade payables are non-interest bearing and are normally settled within 30days.

Other payables are non-interest bearing and have varying settlement terms.

21.1 Other payables

Accruals	615 512
Sundry creditors	191 906
	807 418

Accruals includes bonus provision for $250 000.

Notes to the Financial Statements (continued)

22. Provisions

	30 June 2011 US$
At 1 August 2010	168 189
Arising during the year	11 531
At 30 June 2011	179 720

All provisions relate to leave pay provision.

23. Contingent liabilities

The Company had no contingent liabilities at 30 June 2011.

24. Capital expenditure commitments

Authorised and contracted	-
Authorised but not yet contracted	217 372
	217 372

The capital expenditure will be financed from the Company's own resources and existing borrowing facilities.

25. Commitments for the development or acquisition of biological assets

The Company has not committed itself to acquiring any biological assets.

26. Future lease commitments

Payable within one year	94 500
Payable between two and five years	378 000
Payable six to ten years	472 500
	945 000

27. Pension funds

27.1 Innscor Africa Limited Pension Fund

This is a self-administered, defined contribution fund. Employees of the Company are eligible to become members of the fund. Contributions are at the rate of 14% of pensionable emoluments of which members pay half.

27.2 National Social Security Authority Scheme

This scheme was promulgated under the National Social Security Authority Act of 1989. The Company's obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 6% of pensionable emoluments of which the maximum pensionable salary is $200. A total contribution of $12 is the maximum per employee per month.

27.3 Pension costs recognised as an expense for the year:

	30 June 2011 US$
Innscor Africa Limited Pension Fund	61 299
National Social Security Authority Scheme	26 016
	87 316

Pension costs are recognised in the profit or loss under staff costs.

28. Related party interests

The Company has identified the following as related parties.

Innscor Africa Limited

National Foods Holdings Limited - An associate of Innscor Africa Limited

Colcom Holdings Limited - A Subsidiary of Innscor Africa Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

	Trading transactions					
Name of related party	sales to related party US$	purchases/services from related party US$	rent paid to related party US$	interest paid to related party US$	trade & other accounts receivable US$	trade & other accounts payable US$
Innscor Africa Limited						
30 June 2011	-	295 155	-	69 881	1 615	80 393
Colcom Holdings Limited						
30 June 2011	-	54 165	-	-	5 754	-
National Foods Holdings Limited						
30 June 2011	-	45 428	-	-	-	-

As at 30 June 2011 Executive Staff owed the company $44,347. Interest is charged at 6%.

Terms and conditions of transactions with related parties;

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Amounts outstanding at the period end are unsecured and settlement occurs in cash. There have been no guarantees provided for or received for any related party receivables or payables for the period ended 30 June 2011. The Company has not recorded any impairment of receivables relating to amounts owed by related parties.

29. Financial risk management objectives and policies

The Company's principal financial instruments comprise bank loans and overdrafts, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations or to achieve a return on surplus short term funds. The Company has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company's exposure to the risk for changes in market interest rates relates primarily to variable short term overdraft rates. The Company's policy is to manage its interest cost by limiting exposure to overdrafts and where borrowings are required, to borrow at favourable and fixed rates of interest.

The following table demonstrates sensitivity to possible changes in interest rates on short term borrowings. There is an immaterial impact on the company's equity.

Effect on profit before tax	30 June 2011 US$
Increase of 3%	86 574
Decrease of 3%	(86 574)

Notes to the Financial Statements (continued)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility.

Foreign currency risk

The Company has transactional currency exposures. Such exposure arises from the sale or purchase by the Company in currencies other than the unit's functional currency. The Company limits exposure to exchange rate fluctuations by either prepaying for purchases or retaining stock until the foreign currency to settle the related liability has been secured. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

30 June 2011	Liabilities	Assets	Net provision
Currency			
South African Rand	221 365	-	221 365
Euro	-	432 734	432 734

Credit risk
The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, credit terms are specified contractually within the regulations laid down by the Reserve Bank of Zimbabwe. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and available-for-sale financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments less the market value of any security held.

Liquidity risk
The Company's objective is to maintain a balance between continuity of funding through a well managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available ans debt maturing in the next 12 months can be rolled over with existing lenders.

Equity price risk
The Company disposed of its investment in listed equities. Investments in equities are valued at fair value and are therefore susceptible to market fluctuations. Comprehensive measures and limits are in place to control the exposure of the Company's equity investments to equity price risk. The Company's Treasury office is tasked with the responsibility of performing research into potential opportunities in order to provide suggestions for investment to the Board of Directors. This office monitors the performance of the current investment portfolio and reports to the Board of Directors

The table below summarises the maturity profile of the Company's financial assets and liabilities:

	Within 3 months US$	From 4 to 12 months US$	More than 12 months US$	Total US$
Liabilities				
Interest bearing borrowings	2 885 812	-	-	2 885 812
Trade and other accounts payable	473 828	-	-	473 828
TOTAL	3 359 640	-	-	3 359 640
Assets				
Trade and other accounts receivable	6 877 283	-	-	6 877 283
Cash and cash equivalents	626 466	-	-	626 466
TOTAL	7 503 749	-	-	7 503 749

30. Fair value of financial instruments

The estimated net fair values of all financial instruments, approximates the carrying amounts shown in the financial statements using fair value hierarchy Level 1.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques which use inputs that have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have significant effect on recorded fair value that are not based on observable market data.

Set out below is a comparison of carrying amounts and fair values of all the Company's financial instruments at 30 June 2011.

	Carrying amount 2011 US$	Fair value 2011 US$
Financial assets		
Trade and accounts receivable	6 877 283	7 089 515
Cash and cash equivalents	626 466	626 466
	7 503 749	7 715 981
Financial liabilities		
Interest bearing borrowings	2 885 812	2 885 812
Trade and accounts payable	473 828	473 828
	3 359 640	3 359 640

31. Capital management

The primary objective of the Company's capital management is to ensure that all its companies maintain healthy capital ratios in order to support the business and maximise shareholder value.

The Company manages its capital structure and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Company may adjust the dividend payment to shareholders, the return on capital to shareholders, or issue new shares. No changes were made to the objectives, policies or processes during the period ended 30 June 2011. The company monitors its capital gearing ratio, which is calculated as the proportion of net debt (comprising borrowings as offset by cash and bank balances) to equity.

	2011 US$
Net debt	2 259 346
Total Equity	30 760 293
Gearing ratio	0.07

32 Events after reporting period

There has been no significant non-adjusting events after the reporting date.

Shareholders Analysis

As at 30 June 2011

Size of Shareholding	Number of Shareholders	Shareholders %	Issued Shares	Shares %
1 - 5 000	3 719	82.02	2 752 819	0.51
5 001 - 10 000	235	5.18	1 764 834	0.33
10 001 - 25 000	203	4.48	3 332 746	0.62
25 001 - 50 000	106	2.34	3 756 766	0.69
50 001 - 100 000	69	1.52	5 046 201	0.93
100 001 - 200 000	64	1.41	8 970 135	1.66
200 001 - 500 000	61	1.35	19 517 744	3.60
500 001 - 1 000 000	25	0.55	16 634 132	3.07
1 1000 001 - and over	52	1.15	479 818 063	88.59
	4 534	100.00	541 593 440	100.00

Trade Classification	Number of Shareholders	Shareholders %	Issued Shares	Shares %
Companies	573	12.64	189 013 615	34.90
Insurance Companies	44	0.97	45 893 175	8.47
Investment Companies	228	5.03	144 216 264	26.63
Trust Nominees	176	3.88	56 179 502	10.37
Pension Funds	277	6.11	47 722 341	8.81
Private Individuals	3 203	70.64	12 657 091	2.34
New Non- Residents	27	0.60	45 326 210	8.37
Brokers	1	0.02	1 542	0.00
Banks	4	0.09	27 114	0.0
FCDA Residents Local	1	0.02	556 586	0.10
	4 534	100.00	541 593 440	100.00

Top Ten Shareholders		
ZMD Investments (Pvt) Ltd	102 817 353	18.98
HM Barbour (Pvt) Ltd	100 231 360	18.51
Old Mutual Life Assurance Company in Zimbabwe	37 047 902	6.84
Sarcor Investments (Pvt) Ltd	22 480 658	4.15
FED Nominees (Pvt) Ltd	20 138 124	3.72
Pharaoh Limited NNR	14 558 953	2.69
Muzika Rubi Holdings (Pvt) Ltd	11 295 944	2.09
Barclays Zimbabwe Nominees P/L - NNR	10 841 447	2.00
Stanbic Nominees (Pvt) Ltd	10 576 781	1.95
City & General Holdings (Pvt) Ltd	9 822 598	1.81
Other	201 782 320	37.26
	541 593 440	100.00

Shareholders' Calendar

First Annual General Meeting	9 December 2011
Financial Year End	30 June
Interim Reports	
6 months to December 2011	March 2012
12 months to 30 June 2012	September 2012
Annual Report Published	November 2012
Second Annual General Meeting	December 2012

Registered Office

First Floor, Edward Building
Corner First Street and Nelson Mandela Avenue
P O Box A88, Avondale
Harare
Zimbabwe

Postal Address
P O Box HG633
Highlands
Harare
Zimbabwe

Transfer Secretaries

Padenga Holdings Limited
Innscor Transfer Secretaries
1 Ranelagh Road
Highlands

Postal Address
P O Box A88
Avondale
Harare
Zimbabwe

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first Annual General Meeting of Padenga Holdings Limited is to be held at the Royal Harare Golf Club, 5th Street Extension, Harare, on Friday 9th December 2011 at 08h15, for the purpose of transacting the following business: -

Ordinary Business

1. To receive, approve and adopt the Financial Statements and Reports of the Directors and Auditors for the eleven month period ended 30 June 2011.

2. To elect the following Directors, Messrs M.J. Fowler and T.N. Sibanda who retire by rotation in terms of the Articles of Association of the Company and, being eligible, offer themselves for re-election.

3. To approve Directors' fees for the eleven month period ended 30 June 2011.

4. To re-appoint Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to approve their remuneration for the past audit.

Special Business

5. Loans to Directors

To resolve as an ordinary resolution, with or without amendments: - "That the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

Any Other Business

6. To transact any other business competent to be dealt with at an Annual General Meeting.

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

By order of the board

PADENGA HOLDINGS LIMITED

A.D. Lorimer
Company Secretary
First Floor, Edward Building
Corner First Street and Nelson Mandela Avenue
P O Box A88, Avondale
Harare
Zimbabwe

Postal Address
P O Box HG633
Highlands
Harare
Zimbabwe

1 November 2011