BORDER TIMBERS LIMITED

ANNUAL REPORT 2010

Contents

Time	9:15 am
Date	Friday 26th November 2010
Place	4th Floor, Tanganyika House, Corner Kwame Nkrumah Avenue and Third Street, Harare.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Border Timbers Limited will be held in the Board Room of Radar Holdings Limited, 4th Floor, Tanganyika House, Corner Kwame Nkrumah Avenue and Third Street, Harare:

Members will be asked to consider, and if deemed fit, to pass with or without amendments, the resolutions set out below:

AS ORDINARY RESOLUTION

1. Financial Statements

To receive, consider and adopt the audited financial statements for year ended 30 June 2010, together with reports of the Directors and Auditors.

2. Election of Directors

To re-appoint retiring Directors, Messrs H von Pezold, R von Pezold and P Nyemba retire by rotation and, being eligible, offer themselves for re-election.

To appoint Mr Douglas Dell as Managing Director and Mr Irvine Kanyemba as Director who were appointed on the 27 May and 8 March respectively.

3. Directors Remuneration

To ratify the remuneration paid to the non-Executive Directors.

4. Auditors Fees and Appointment

To ratify the remuneration paid to the Auditors for the past year's services and to appoint Auditors for the ensuing year. Messrs Ernst & Young being eligible offer themselves for reappointment.

5. Placement of Shares

To Resolve

"That the balance of the authorized, but unissued shares of the company after the redenomination, be placed under the control of the Directors of the Company, to be issued in compliance with the Company's Memorandum and articles of Association and the Regulations of the Zimbabwe Stock Exchange, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of shareholders in a General Meeting".

6. Power to Purchase own Shares

To Resolve

"That, the company, in conformity with the Company's Act (Chapter 24:03) the Regulations of the Zimbabwe Stock Exchange and its Articles of Association, be authorized to purchase for cancellation a maximum of 10% of the issued share capital of the Company at a price greater than 5% of the strike price, failing which the buying price, failing which the selling price quoted on the Zimbabwe Stock Exchange on the dealing date preceding the buy back at anytime between the passing of this Resolution and the conclusion of the next Annual General Meeting of the Company".

7. Directors' Authority to give effect to Resolutions passed

To Resolve

"That, the Directors of the Company be and are hereby authorized to do any and all such things, including altering the Company's Memorandum and Articles of association and including the authority to transfer from non-distributable reserves a sufficient amount to fund the redenomination of the Company's capital as may generally be required or necessary to give effect to the resolutions passed".

AS SPECIAL RESOLUTIONS

8. Re-denomination of the authorized ordinary share capital

To Resolve

"That, the authorized share capital of the Company be and is hereby re-denominated from 43 000 000 (forty three million) ordinary shares of Z$0.50 (zero comma five zero Zimbabwe dollars) nominal value each, to 300 000 000 (three hundred million) ordinary shares of US$0,01 (zero comma zero one United State dollars) nominal value each and that the Directors be authorized to transfer from non-distributable reserves an equivalent of the nominal value of the issued share capital to fund the re-denomination and which will amount to US$429 425.00 (four hundred and twenty nine thousand four hundred and twenty five United State dollars)".

9. Any Other Business

To transact such other business as maybe transacted at an Annual General Meeting.

In accordance with the requirements of the Companies Act, members of the Company are notified that they are entitled to appoint one or more proxies to attend, speak and vote at the meeting on their behalf. A proxy need not be a member of the Company. Proxies must be lodged with the Secretaries not less than forty-eight hours before the meeting.

By order of the Board
Radar Investments (Private) Limited

Harare
26th October 2010

Notes:

1. Validity of Existing share certificate

Subsequent to the re-denomination of share capital, existing share certificates will remain valid and good for delivery.

2. Appointment of Proxies

2.1 This proxy form should be lodged with the secretary of the Company, to be received not later than 10:00am on Wednesday 24th November 2010.

2.2 A shareholder entitled to attend and vote at the Annual general Meeting is entitled to appoint one or more proxies to attend and speak upon a poll, vote in his stead. A proxy need not also be a member

3. Change of Address:

Members are requested to advise the Transfer Secretaries in writing of any change of address

	2010 US$	2009 US$
Group Income Statement		
Revenue	13 843 061	7 569 529
Operating Profit	2 076 261	155 100
Net Interest paid	(320 017)	(64 277)
Profit before Taxation	1 756 244	90 823
Profit/(Loss) after taxation	2 570 144	(601 109)
Group Statement of Financial Position		
Equity Attributable to equity holders of parent company	117 698 552	112 762 927
Net Cash Resources	(2 890 117)	96 686
Interest Bearing Debt	4 701 371	1 486 715
Group Statement of Cash Flows		
Net (Decrease) / Increase in Cash & Cash Equivalents	(2 986 803)	96 686
Ordinary Share Performance		
Basic Earnings / (Loss) per Share	0.06	(0.01)
Headline Earnings / (Loss) per Share	0.14	(0.01)
Market Price per share at 30 June	$0.38	$0.60
Shares In Issue (Number)	42 942 487	42 942 487
Other		
Profit before interest and taxation return on total Assets	1.53%	0.12%
Profit after tax return on Shareholders funds	2.19%	-
Net Asset Value per Share (US$)	3.00	2.99
Debt to Equity	0.00%	0.01%
Current Ratio	0.92:1	1.37:1
Interest Cover	6.49	2.41
Number of Employees	2 530	2 419
Value Added per Employee (US$)	4 856.60	4 347.28
Employment Cost per Employee (US$)	3 841.07	1 260.11

SHAREHOLDERS CALENDAR IN RESPECT OF YEAR TO JUNE 2010

Financial Reports

Interim Results announced	5th March 2010
Year End results announced	8th September 2010
Annual report posted to Shareholders	5th November 2010
Annual General Meeting	26th November 2010

Shareholders are reminded to notify Radar Investments (Private) Limited, P.O. Box 10455, Harare, of any change of address.

Statutory Information

DIRECTORS	P W T Chipudhla	(Retired Chairman) – Resigned 1st August 2009
	K R R Schofield	(Chairman) – appointed 1st August 2009
	C Amira	
	D Dell	(Managing Director) appointed 27th May 2010
	P Nyemba	(Finance Director)
	H B A J von Pezold	
	R von Pezold	
	J H Mortimer	
	I Kanyemba	appointed 1st of January 2010

OPERATIONS BOARD

C Amira
D Dell
P Nyemba
G Bottger
S Sena
S Vanderlingen

SECRETARIES

Radar Investments (Private) Limited

AUDITORS

Ernst & Young

ATTORNEYS

Henning Lock Donagher & Winter, Honey & Blackenberg,Maunga and Maanda, and Wintertons

REGISTERED OFFICE

5th Floor, Charter House
Leopold Takawira Avenue/Fort Street
P.O. Box 2346
Bulawayo

BANKERS

Kingdom Bank Limited
MBCA Bank Limited
Stanbic Bank Limited
NMB Bank Limited
FBC Bank Limited

POSTAL ADDRESS

P.O. Box 458
Mutare

PERIOD OF FINANCIAL STATEMENTS

Year Ended 30th June 2010

DATE FINANCIAL STATEMENTS AUTHORISED FOR ISSUE

26th October 2010

GENERAL PRINCIPLES

The Board affirms its commitment to the principles of openness, integrity and accountability and to the provision of timeous, relevant and meaningful reporting to all stakeholders.

THE BOARD

The Board of Directors currently comprises two Executive and six non-Executive Directors. This structure concurs with the principles set out in King III report where a preferred majority of non-Executive Directors is mandated.

The Executive Directors generally have a responsibility for making and implementing operational decisions on running the Group's businesses.

Non-Executive Directors complement the skills and experience of the Executive Directors, contributing to the formation of policy and decision making through their knowledge and experience of other businesses and sectors. All Directors bring an independent judgement to the issues of strategy, performance and resources, including key appointments and standards of conduct.

The roles of Chairman and Managing Director are separate with responsibilities divided between them.

All Directors are subject to retirement and re-election by Shareholders in accordance with the Articles of Association which provides that all Directors are subject to election at the first annual general meeting following their appointment and thereafter one third of the Directors retire by rotation with the exception of the Managing Director whose appointment is set for a renewable period of five years in terms of Article 118. The board meets at least quarterly to review operational strategies and monitor management performance.

The details of each Director are as follows:

RETIRED CHAIRMAN * - PWT Chipudhla - age 80

Appointed to the Board in September 1983 and appointed Chairman in June 1989. He is Deputy Chairman of Radar Holdings and Chairman of Radius Zimbabwe Limited. Mr Chipudhla is a Member of Radar Holdings Limited and Border Timbers Limited Compensation Committees. He resigned as board chairman on the 1st of August 2009.

CHAIRMAN* - KRR Schofield - age 47

Appointed to the Board in November 1994 and appointed Deputy Chairman on 12 December 2002. He is the Chairman of Radar Holdings Limited and a Director of a number of other Zimbabwean companies outside the Radar Group. Appointed as board chairman on the 1st of August 2009.

DIRECTOR - HBAJ von Pezold – age 38

Appointed to the Board in December 2003. Mr von Pezold is also a non-executive Director for Radar Holdings Limited and serves on many other local and international companies.

DIRECTOR * - C Amira – age 60

Joined the Group in April 2004 as the Group Chief Executive Officer and was appointed to the Board in May 2004. He is also a director of Radar Holdings Limited and serves on the Board of several other Zimbabwean companies.

DIRECTOR ◊* - P Nyemba - age 40

Appointed to the Board in February 2007. He was appointed Finance Director of Border Timbers Limited in September 2006.

DIRECTOR – JH Mortimer – age 71

Appointed to the Board in May 2009.

DIRECTOR – R von Pezold – age 69

Appointed to the Board in April 2003.

DIRECTOR◊* - D Dell – age 63
Appointed to the board in May 2010.

DIRECTOR – I Kanyemba age 50
Appointed to the board in January 2010.

◊ **Executive Director**
* **Member of the Audit Committee.**

THE AUDIT COMMITTEE

The Audit Committee, having majority of non-Executive Directors, is chaired by Mr. S. Mattinson. The Committee meets three times a year. The Audit Committee is attended by the external auditors, the Managing Director and Financial Director in addition to other members of the management team as required.

The Audit Committee reviews with management that adequate and appropriate internal controls are in place and are appropriate to meet current and future needs; that significant business, strategic, statutory and financial risks have been identified and are being monitored and managed; that appropriate standards of governance, reporting and compliance are in operation; and it advises the Board on issues relating to the application of accounting standards to published financial information.

It is anticipated that, in the continued turbulence in the economy, the Audit Committee will be required to remain ever vigilant in their role of guardians of the Group.

THE OPERATIONS BOARD

The Group has established, as a sub-committee of the Board, an operations board designed to assist the Chairman and Managing Director in managing the Group. Whilst the authority of the Chairman and Managing Director are unrestricted as far as management is concerned, the Board, as a whole, sets the overall tenor and parameters necessary. This Committee is designed to assist in the daily operation of the Group when the Board is not in session but is subject to the prevailing statutory limits and terms of reference set out by the Board.

INTERNAL AUDIT

The Group has an internal audit function which monitors and reports on the internal control systems. The Head of the function attends the Audit Committee meetings at which he submits reports on the systems and risks that would have been identified. The Head reports directly to the Audit Committee and administratively to the Radar Group's Chief Executive Officer.

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements. The financial statements have been prepared in accordance with the manner required by the Companies Act [Chapter 24:03].

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are also responsible for the Group's systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on the going concern basis as the Directors have no reason to believe that neither the Group nor the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources (refer to note 27).

As a result of these uncertainties and inherent limitations, the Directors advise caution on the use of the comparative information on the income statement, statement of comprehensive income, statement of changes in equity and the statement of cash flows for decision making purposes. However the directors are of the opinion that the comparative statement of financial position reveals a true picture of the assets and liabilities in the prior year.

The financial statements set out on pages 19 to 64 were approved by the Board of Directors on 26th October and are signed on its behalf by:

____________________	____________________
KRR SCHOFIELD	P. NYEMBA
CHAIRMAN OF THE BOARD	FINANCE DIRECTOR

CERTIFICATE BY COMPANY SECRETARY

In terms of the Companies Act [Chapter 24:03], Radar Investments (Private) Limited, as Company Secretaries, we confirm that for the year ended 30th June 2010, the Group has lodged with the Registrar of Companies all such Returns as are required of a public company in terms of this Act and that all such Returns are true, correct and up to date.

Radar Investments (Private) Limited
Company Secretary
Harare
26th October 2010

The activities and results of the Group are summarised in the Operational and Financial Reviews. In addition the following statutory information is provided.

Authorised and Issued Share Capital

Details of the authorised and issued share capital at 30th June 2010 are included in note 10 to the Group financial statements.

Reserves

The movements in the Reserves of the Group are shown in the Statement of Changes in Equity.

Results For The Year

	2010 US$	2009 US$
Profit before Taxation	1 756 244	90 823
Income tax credit/(expense)	813 900	(691 932)
Profit / (Loss) for the year	**2 570 144**	**(601 109)**

Borrowing Facilities

Article 86 of the Company's Articles of Association provides that the Group may from time to time, at the discretion of the Directors, borrow, raise or source borrowings up to half the value of the shareholders equity as reflected in the Statement of Financial Position of the Annual Report. This limit may only be exceeded with the sanction of an ordinary resolution of the Company.

Directors

The following Directors served during the year ended 30th June 2010:

PWT Chipudhla	Retired Chairman	resigned 1st of August 2009
KRR Schofield	Chairman	appointed as chairman to the board on the 1st of August 2009
D Dell	Director	appointed 27th of May 2010
C Amira	Director	re-appointed December 2006
P Nyemba	Director	re- appointed December 2007
R Von Pezold	Director	re-appointed December 2007
H B A J von Pezold	Director	re-appointed December 2007
JH Mortimer	Director	appointed May 2008
I Kanyemba	Director	appointed 1st of January 2010

Directors' emoluments for Management Services during the year were $147,659.

Messrs H von Pezold, R von Pezold and P Nyemba retire by rotation and all being eligible, offer themselves for re-election. Messrs D Dell and I Kanyemba, having been appointed after the last annual general meeting, and being eligible, offer themselves for election.

Going Concern

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements. However, we draw your attention to note 26 relating to the general economic environment prevailing.

Auditors

Members will be asked to approve the Auditor's remuneration for the past audit and to confirm the re-appointment of Messrs Ernst & Young as auditors to the Group for the ensuing year, they having signified their willingness to continue in office.

Annual General Meeting

The annual general meeting is to be held on 26th November 2010 in terms of the notice set out on page 2 of this annual report.

By order of the Board
Radar Investments (Private) Limited
26th October 2010

Dear Shareholder

The forestry sector in the year under review has been characterized by a thankfully relatively quiet year with respect to criminal fire. The trauma of last year, and indeed the last 10 years' losses has been replaced at Border with a determination to rebuild the damage to both the assets and the Group as a whole. The improved operating environment in Zimbabwe has led to an evolution in understanding the challenges of a dollarized economy, on the one hand bringing desperately needed financial certainty with respect to currency values and on the other bringing the brutal reality of costs that are inescapable against a sharply reduced revenue and productivity base.

The forestry industry has a major role to play in the future of the country. Primarily however, its role is absolutely vital to the economy of Manicaland. The industry accounts for the majority of the formal employment of the province. It accounts, excluding diamonds, for the largest single source of export earnings. It has been the basis of the greatest amount of support business and infrastructure in the province and has the capacity to generate exponential growth not only from its own asset base, albeit a long term prospect given the damage caused, but significantly from the support industry that once thrived that will by definition be rebuilt alongside the rebuilding of the forest sector.

Your Group's role within the context of the overall industry has been one of leadership and investment. Over the course of the year under review, Border's liquidity levels have been put under severe strain as management has gone about the essential investment required both in people and equipment. 6 million dollars has been invested in capital expenditure and repairs and maintenance. The rebuilding of the forest knowledge base of the company has been crystallized in the joining of Camcore (www.camcore.org), a global grouping of forest research and experience. Douglas Dell has joined Border as Managing Director with a wealth of forest management experience. The context of all of the above is one of focused investment into the future of the Group led by a management team and Board that have the experience and knowledge required by a forest resource company. I believe that your Group will benefit enormously from this.

Financial overview

The salient points of the year are as follows:

- Turnover of $13.8 million vs. 2009 Turnover of $7.5 million
- Application of IAS 41 giving rise to a nominal income of $9 million
- Cash negative by approximately $3 million

Turnover is a reflection of both a proper measurement of currency as well as an improvement in production. The income arising through IAS 41 reflects the biological gain in the plantations. While this does not give rise to "dollars in hand" it does give an indication of what happens to the plantation redemption value every year. These values would of course have been significantly greater had your Group not had criminal damage inflicted on it.

The real story remains the difficulty in ensuring investment, both in people and plantation / equipment / technology vs. cash flow. Financing costs represent those seen in the earlier days of the Zimbabwe dollar hyper inflation build up, and while the total liquidity position in the country points to expensive borrowing, the banks should certainly look to their long term relationships in the way that they are pricing their services.

Management has done a fantastic job in ensuring that all obligations are met – our appreciation goes to many of our creditors who have been patient with the management of our positions.

The effort that has been made to address the underlying issue of production has started to bear fruit with your Group, post year end, having its best monthly turnover in almost 8 years.

Notwithstanding the immense difficulties in coping with the illiquidity across all sectors of the economy, interest cover has improved. The negative current asset position reflects the very short term nature of your Group's funding, a position that no company in their right mind would want themselves in, but one in which given the nature of available finance, we find ourselves with little choice.

OPERATIONAL REVIEW

Forestry

A review of the forest resource was made with the enormously positive result that available timber is more than 100% greater than the volumes that we have been planning and projecting. A major effort has gone into re-establishing the validity of the GIS information systems that define the forest assets. Encouraging progress has been made in meeting silvicultural goals. With all efforts having been focused on dealing with arson fires and the countless issues thrown up over the last 10 years, the silent loss of growth due to the lack of silvicultural best practice in many ways was as damaging as the more obvious fires. All targets were met in the year under review with the exception of planting which was held back due to dry conditions.

Tilbury Sawmill has been decommissioned as a fully equipped sawmill. The effect of the resource loss due to arson in essence means that for the next 5 years it makes sense to move the available resource to Charter Estate and concentrate our investment there.

In the year under review, the equipment and resources necessary to deal with the fire damaged timber were well employed at Charter and following the end of the cleanup were moved back to Sheba. The opportunity to effect some investment into Sheba mill was taken and the mill is back in full operation, albeit still at reduced levels in line with the overall timber limitations.

Harvesting, while 56% better than the previous year, remains constrained by the non availability of long term funding required to properly finance capital replacement. As described above, essential capex has to some extent been met but the operational efficiencies due to equipment constraints are extremely frustrating.

Manufacturing

Paulington factory had an improved supply of veneer grade logs and maintained a strong order book off the back of good demand for veneer products. Management continues to play a key role in ensuring that equipment that has been sorely tested by constant unplanned power outages remains in the kind of condition that one would expect in order to produce top quality product.

Border Timbers International is facing substantial challenges, particularly with respect to power where the design of the factory was predicated on a functioning national infrastructure, most importantly constant and reliable power. The equipment, world class in every respect, that drove quality standards both in the region and indeed in the US, is not geared to fluctuating power. Attention is being focused on how best to adapt the set-up to make best use of the equipment. The uniquely Zimbabwean adage of "making a plan" while being often the only way, is not the best way. The best way is the right equipment, geared for the right product, produced by a top class labour force in an environment of efficient service delivery. 10 years ago we were in this position……..getting back to it is the goal!

The installation and full commissioning of the new pressure vessel at the pole treatment plant has substantially improved your Group's efficiency and capability with respect to the pole market. Having lost important markets as a result of the fires, it has taken some time to rebuild the confidence of customers in Group's ability to supply consistently to large projects. This confidence has mostly been regained, new markets have been developed and the order book is very strong. I expect this to be a significant part of Border's productivity over the next 5 years.

Power

I believe it constructive and imperative to point to the single greatest operating impediment to both your Group and by extension every aspect of endeavour in this country. Power is absolutely vital to an economy that expects to grow, generate wealth and deliver a standard of living that every citizen of Zimbabwe expects. There are so many aspects of this failure that to point to any one will not solve the issue. A planned, focused, driven effort to, in an orderly and efficient way, deliver power to both agriculture and industry is critical to growth and security of financial endeavour, whether it be the lights by which children learn or the great motors of industry that will drive wealth and opportunity. The MASSIVE waste of money, in capital cost and operating cost of diesel generators is a substantial contributor to the lack of investment finance at a macro level. I IMPLORE those in Government to, as a matter of utmost urgency, sort this out!

Land

There continues to be illegal settlement on the Group's property. The authorities have again indicated that they will remove all illegal settlement and we continue to actively work with both the legal system as well as the relevant authorities to urgently remove illegal squatters.

Outlook

The recovery in Zimbabwe is fragile with the binary outcome of "go forward" or "go backwards" not as clear as the people of this country deserve to see. The obfuscation of the political landscape has meant that the ability of the country to move strongly forward has been limited and will remain so until there are clear positive signs that rule of law, protection of property and fundamental rights have been re-established. The investment climate and underlying value of investments will equally remain at the bottom of the capital markets priorities until such time as policies belonging to Europe in the 1930/40's are consigned to the rubbish bin that they belong.

The regional markets continue to grow strongly and demand for your Group's product is robust. Locally, the market for the high quality Border's product remains equally positive and we look forward to grow this position. The weakening of building standards in our view should be urgently addressed as the effects of using poorly processed timber in the construction sector will lead to disaster over the course of time. Border will work with the timber industry to maintain proper processing standards.

I look forward to the opportunity to invest in our position as a central pin to the regional markets, invest in the expansion of the timber industry, invest in new growing areas, properly protect the current assets and grow the scale of the overall role of the timber industry in putting Zimbabwe back as an important part of Africa's long term future. Long term financing is critical and we look forward, as always, to a clear road ahead that will allow capital to flow.

Retirement of Philip Chipudhla

During the year under review Philip retired as the Chairman of the Group. Philip has played a key role in Zimbabwe over the years – both politically and on the business front. He was the past Chairman of Rothmans, played an important role at the Reserve Bank, has owned numerous businesses with his biggest investment being as a major shareholder in United Refineries where he steered that company through the darkest days of Zimbabwe's collapse. His guidance as the Chairman of the Group will be missed as will his keen interest in the future of the timber industry and Manicaland's long term prospects. On behalf of the Directors and, I am certain, every person involved in Border, I express my deepest appreciation for the wisdom, tireless input, participation and perhaps above all the humour and ability to see the issues that we have faced in relative terms.

Board

I welcome Douglas Dell and Irvine Kanyemba to the Board. The wealth of knowledge and experience brought to the Board will be crucial in guiding the Group in the years ahead.

Appreciation

On behalf of the Board I would like to thank all those who keep the wheels turning at Border. Employee relations have been positive and strong, a testament to both management and the workforce at every level.

Our appreciation also to all our customers both within Zimbabwe and outside. My thanks to our suppliers. We look forward to being able to thank the politicians some day, sooner rather than later!

KRR Schofield
CHAIRMAN
26th October 2010

OVERVIEW

The year under review was characterised by a multitude of challenges. These included severe liquidity constraints in the market, high cost of borrowing and power outages. However, there was a considerable improvement in the macro-economic environment. The improvement is largely due to government's efforts in arresting fiscal indiscipline.

OPERATIONAL REVIEW

The Group has posted satisfactory results under very difficult conditions. As reported in the previous year, the Group's thrust for the next five years is to rebuild the asset base. The first year of this programme has largely been successful. Thanks to a quiet fire season.

The Group lost 67ha of planted area due to arson fires. Whilst the area damaged is significantly lower than that of prior years, it should be noted that the fundamental cause of these fires is yet to be addressed. It is disheartening to note that illegal settler activity has continued unabated at most of the Group's forestry estates. Management has continued to engage the authorities to try and resolve the issue of illegal settlers but this has not yielded any results.

Management focus on silviculture has enabled the Group to claw back on some of the backlogs created in the past decade of arson fires. Silviculture targets for the year were met except for planting. Planting targets could not be met due to the dry spell experienced between December 2009 and end of February 2010.

Total roundwood production for the year increased by 56% but was below set targets. This was mainly due to increased down time on mobile equipment. Capacity utilisation in the sawmills improved considerably but once again, power outages affected production throughput.

Paulington Factory

The supply of peeler logs improved considerably during the year but the factory could not meet production targets due to persistent power outages. Demand for plywood and veneered products remained firm. A diesel generator was commissioned in the last week of the financial year to minimise the impact of power outages to production

Border Timbers International (BTI)

The factory could not take advantage of an improved timber supply due to power outages. In view of the design of the plant, it is uneconomic to run the factory on diesel generators. Efforts are being made to modify certain equipment within the plant to reduce power consumption to levels that can be supported by diesel electricity generators. Selling prices in the export markets are still to recover from the global recession and hence operating margins for the Company are under severe pressure.

The Market

Demand for the Group's products has been most encouraging on the local market. Whilst the construction sector in Zimbabwe has been largely inactive, we have seen a few housing projects come up and some mines embarking on major expansion projects. This has resulted in a significant increase in uptake of the Group's products on the local market.

The export market led by South Africa, remained subdued throughout the year due to the residual impact of the global recession. The demand for poles in the Southern Africa region has remained very strong. The Group resumed pole production in July 2009 after the temporary halt caused by the devastating fires of the previous year. At the time of resumption of production, most pole supply contracts had been concluded and hence there were no major orders received for transmission poles. However, the situation improved significantly towards year end when the Group won a major supply contract. The contract will have a positive impact to revenues for the coming year.

Directorate

After serving the board for more than 10 years, Mr Phillip Chipudhla, the board chairman, retired from the board on the 1st of August 2009. His contribution to the Border Timbers Limited board has been invaluable and will be sadly missed. We wish him well in his retirement. Mr Kenneth Schofield was appointed to the position of board chairman on the date of Mr Chipudhla's retirement.

Mr Irvine Kanyemba and Mr Douglas Dell were appointed to the board on the 1st of January 2010 and 27th May 2010 respectively. Both gentlemen have a wealth of experience in the timber plantations business.

D Dell
MANAGING DIRECTOR
26th October 2010

The Group revenue for the period under review was $13.8 million against the prior period comparative of $7.6 million. The growth in turnover is mainly a result of an increase in production output.

Whilst there has been a remarkable improvement in turnover, the same cannot be said about operating margins. Operating margins slumped as a result of high wage increases, increased repairs and maintenance and use of diesel generators Labour Unions have struggled to understand the impact of dollarization and hence are still living in a world where wages are adjusted quarterly by huge proportions without regard to productivity. It is sad to note that the cost of labour in Zimbabwe has become unbearable to the extent that local industry is fast losing competitiveness in the Southern Africa region. As previously reported, the re-orientation of Arbitrators on wage disputes is an absolute necessity to restore sanity in wage negotiations.

In order to bring back plant and equipment to optimum operating levels, it has been necessary to incur $1,8 in repairs and maintenance. The bulk of money spent on repairs and mainatanance is attributable to work that should have been done in the period when the Group was grappling with land invasions and fire losses. It is however comforting to note that the investment in repairs and maintenance has already started to bring positive results to plant efficiencies.

Unprecedented power outages left management with no choice but to use diesel generators to guarantee production. The cost of running diesel generators is on average 4 times that of electricity from the local power utility. This has exacerbated the pressure on operating margins.

Access to working capital finance has continued to be at prohibitive interest rates. Efforts have been made to restrict borrowings at low levels and the average cost of debt for the period was 17.5%.

In compliance with IAS 41, fair value gains on biological assets of $8.9 million have been credited to the Group Income Statement. Although there is no immediate cash generation from the fair value gain, it does represent the capital appreciation on the plantation asset, and thus provides a bench mark for the value of shareholders' investments. It should be noted that the current expenditure of $1.9 million in silviculture activities will result in much improved plantation productivity in future.

Property, plant and equipment were valued by professional valuers at year end. The valuation was based on depreciated replacement cost in the case of plant and equipment and market value for land, buildings and motor vehicles. The revaluation surplus arising out of this exercise amounted to $3.2 million and this was mainly in respect of land and buildings. An amount of $4.5 million was written off property, plant and equipment as a result of impairment. Most of the assets impaired have either been decommissioned or their useful lives have been reduced.

Border Timbers International continued to operate on a single shift with production throughput being affected by power outages. The bulk of products produced by the Company are mainly sold in the export market. Export prices are yet to recover from the impact of the global recession. The depressed export prices coupled with frequent power outages resulted in the Company posting a loss of $683,246.

Capital expenditure for the year amounted to $3.9 million, of which $1.9 million was in plantation development and $2 million in plant and equipment. The Group will continue to invest in new equipment to replace obsolete assets and this major asset replacement programme is expected to be complete in the next three years

Capital expenditure has been financed through banking facilities with a renewable tenure of twelve months. Efforts are being made to convert the tenure of such facilities from twelve months to at least 24 months. Management is confident that all capital expenditure borrowings will be retired in the next 24 months.

OUTLOOK

Post year end, demand for the Group's products has remained strong. The investment in new equipment in harvesting operations and the considerable refurbishment of sawmilling equipment have started to bear fruit. Production output at all operations is at higher levels than in the last quarter of the year to June 2010. Power outages have continued to impact on production. However, negotiations with the Zimbabwe Electricity Transmission and Distribution Company on direct power imports from Electricidade de Mozambique (EDM) to Manicaland are at an advanced stage. Should this initiative be successful, the impact thereof on production costs and production output would be positive.

ACKNOWLEDGEMENT

The Group greatly appreciates the support it has received from management and all staff.

P Nyemba
FINANCE DIRECTOR
26th October 2010

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Independent Auditors' Report To The Members Of Border Timbers Limited

We have audited the accompanying Group and Company financial statements of Border Timbers Limited, as set out on pages 19 to 64, which comprise the statements of financial position at 30th June 2010, the income statements, the statement of comprehensive income, the statements of changes in equity and statements 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 directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant statutory instruments (S1 33/99 and S1 62/96). This responsibility includes: designing, implementing and maintaining internal controls 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 of the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of 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.

Basis for Qualified Opinion

An adverse audit opinion was issued on the financial performance and cash flows relating to the prior year due to non-compliance with International Accounting Standard (IAS) 29 (Financial Reporting in Hyperinflationary Economies) and International Accounting Standard (IAS) 21 (The Effects of Changes in the Foreign Exchange Rates) for the reason stated in note 26.

Qualified opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Border Timbers Limited and Company at 30th June 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other 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).

Emphasis of matter

Without further qualifying our opinion, we draw your attention to note 4 of the significant accounting policies on the significant judgements, assumptions and estimates used in the fair value determination of assets. The determination of fair values presented in the financial statements is affected by the prevailing economic environment and may therefore be distorted. This may result in significant variation in fair values, depending on sectors and assumptions used in the determination of the fair values. The significant assumptions and the estimations uncertainty have been disclosed in note 4 on the significant accounting policies.

Ernst & Young
Chartered Accountants (Zimbabwe)
Mutare
26th October 2010

1. CORPORATE INFORMATION

The financial statements of Border Timbers Limited Group and Company for the year ended 30 June 2010 were authorised for issue in accordance with a resolution of the Directors on 26th October 2010. Border Timbers Limited is a Limited company incorporated and domiciled in Zimbabwe whose shares are publicly traded.

The principle activities of the Group are described in Note 1 on Page 35.

2.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention with the exception of property, plant and equipment and plantations which are included at valuation as stated in the policy notes below.

2.1.1 CURRENCY

The consolidated financial statements are presented in United States Dollars (US$) which has become the functional currency following approval of multi-currency transactions with effect 1st February 2009 and all values are rounded to the nearest dollar except when otherwise stated.

2.1.2 PRIOR YEAR FIGURES

The directors have presented comparative information as required by International Accounting Standard (IAS) 1.

2.2 STATEMENT OF COMPLIANCE

These financial statements have been properly prepared in conformity with IFRS, promulgated by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB as well as International Accounting Standards and standing Interpretations issued under previous constitutions (IFRS's) except in the prior year due to non compliance with the following:

- IAS 21 – The Effects of Changes in Foreign Exchange Rates
- IAS 29 – Financial Reporting in Hyperinflationary Economies

The effects of these departures were not quantified, but having regard to their nature, are considered to be material and pervasive to the financial statements. These exceptions arise from the circumstances which gave rise to a change in the Group's functional currency from the Zimbabwe dollar to the United States dollar, as more fully explained in note 26.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries. Subsidiary undertakings, which are those companies in which the Group, directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Where the Group's interests in the subsidiary undertakings is less than 100 percent, the share attributable to outside shareholders is reflected in the minority interest. Subsidiaries are consolidated from their effective dates of acquisition and consolidation ceases from the date the group loses control of those subsidiaries. Subsidiaries apply uniform accounting policies and have the same year end as the holding company. The accounts of the subsidiary undertakings are drawn up at 30th June each year.

All material intercompany transactions, balances and unrealised surpluses and deficits have been eliminated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group's principal accounting policies set out below are in all material respects consistent with those of the previous year with the exception of the following new and amended IFRS and IFRIC interpretations as as of July 2009 which the group has adopted:

- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations effective 1st January 2009
- IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions effective 1st January2010 (early adopted)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements
- (Amended) effective 1st July 2009 (early adopted) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IFRS 7 Financial Instruments: Disclosures effective 1st January 2009
- IFRS 8 Operating Segments effective 1st January 2009
- IAS 1 Presentation of Financial Statements effective 1st January 2009
- IAS 23 Borrowing Costs (Revised) effective 1st January 2009
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arisingon Liquidation effective 1st January 2009
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items effective 1st July 2009 (early adopted)
- IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement effective for periods ending on or after 30th June 2009
- IFRIC 13 Customer Loyalty Programmes effective 1st July 2008
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective 1st October 2008
- IFRIC 18 Transfers of Assets from Customers effective 1st July 2009 (early adopted)
- Improvements to IFRSs (May 2008)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 16. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 21.

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IFRS 8 Operating Segments

The IASB issued IFRS 8 in November 2006. IFRS 8 replaces IAS 14 Segment Reporting (IAS 14) upon its effective date. The Group early adopted this amendment as of 1st July 2008. The Group's segments have remained the same as under IAS 14, as per note 1 on the Notes to the Financial Statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgments

In the process of applying the Group's accounting policies, management has not made any significant judgments apart from estimations stated below, which affect the amounts recognised in the financial statements.

Estimates and Assumptions

The key assumptions made by the Directors at the reporting date which have the most significant effect on the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year are in respect of plantation valuations and revaluation of property, plant and equipment:

Reassessment of Useful Lives and Residual Values

The Group reassesses the useful and residual life of its property, plant and equipment annually. In accordance with IAS 16, the useful lives and residual values of property, plant and equipment have to be reviewed every year in determining the depreciable amount of an asset. Residual value is the amount (less estimated disposal costs) that an asset would be sold at currently assuming that the asset was already in the expected condition at the end of its useful life.

Valuation of Plantations

Plantations are revalued to fair value based on the local market, which is the market in which the bulk of the timber is sold.

5. GOODWILL

Goodwill represents the difference between the cost of acquisition over the Group's interest in the fair value of the assets and liabilities of the subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually if events or changes in circumstances indicate that the carrying value may be impaired.

6. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are translated into United States Dollars, which is the Group's functional and reporting currency, at rates of exchange ruling at the date of transaction. Gains and losses arising from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing on the reporting date. These translation differences are recognised as income or as expenses in the period in which they occur. Exchange differences arising on the translation of foreign subsidiaries, if any, are recognised in other comprehensive income and accumulated in equity in the Group's foreign currency translation reserve until the disposal of the net investment, at which time they are reclassified through other comprehensive income into profit or loss.

Non monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

7. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

8. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added taxes. The revenue for the Group comprises sales of processed and raw timber to local and export market, rentals from property holdings, interest and dividends earned during the financial period. The following specific recognition criteria must also be met before revenue is recognised.

Sale of Goods

Revenue is recognised when significant risks and rewards of ownership are transferred to the buyer.

Interest Income

Interest income is recognised as interest accrues using the effective interest method.

Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

Rental Income

Rental income is accounted for on a straight line basis over the leased terms on ongoing leases.

9. PROPERTY, PLANT AND EQUIPMENT

All items of Property, Plant and Equipment are shown initially at cost excluding the costs of day to day services. Subsequent to initial measurement, Property Plant and Equipment is stated at valuation less accumulated depreciation and accumulated impairment in value after the date of valuation.

Surpluses on revaluation of all relevant Property, Plant and Equipment are recognised in other comprehensive income and accumulated in equity as an asset revaluation reserve. On realisation, the appropriate portion of the asset revaluation reserve is transferred to retained earnings.

Certain direct costs incurred during the development of major capital projects are capitalised until the assets are brought into a working condition for their intended use.

The useful lives, residual values and depreciation methods of Property, Plant and Equipment are assessed annually. Property, Plant and Equipment is revalued with sufficient frequency to ensure that the carrying amount does not differ significantly with fair value. An item of Property, Plant and Equipment is derecognised upon disposal or if permanently withdrawn from use and when no future economic benefits are expected from its use. Any gain or loss, measured as the difference between the proceeds and the carrying value, arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount assets are written down to their recoverable amounts. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless if the asset does not generate cash flows that are largely independent of those from other assets or group of assets of which determination is based on a cash generating unit. In determining value in use for the cash-generating unit, the cash flows are discounted using a pre-tax current discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Repairs and maintenance are included in the gross carrying amounts of the assets if the recognition criteria are satisfied, all other repair s and maintenance costs are expensed in the year in which they are incurred.

For property, plant and equipment, annual depreciation is calculated at varying rates on a straight line basis over the remaining useful life of vehicles, plant and machinery, furniture, fittings and office equipment to write down the assets to their residual values over their expected useful lives. The rates used to calculate depreciation are as follows;

Buildings and Improvements	4 – 30 years
Plant & Machinery	5 – 33 years
Motor Vehicles and Tractors	5 – 10 years
Furniture, Fittings & Office Equipment	4 – 15 years

Electrical connections and capital work in progress are not depreciated.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate.

10. LEASES

Finance Lease

Finance leases which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the fair value or, if lower, at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased property, plant and equipment. Lease payments are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating Lease

All other leases are classified as operating leases and the relevant rentals are expensed or where the Group is a lessor recognised as revenue in the income statement on a straight line basis related to the period of use of the asset concerned.

11. BIOLOGICAL ASSETS - PLANTATIONS

Biological assets comprise of standing timber at the estates. At initial recognition biological assets are valued at cost. Subsequent to initial recognition, biological assets are measured at fair value based on the local market, which is the market in which the bulk of the timber is sold except for those in the ages 1-6 years which are carried at cost. Fair value is determined with reference to the various ageing of the biological assets. Changes in the carrying value of the biological assets are taken directly to the income statement in accordance with IAS 41 "Agriculture". Transfers to inventory are recognised at the carrying amount of the plantation when the timber is felled.

The cost of upkeep in maintenance of biological assets is expensed to the income statement in the period that such expenditure is incurred.

12. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses whether there are any indicators of impairment for all non - financial assets at each reporting date. If circumstances exist which indicate that there may be impairment, a more detailed exercise is carried out which compares the carrying values of the assets to recoverable values based on either a realisable value or a value in use. Impairment losses are recognised as an expense in the income statement except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. The carrying value of the asset and its annual depreciation are adjusted accordingly. In the event that, in subsequent period, an asset which has been subject to an impairment loss is considered no longer to be impaired, the value is restored and the gain is recognised in the income statement except for property, plant and equipment carried at revalued amount, in which case the reversal is treated as a revaluation increase. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

13. INVENTORIES

Inventories are valued at the lower of cost and net realisable value after appropriate provisions for redundant and slow moving items. Cost is determined on the following basis:-

a) Raw materials are valued at cost on an average basis. Consumables are expensed in the period in which they are bought.

b) Finished goods and work-in-progress are valued at cost using weighted average cost method. Cost includes materials, direct labour, and a proportion of direct expenses.

c) Merchandise is valued at cost on a first in-first out basis.

d) The values of obsolete and slow moving stocks are reduced, where necessary, to estimated net realisable values.

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

14. TAXATION

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

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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred Tax

Deferred 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 assets and liabilities are measured at the tax rate 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 statement of financial position date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of any 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 the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred 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 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 the taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred 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.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprhehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred 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 the receivables or payables in the statement of financial position.

15. EMPLOYEE BENEFITS

Short terms benefits

The cost of short term employee benefits is recognised in the period in which the service is rendered. The expected cost of short term accumulating compensated absence is recognised as an expense as the employees render services that increase their entitlement.

Retirement benefit costs

a) Group Companies employees are members of defined contribution funds. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Such funds are not subject to actuarial valuation.

b) Group Companies and all employees contribute to the National Social Security Authority Pension of which the contributions are determined by the systematic recognition of legislated contributions and Other Benefits Scheme.

16. FINANCIAL INSTRUMENTS

Financial assets
Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or as available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables, investments and loans.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with gains or losses recognised in the income statement.

The Group has not designated any financial assets as at fair value through profit or loss.

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 financial assets are subsequently carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold it to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process. The Group did not have any held-to-maturity investments during the year ended 30 June 2010.

Available-for-sale financial assets

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

Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the income statement.

The Group has not designated any financial liabilities as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Fair value of financial instruments

The fair value of financial instruments 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 financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group 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 a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired or
- the Group has transferred its rights to receive cash flows from the asset or has 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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

17. PROVISIONS

Provisions are recognised when the Group and Company has a present legal or constructive obligation as a result of past events, 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. These provisions include leave pay provision, provision for bonus, audit fees provision and provision for technical fees and commissions.

Employee entitlement to annual leave is recognised when it accrues. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

18. RELATED PARTY TRANSACTIONS

The Group trades with various sister companies. Outstanding balances at year end are unsecured and interest is charged at a 'mid market rate' set and agreed to by management. No provision for impairment relating to amounts owed by related parties were made in the financial accounts for the year ended 30th June 2010.

19. SEGMENT REPORTING

The Group is organised into three primary business segments namely Manufacturing, Forestry, and Services. The Forestry segment is involved in the growing and milling of hardwood and softwood timber for both the local and export market. The Manufacturing segment manufactures and supplies timber products to the agricultural, mining, engineering and building sectors. The Services segment provides rental leasing services and corporate office services. All business segments operate in Zimbabwe and segment sales reflect sales to third parties.

20. GOVERNMENT GRANTS

Grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the Grant relates to an asset, it is recognised as deferred income and released to income in full when the asset is available for use.

A government grant that becomes repayable shall be accounted for as a revision to an accounting estimate and derecognised.

21. FUTURE CHANGES IN ACCOUNTING POLICIES

The following standards and amendments to existing standards were issued but are not yet effective.

- Amendments to IFRS 1 First-time Adoption of international Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements
- IFRS 1 Limited exemption from comparative IFRS 7 disclosure for first time adopters 1st July 2010
- IFRS 2 Amendment to IFRS 2 – Share-based payments – Group cash-settled share-based payment arrangements 1st January 2010
- IFRS 9 Financial instruments 1st January 2013
- IAS 24 Related party disclosures 1st January 2011
- IAS 32 Classification of rights issues – Amendment to IAS 32 1st February 2010
- IFRIC 14 Prepayments of a minimum funding requirement – Amendments to IFRIC 14 1st January 2011
- IFRIC 19 Extinguishing financial liabilities with equity instruments 1st July 2011
- Improvements to IFRS (April 2009)
- Improvements to IFRS (May 2010)

	Notes	2010 US$	2009 US$
REVENUE	2	13 843 061	7 569 529
Cost of Sales		(12 387 483)	(7 402 847)
GROSS PROFIT		1 455 578	166,681
Other operating income	4	9 853 618	4 131 178
Distribution and selling expenses		(1 316 113)	(857 057)
Administration expenses		(3 464 577)	(3 285 702)
Impairment loss		(4 452 245)	-
OPERATING PROFIT		2 076 261	155 100
Finance income		1 060	2 774
Finance costs		(321 077)	(67 051)
PROFIT BEFORE TAXATION	5	1 756 244	90 823
Income tax credit / (expense)	7	813 900	(691 932)
PROFIT/(LOSS) FOR THE YEAR		2,570,144	(601,109)
BORNE BY EQUITY HOLDERS OF THE PARENT COMPANY		2 570 144	(601 109)
EARNINGS / (LOSS) PER SHARE (BASIC) – DOLLARS	8	0.06	(0.01)
EARNINGS / (LOSS) PER SHARE (HEADLINE) – DOLLARS	8	0.14	(0.01)

Group Statement Of Comprehensive Income

	Notes	2010 US$	2009 US$
PROFIT/(LOSS) FOR THE YEAR		2 570 144	(601 109)
Other comprehensive income			
Revaluation of property, plant and equipment		3 179 106	-
Income tax effect		(813 625)	-
Total other comprehensive income for the year, net of tax		**2 365 481**	**-**
Total comprehensive income /(loss)for the year , net of tax		**4 935 625**	**(601 109)**
BORNE BY EQUITY HOLDERS OF THE PARENT COMPANY		**4 935 625**	**(601 109)**

EQUITY AND LIABILITIES	Notes	2010 US$	2009 US$
Share Capital	10	-	-
Reserves	11	117 698 552	112 762 927
TOTAL EQUITY		117 698 552	112 762 927
Non – current liabilities			
Deferred taxation	12	11 270 350	11 270 625
Deferred Income	13	-	646 918
		11 270 350	11 917 543
Current liabilities			
Trade and other payables	18	1 772 373	1 990 637
Interest bearing loans and borrowings	18	4 701 371	1 486 715
Provisions	18	596 322	494 635
Inter-group balances	18	147 575	157 531
Total Current Liabilities		7 217 641	4 129 518
TOTAL EQUITY AND LIABILITIES		**136 186 543**	**128 809 988**
ASSETS			
Non-current assets			
Property, plant and equipment	14	46 723 497	48 779 512
Biological assets	15	82 828 342	74 372 359
		129 551 839	123 151 871
Current assets			
Inventories	17	4 334 043	4 203 987
Trade and other receivables	17	1 935 921	1 213 419
Inter-group balances	17	110 469	144 014
Cash and short term deposits	17	254 271	96 697
Total Current Assets		6 634 704	5 658 117
TOTAL ASSETS		**136 186 543**	**128 809 988**

The financial statements on pages 19 to 64 were approved by the Board of Directors and authorised for issue on the 26 October 2010 and are signed on its behalf by:

KRR SCHOFIELD
CHAIRMAN OF THE BOARD
26 October 2010

P. NYEMBA
FINANCE DIRECTOR

Group Statement Of Changes In Equity

	Issued capital (Note 10) US$	Share premium US$	Revaluation reserve US$	Non-Distributable Reserves US$	Retained Earnings US$	Total US$
Balance as at 30 June 2008	-	-	-	113 364 036	-	113 364 036
(Loss) for the year	-	-	-	-	(601 109)	(601 109)
Balance at 30 June 2009	-	-	-	113 364 036	(601 109)	112 762 927
Total Comprehensive Income	-	-	2 365 481	-	2 570 144	4 935 625
Profit for the year	-	-	-	-	2 570 144	2 570 144
Other comprehensive income	-	-	2 365 481	-	-	2 365 481
Balance at 30 June 2010	-	-	2 365 481	113 364 036	1 969 035	117 698 552

	Notes	2010 US$	2009 US$
OPERATING ACTIVITIES			
Profit before interest and tax		2 076 261	155 100
Non-cash items	22	(758 154)	2 768 903
		1 318 107	2 924 003
Increase in working capital	22	(945 549)	(1 298 063)
		372 558	1 625 940
Interest received		1 060	2 774
Net cash flows from operating activities		373 618	1 628 714
INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(2 041 590)	(1 176 456)
Plantation Expenditure		(1 882 238)	(969 166)
Capital work-in-progress		814 205	(998 437)
Proceeds on disposal of Property, Plant & Equipment		-	33 852
Receipt of Grant		-	160 202
Net cash flows used in investing activities		(3109 623)	(2 950 005)
FINANCING ACTIVITIES			
Proceeds from borrowings		2 070 382	1 485 028
Repayment of borrowings		(2 000 103)	-
Interest cost		(321 077)	(67 051)
Net cash flows (used in)/ from financing activities		(250 798)	1 417 977
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2 986 803)	96 686
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		96 686	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**(2 890 117)**	**96 686**
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and Short Term Deposits		254 271	96 697
Bank Overdraft (Note 18)		(3 144 388)	(11)
		(2 890 117)	**96 686**

1. SEGMENT INFORMATION

YEAR ENDED 30 June 2010

	Forestry US$	Manufacturing US$	Services US$	Group US$
Revenue				
Turnover	5 386 556	8 403 612	52 893	13 843 061
Results				
Operating profit/(loss) before interest & taxation	7 215 211	(2 057 101)	(3 081 849)	2 076 261
Net interest received / (paid)	-	178	(320 195)	(320 017)
Taxation	-	-	813 900	813 900
Income / (Loss) attributable to ordinary shareholders	7 215 211	(2 056 923)	(2 588 144)	2 570 144
Statement of financial position				
Total Assets	116 414 786	13 718 979	6 052 779	136 186 543
Current Liabilities	5 054 737	1 583 695	579 209	7 217 641
Other Information				
Capital expenditure (including transfers from capital work in progress)	3 755 402	129 973	38 453	3 923 828
Depreciation	1 092 201	732 740	120 443	1 945 384
Employee numbers	2 048	394	88	2 530

YEAR ENDED 30 June 2009

	Forestry US$	Manufacturing US$	Services US$	Group US$
Revenue				
Turnover	4 163 574	3 391 035	15 919	7 569 528
Results				
Operating profit/(loss) before interest & taxation	2 777 823	41 000	(2 663 723)	155 100
Net interest received / (paid)	-	2	(64 279)	(64 277)
Taxation	-	(27 182)	(664 750)	(691 932)
Income / (Loss) attributable to ordinary shareholders	2 777 823	13 820	(3 392 752)	(601 109)
Statement of financial position				
Total Assets	117 064 884	9 094 537	2 650 567	128 809 988
Current Liabilities	1 767 259	366 930	1 995 329	4 129 518
Other Information				
Capital expenditure (including transfers from capital work in progress)	1 059 552	-	116 904	1 176 456
Depreciation	1 280 862	304 923	573 804	2 159 589
Employee numbers	1 917	389	113	2 419

The Group is organised into three main business segments, all of which operate in Zimbabwe:

- Forestry: growing and milling of hardwood and softwood timber
- Manufacturing: manufacture and supply of product to the agricultural, mining, engineering, and building sectors
- Services: property holdings and corporate office activities.

All business segments operate in Zimbabwe and segment sales reflect sales to third parties including arm's length inter-segment sales recorded at fair value.

	2010 US$	2009 US$
2. TURNOVER		
Sale of goods	13 790 168	7 553 609
Rental income	52 893	15 920
	13 843 061	7 569 529

3. RELATED PARTY DISCLOSURES

The Group trades with various fellow subsidiary companies. These are conducted on an arm's length basis. In addition, the Group participates in financial transactions involving the holding company and fellow subsidiaries.

The consolidated financial statements include the financial statements of Border Timbers Limited and the following subsidiary companies.

Name	Country of Incorporation	Activities	Percentage Equity Interest 2010	2009
Border Timbers International (Private) Limited	Zimbabwe	Manufacturing	100%	100%
Hangani Development Company (Private) Limited	Zimbabwe	Dormant	100%	100%
Mercury Developments (Private) Limited	Zimbabwe	Dormant	100%	100%

a) Key Management Personnel Remuneration and Other Compensation	2010 US$	2009 US$
- Short term employee benefits	141 724	26 675
- Pension contributions	5 935	1 067
	147 659	27 742

Key management remuneration only consists of short term employee benefits and pension contributions.

b) Statement of Comprehensive Income Information	Nature of Relationship		
Sales			
- United Builders Merchants (Private) Limited	Fellow Subsidiary	1 237 109	269 655
- Macdonald Bricks (Private) Limited	Fellow Subsidiary	-	11 898
- Makandi Tea and Coffee (Private) Limited	Sister Company	15 075	-
Purchases			
- United Builders Merchants (Private) Limited	Fellow Subsidiary	156 430	56 110
- Makandi Tea and Coffee (Private) Limited	Sister Company	-	39 000
Cost Contribution			
- Radar Investments (Private) Limited	Fellow Subsidiary	240 000	108 757
Interest Paid			
- Radar Investments (Private) Limited	Fellow Subsidiary	-	35 520
Professional Fees			
- Foresseta De Niassa (Private) Limited	Sister Company	11 770	14 900
Rentals			
- Radar Properties (Private) Limited	Fellow Subsidiary	-	1 247

c) Statement of Financial Position Information			
Closing Balances			
- Makandi Tea & Coffee (Private) Limited	Sister Company	-	(15 075)
- Radar Investments (Private) Limited	Fellow Subsidiary	(85 733)	(108 757)
- MacDonald Bricks (Private) Limited	Fellow Subsidiary	(639)	5 715
- United Builders Merchants ((Private) Limited	Fellow Subsidiary	109 570	94 530

Statement of Financial Position Information	Nature of Relationship	2010 US$	2009 US$
- Radar Properties (Private) Limited	Fellow Subsidiary	-	13
- Rift Valley Holdings (Private) Limited	Sister Company	(3 130)	(14 900)
- Beit Bridge Juicing (Private) Limited	Sister Company	899	-

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2010, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	2010 US$	2009 US$
4. OTHER INCOME		
Profit on Disposal of Property, Plant & Equipment	-	8 178
Fair value gains on biological assets	8 936 592	4 021 133
Sundry including Exchange Gains	917 026	101 867
	9 853 618	4 131 178
5. PROFIT BEFORE TAXATION		
Profit before taxation is stated after:		
Debiting:		
Auditors' remuneration		
- current - Audit Services	91 227	21 000
- Non Audit Services	7 268	17 047
	98 495	38 047
Plantation Redemption	2 362 846	4 638 625
Inventory write off – work in progress and finished goods	445 477	-
Inventory write off - consumables	-	348 459
	445 477	348 459
Provisions		
- Depreciation	1 945 384	2 159 589
- Impairment charge	83 323	62 284
	2 028 707	2 221 873
Staff costs (note 6)	5 029 449	3 048 217
Loss on Disposal of Property, Plant & Equipment	64 876	-
Crediting:		
Profit on Disposal of Property, Plant & Equipment	-	8 178
Exchange Gains	155 804	99 679

6. STAFF COSTS

	2010 US$	2009 US$
- Salaries and wages	4 364 050	2 850 226
- Pension costs	535 011	139 472
- Medical aid costs	130 388	58 519
	5 029 449	3 048 217

Manning levels at 30.06.2010	Nos.	Nos.
Permanent	1 395	1 488
Contract	1 135	931
Total	**2 530**	**2 419**

7. TAXATION

	2010 US$	2009 US$
Company taxation	-	-
Deferred (Note 12)	813 900	(691 932)
	813 900	**(691 932)**
Tax Reconciliation:		
Profit before Taxation	1 756 244	90 823
Taxation at normal rate	452 233	28 064
Net of non-taxable income and non-deductible expenses	612 305	663 868
Change in tax rate	(1 878 438)	-
	(813 900)	**691 932**

8 LOSS PER SHARE

Headline loss per share is based on the Group's headline loss divided by the number of shares or where applicable the weighted average number of shares in issue during the year. 42 942 487 shares represent the weighted average number of shares for both years.

Reconciliation between profit/(loss) and headline profit/(loss):

	2010 Per Share US$	2010 Net Income US$	2009 Per Share US$	2009 Net Income US$
Profit/(Loss) as reported (Basic)	0.06	2 570 144	(0.01)	(601 109)
Adjustments:				
(Loss) /Profit on sale of Property, Plant & Equipment	(0.00)	64 876	0.00	(8 178)
Deferred Income Credited to Income Statement	(0.02)	(703 836)	-	-
Impairment of Property, Plant & Equipment	0.10	4 452 245	-	-
Headline Profit/(Loss)	0.14	6 383 429	(0.01)	(609 287)

9. PROFIT /(LOSS) FOR THE YEAR

	2010 US$	2009 US$
The profit/(loss) after taxation in the accounts of the Holding Company amounts to:	2 570 144	(601 109)

10. SHARE CAPITAL

	2010 Number of Shares	2009 Number of Shares
Ordinary shares of ZW$2 each (before the revaluation and change in currency)		
- authorised	43 000 000	43 000 000
- unissued	(57 505)	(57 505)
Issued and fully paid	42 942 487	42 942 487

Issued and fully paid share capital amounts to 42,942,487 shares. The unissued shares are under the control of the Directors who may issue them on such terms and conditions as they see fit subject to the limitation of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange Regulations. The period of this authority is unlimited.

11. RESERVES

	2010 US$	2009 US$
Balance at 1 July	112 762 927	113 364 036
Profit/(Loss) for the year	2 570 144	(601 109)
Other comprehensive income, net of tax	2 365 481	-
Balance as at 30 June 2010	117 698 552	112 762 927

The opening shareholder funds of US$112.76 million (2009: US$113.36 million) are comprised of share capital, share premium, retained earnings and a foreign currency translation reserve created on the change in functional currency. The share capital balance will be disclosed separately once the redenomination of share capital to United States dollars has been done.

12. DEFERRED TAXATION

At 1 July 2009	11 270 625	10 578 693
Current year charge to income statement	(813 900)	691 932
Arising from revaluation of property, plant & equipment	813 625	-
At 30 June 2010	11 270 350	11 270 625

ANALYSIS OF DEFERRED TAXATION

Accelerated depreciation for tax purposes	8 490 919	9 917 825
Fair value adjustment on biological assets	2 745 806	1 242 531
Prepayments	43 479	113 353
Unrealised Exchange Gains	4 099	9 399
Unrealised Profit in Inventory	(13 953)	(12 483)
	11 270 350	**11 270 625**

13. DEFERRED INCOME

European Union Grant	-	646 918

The European Union undertook to finance the installation of a Steam Engine-powered generator set at Charter Sawmill. The total cost of the project was Euro 818,301 of which Euro 499,000 was the European Union Contribution. The steam engine was commissioned during the year. The condition of the grant was that funds should be used for the intended purpose. As the Steam Engine has been commissioned, these funds have been credited to profit and loss.

13. DEFERRED INCOME (CONTINUED)

	2010 US$	2009 US$
Analysis of Deferred Income		
Opening balance	646 918	486 716
Exchange Rate Adjustment	56 918	-
Received during the year	-	160 202
Transferred to Income Statement	(703 836)	-
Closing Balance	-	646 918

14. PROPERTY, PLANT & EQUIPMENT

	LAND AND BUILDINGS US$	PLANT AND MACHINERY US$	MOTOR VEHICLES AND TRACTORS US$	FURNITURE AND FITTINGS US$	ELECTRICAL CONNECTIONS US$	CAPITAL WORK-IN-PROGRESS US$	2010 TOTAL US$
OPENING BALANCE – 30TH JUNE 2009	36 615 973	7 674 555	4 738 178	115 180	791 015	998 436	50 933 337
ADDITIONS	1 012	182 955	1 040 057	3 362	-	-	1 227 386
DISPOSALS	(3 996)	-	(60 880)	-	-	-	(64 876)
TRANSFERS IN(OUT)	5 000	39 500	735 952	33 752	-	(814 204)	-
REVALUATION	1 111 862	865 358	1 120 012	2 747	79 127	-	3 179 106
IMPAIRMENT	(1 142 360)	(1 858 141)	(1 181 120)	(28 745)	(241 879)	-	(4 452 245)
CLOSING BALANCE – 30TH JUNE 2010	36 587 491	6 904 227	6 392 199	126 296	628 263	184 232	50 822 708
DEPRECIATION							
OPENING BALANCE – 30TH JUNE 2009	736 838	719 790	716 094	(18 895)	-	-	2 153 827
CURRENT YEAR'S CHARGE	790 261	654 697	464 244	36 182	-	-	1 945 384
DISPOSALS	-	-	-	-	-	-	-
CLOSING BALANCE – 30TH JUNE 2010	1 527 099	1 374 487	1 180 338	17 287	-	-	4 099 211
NET BOOK VALUE – 30TH JUNE 2010	35 060 392	5 529 740	5 211 861	109 009	628 263	184 232	46 723 497

14. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

DEEMED COST	LAND AND BUILDINGS US$	PLANT AND MACHINERY US$	MOTOR VEHICLES AND TRACTORS US$	FURNITURE AND FITTINGS US$	ELECTRICAL CONNECTIONS US$	CAPITAL WORK-IN-PROGRESS US$	2010 TOTAL US$
DEEMED OPENING BALANCE – 30TH JUNE 2008	36 604 958	7 503 241	3 007 406	279 659	1 394 616	-	48 789 880
ADDITIONS	-	-	1 173 140	3 316	-	998 436	2 174 892
DISPOSALS	-	-	(31,435)	-	-	-	(31 435)
TRANSFERS IN(OUT)	11 015	171 314	589 067	(167 795)	(603 601)	-	-
CLOSING BALANCE – 30TH JUNE 2009	36 615 973	7 674 555	4 738 178	115 180	791 015	998 436	50 933 337
DEPRECIATION							
DEEMED OPENING BALANCE – 30TH JUNE 2008	-	-	-	-	-	-	-
CURRENT YEAR'S CHARGE	736 838	719 790	721 857	(18 897)	-	-	2 159 589
DISPOSALS	-	-	(5 763)	-	-	-	(5 763)
CLOSING BALANCE – 30TH JUNE 2009	736 838	719 790	716 094	(18 897)	-	-	2 153 825
NET BOOK VALUE – 30TH JUNE 2009	35 879 135	6 954 765	4 022 084	134 077	791 015	998 436	48 779 512

14.1 Encumbered Assets

There are no encumbered assets.

14.2 Capital Commitments

Capital expenditure approved at 30 June 2010:		2010 US$	2009 US$
Contracted:		Nil	Nil
Not Contracted:	Property Plant and Equipment	3 074 839	2 904 284
	Plantation Establishment	1 866 879	1 682 122
		4 941 718	4 586 406

All commitments are to be funded from Group resources.

14. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

14.3 Revaluation of Property, Plant & Equipment

Property, Plant & Equipment was revalued by CC Sales Limited (Registered professional valuers) as at 30th June 2010 as follows:-

(i) Land and buildings	- Depreciated US$ replacement cost
(ii) Plant and machinery	- Depreciated US$ replacement cost according to age, obsolescence, use and condition.
(iii) Motor vehicles and tractors	- Depreciated US$ replacement cost
(iv) Furniture, Fittings & Office Equipment	- Depreciated US$ replacement cost

	2010 US$	2009 US$
14.4 Property, Plant & Equipment withdrawn from use	-	2 203 062

15. BIOLOGICAL ASSETS

	2010 US$	2009 US$
Opening Balance	74 372 359	79 034 288
Expenditure for the period	1 882 238	969 166
Fair value gain	8 936 592	4 021 133
	85 191 189	84 024 587
Deduct:		
Destroyed by fire / Cyclone	(68 459)	(8 790 512)
Felled Timber	(2 294 388)	(375 461)
Map adjustments	-	(486 255)
Valuation at 30th June 2010	82 828 342	74 372 359

Comprising of	2010 Ha	2010 US$	2009 Ha	2009 US$
1- 6 years	6 579	1 776 386	5 861	1 025 588
7-12 years	4 665	10 206 516	5 045	5 861 278
13-18 years	6 422	38 337 821	5 429	30 709 078
19-24 years	2 402	21 176 072	2 585	25 211 227
25-30 years	378	4 686 033	491	6 784 953
Over 30 years	699	6 645 514	656	4 780 235
	21 145	82 828 342	20 067	74 372 359

15. BIOLOGICAL ASSETS (CONTINUED)

Valuation of plantations

A director's valuation was carried out at 30th June 2010 based on estimated fair value based on cost in the region.

In arriving at their estimates of fair values, the Directors have used market knowledge, professional judgement and historical transactional comparables. The table below presents the sensitivity on profit/(loss) before tax due to change in assumptions. The sensitivities presented are a favourable movement, if the sensitivity variables are unfavourable, the negative impact on profit would be of a similar magnitude:

	% Change	Effect on profit before tax
Increase in mean annual increment/trees per hectare	5%	US$4,141,417

	2010 US$	2009 US$
16. LOANS		
Within one year	1 556 983	1 486 705
Within two to five years	-	-
	1 556 983	1 486 705
17. CURRENT ASSETS		
Inventories		
- Raw materials	158 794	132 380
- Work-in-progress	2 133 384	1 556 799
- Finished goods	1 143 642	2 022 556
- Goods In Transit	898 223	492 252
Total Inventories at the Lower of Cost and Net Realisable Value	4 334 043	4 203 987

The amount of write-down of inventories recognised as an expense is US$ 445 477 (2009: US$348 459)

Trade and Other Receivables

	2010 US$	2009 US$
Trade receivables	1 500 943	988 523
Other receivables and prepayments	434 978	224 896
	1 935 921	1 213 419
Inter - group balances	110 469	144 014
Cash resources	254 271	96 697
	6 634 704	5 658 117

Trade and Other Receivables Terms and conditions

Trade and other receivables do not bear interest and are normally settled on 30 day terms for local sales and over 90 days for export sales.

	2010 US$	2009 US$
Trade Receivables are shown after deducting a provision for impairment of	145 607	62 284

As at 30 June 2010, trade and other receivables after deducting US$145 607 (2009: US$62 284) provision for impairment amounted to US$1 935 920 (2009: US$1 213 417).

17. CURRENT ASSETS (CONTINUED)

	2010 US$	2009 US$
Movement in the provision for impairment were as follows:		
Balance at beginning of the Year	62 284	-
Charge for the Year	83 323	62 284
Balance at End of the Year	145 607	62 284

As at 30 June 2010, the analysis of net trade receivables is as follows:

		Neither Past Due nor Impaired	Past Due but not impaired		
	Total US$	Current US$	30-60 days US$	61 - 90 days US$	>90 days US$
2010	1 500 943	626 064	603 529	144 098	127 252
2009	988 523	307 739	492 426	90 577	97 781

Inter-group balances terms and conditions

The terms and conditions are as per Note 3.

Cash and Short-Term Deposits

Cash and cash equivalents at the end of the period include deposits with banks of the Group and cash on hand.

	2010 US$	2009 US$
Cash at bank and on Hand	254 271	96 697

Cash at banks earns interest at floating rates based on daily bank deposits. The fair value of cash on hand and at bank is $254,271.

At 30 June 2010, the Group had available US$ nil (2009: US$ nil) undrawn committed borrowing facilities.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following at 30 June 2010:

	2010	2009
Cash at Bank and on Hand	254 271	96 697
Bank Overdrafts	(3 144 388)	(11)
	(2 890 117)	96 686

18. CURRENT LIABILITIES	2010 US$	2009 US$
Interest bearing loans and borrowings		
- Bank overdraft (unsecured)	3 144 388	11
- Short Term Loans (analysed below)	1 556 983	1 486 704
	4 701 371	1 486 715
Interest Free		
- Trade and other payables	1 772 373	1 990 637
- Provisions	596 322	494 635
- Inter-group balances	147 575	157 531
	2 516 269	2 642 803
	7 217 641	4 129 518

Interest Bearing loans and borrowings analysis

	Effective Interest Rate	Maturity Period	2010	2009
Short Term loans			**US$**	**US$**
Bank Loans - Stanbic	6%	150 days	-	500 000
- MBCA	12.75%	180 days	-	986 704
- FBC	18%	60days	300 000	-
- IDBZ	13%	180days	499 990	-
- NMB	18%	60days	206 000	-
- NMB	25%	90days	200 000	-
- KMB	-	180days	66 000	-
Shareholders loan	20%	365days	284 993	-
Sub total			**1 556 983**	**1 486 704**
Bank overdraft				
Bank Overdraft	16%	Overnight	-	11
Bank overdraft	17%	Overnight	3 144 388	-
Sub total			**3 144 388**	**-**
Total			**4 701 371**	**1 486 715**

All facilities bear a fixed interest rate.

Borrowings are unsecured.

Terms and Conditions of Trade and Other Payables

Trade payables are unsecured, non-interest bearing and are generally settled within 30 days. Other payables are unsecured, non-interest bearing and have an average term of 60 days.

Provisions

Provision for leave pay

The provision relates to vesting leave pay to which employees may become entitled to on leaving employment of the Group. The provision arises as employees render their services that increase their entitlement to future compensated absences and is calculated at current remuneration levels. The provision is utilized when employees take leave or are paid accumulated leave pay.

Provision for bonus

The provision consists of an annual bonus and a performance based bonus.

18. CURRENT LIABILITIES (CONTINUED)

Analysis of provisions (Short term)

	Opening Balance	Additional Provision	Amounts Utilised	Closing Balance
Provision	**US$**	**US$**	**US$**	**US$**
Bonus	276 713	-	(120 366)	156 347
Leave Pay	196 922	161 486	-	358 408
Audit fees	21 000	70 227	(9 660)	81 567
Total	**494 635**	**222 053**	**(120 366)**	**596 322**

Terms and conditions for inter-group balances

The terms and conditions are as per Note 3.

19 BORROWING POWERS

The Articles of Association provide that the Group may from time to time, at the discretion of the Directors, borrow, raise or source borrowings up to half the value of the shareholders equity as reflected in the Statement of Financial Position of the Annual Report. This limit may only be exceeded with the sanction of an ordinary resolution of the Company.

20 PENSION FUNDS

20.1 The Radar Group Pension Fund

The fund is a defined contribution scheme and is not subject to Actuarial valuation. Employer/employee contributions are 10.0% and 5.0% respectively (2010: US$ 312,319: 2009:US$91,088) and expensed in the period.

20.2 National Social Security Authority Scheme (NSSA)

This scheme was promulgated under the National Social Security Act (Chapter 17:04) of 1989. Employer/employee contributions under the scheme are limited to specific contributions as legislated from time to time and which at 30 June 2010 were 3% of pensionable emoluments (2010: US$222,692: 2009: US$48,384).

21 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade and other receivables and cash and short term deposits that arise directly from its operations.

The Group is exposed to interest rate risks, foreign currency exposure, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of directors that advises on financial risks and the appropriate financial risk governance framework for the Group. The Board of Directors meets regularly to analyse the Group's risk-taking activities and ensure that they are governed by appropriate policies. The policies for each of these risks are summarized below.

21.1 Derivative Financial Instruments

The Group in its management of foreign currency does not use these, nor are they held for trading purposes.

21.2 Board Meetings

The Board executive meets regularly to consider and to adopt effective strategies to manage the following risks:

- exposure to exchange rate fluctuations;
- borrowing facilities in the form of bank overdrafts and acceptance credits are negotiated with approved and registered financial institutions and third parties, at acceptable interest rates;
- investment of surplus funds in the form of treasury bills, bank acceptances and money at call are placed with approved registered financial institutions and building societies at favourable rates on a short-term basis;
- credit risk in the form of trade receivables that consist of a large customer base. However a sales agent who deals directly with many individual customers, represents a major portion of the amount outstanding.
- Specific provisions for doubtful debts are regularly adjusted. Where appropriate, credit guarantee insurance is purchased;
- Insurance of group assets with the exception of plantations, which are not insured.

21.3 Interest Rate Risk Management

The Group's exposure for the risk for changes in market rates relates primarily to the Group's short term debt obligations with a fixed interest rate. Management monitors the Group's debt and makes efforts to reduce the interest rate exposure.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates applied to values of the loans and overdrafts. With all other variables held constant, the Group's profit before tax and current liabilities are affected through the impact on the fluctuating interest rates as follows:

	Increase in Basis Points 3%	(Decrease) in Basis Points 3%
Increase Rate Sensitivity Analysis	Potential Gain/(loss)	Potential Gain/(loss)
Profit and loss	(44 725)	44 107
Current Liabilities	44 725	(44 107)

At 30 June 2010, if the interest rate had been 3 basis points higher with all other variables held constant, profit before tax would have been US$44,725 lower and current liabilities would have been US$44,725 higher due to the increased interest obligations. Similarly at 30 June 2010,if the interest rates had been 3 basis points lower with all other variables held constant, profit before tax would have been US$44,107 higher and current liabilities would have been US$44,107 lower due to reduced interest obligations.

21.4 Foreign Currency Exposure Management

The Group has transactional currency exposures. Such exposure arises from the sales or purchases or borrowings by an operating unit in currencies other than the unit's functional currency. Management monitors exposure to exchange rate fluctuations on an ongoing basis.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates applied to values of the closing foreign balances. With all other variables held constant, the Group's profit before tax, current liabilities and current assets are affected through the impact of the fluctuating foreign exchange rates as follows:

	Increase in Basis Points 3%	(Decrease) in Basis Points 3%
Increase Rate Sensitivity Analysis	Potential Gain/(loss)	Potential Gain/(loss)
Profit and loss	(26 173)	25 925
Current Assets	(26 456)	26 045
Current Liabilities	283	120

At 30 June 2010, if the foreign currency exchange rates had been 5% higher with all other variables held constant, profit before tax would have been US$26,173 lower, current liabilities would have been US$283 higher and current assets would have been US$26,456 lower. Similarly at 30 June 2010,if the foreign currency exchange rates had been 5% lower with all other variables held constant, profit before tax would have been US$25,925 higher, current liabilities would have been US$120 higher and current assets would have been US$26,045 higher.

21 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

21.5 Credit Risk Management

The Group trades only with recognised creditworthy third parties. It is the Group'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 Group's exposure to impairment is not significant. The maximum exposure is the carrying amount as disclosed in Note 17. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the instrument.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other form of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21.8. The Group does not hold collateral as security.

21.6 Liquidity Risk Management

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities at 30 June 2010:

	On Demand	< 3 months	3 to 12 Months	2010 Total	2009 Total
	US$	US$	US$	US$	US$
Trade	501 144	1 129 953	141 275	1 772 372	1 990 637
Provisions	81 567	-	514 755	596 322	494 635
Interest bearing loans and borrowings	3 144 388	-	1 556 983	4 701 371	1 486 715
Inter group balances	-	42 634	104 941	147 575	144 014
	3 727 098	1 172 587	2 317 954	7 217 640	4 116 001

21.7 Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 30 June 2010.

The Group monitors its capital ratio using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within its net debts, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations; capital includes equity attributable to the equity holders of the parent.

	2010 US$	2009 US$
Trade and other payables	2 368 693	717 380
Interest bearing loans and borrowings	1 556 983	1 486 715
Inter- Group indebtedness	147 575	157 531
Less Cash and Short term deposits	2 890 117	(96 698)
Net Debt	**6 963 368**	**2 264 928**
Equity	17 698 552	112 762 927

	2010 US$	2009 US$
Capital and Net debt	124 661 920	115 027 855
Gearing ratio	6%	2%

21.8 Fair Values of Financial Instruments

The estimated net fair values of all financial instruments approximate to the carrying amounts shown in the statement of financial position due to the short term nature of these instruments. Receivables were tested for impairment and adjusted for accordingly.

Financial Assets	Carrying amount 2010 US$	Fair Value 2010 US$
Cash	254 271	254 271
Trade and other receivables	1 935 920	1 935 920
	2 190 191	**2 190 191**
Financial Liabilities		
Bank Overdraft	3 144 388	3 144 388
Trade and other payables	2 368 693	2 368 693
Interest bearing loans and Borrowings	1 556 983	1 556 983
	7 070 064	**7 070 064**

The fair value of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction of willing parties, other than a forced or liquidation sale.

Fair Value Hierarchy

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

Level: Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

As at 30 June 2010, the Group held the following financial instruments measured at fair value:

	30 June 2010 US$	Level 1 US$	Level 2 US$	Level 3 US$
Financial Liabilities at Fair Value through Profit or Loss				
Interest bearing loans and borrowings	1 556 983	-	1 556 983	-

During the period there were no transfers between any of categories

21.9 Asset Insurance

Assets are insured on a reinstatement basis. The sums insured are subject to regular review by the Group and its brokers. Plantations are not insured as cover is not available.

22 CASH FLOW INFORMATION	2010 US$	2009 US$
22.1 Non cash Items and separate disclosures		
- Depreciation	1 945 384	2 159 589
- Fair value gain on biological assets	(8 936 592)	(4 021 133)
- Plantation redemption	2 362 845	4 638 625
-(Loss)/profit on disposal of Property, Plant & Equipment	64 882	(8 178)
- Grant income	(646 918)	-
- Impairment loss	4 452 245	-
	(758 154)	2 768 903

Plantation redemption refers to the depletion of the plantation asset and comprises felled and fire damaged timber.

22.2 Movement in working capital		
- Inventories	(130 056)	(222 043)
- Receivables	(722 502)	(230 027)
- Short term interest free liabilities	(116 580)	(784 664)
- Inter-group balances	23 589	(61 329)
	(945 549)	(1 298 063)

23 NON-COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

23.1 Non-Compliance with IAS 29 (Financial Reporting in Hyperinflationary Economies) & IAS 21 (The Effects of Changes in Foreign Exchange Rates) in respect of the measurement of the comparative statement of comprehensive income, and statement of cash flows

The Group's functional currency changed during the previous financial period July 2008 to January 2009 from Zimbabwean dollars to United States dollars. The Group has chosen to report all its transactions in united state dollars because it is the functional currency applicable to all current transactions. The Group's reporting currency is United States Dollars.

The Group was not been able to comply with the requirements of IAS 21 because this standard requires that all transactions that are in the currency of hyperinflationary economy to be adjusted to a unit of measure current at the measurement date before conversion to an alternative presentation currency. The Group was not able to adjust its Zimbabwe dollar transactions in the previous period to comply with IAS 29.

Transactions that were previously reported in Zimbabwe dollars in prior periods are required to be converted into united states dollars in order to present the prior year financial information in a similar currency of presentation to the functional currency applicable for the current financial year. Due to macroeconomic environment prevailing in the previous year, as explained in note 26 ,the comparative information relating to financial performance and cash flows disclosed is misleading. The Directors advise caution in using the comparative information presented in the statement of comprehensive income and statement of cash flows.

23.2 Non-compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) in respect of the measurement of all comparative information, the statement of comprehensive income, the statement of changes in equity and the cash flows statement.

The Group's functional currency changed during the course of the financial period from Zimbabwe Dollars to United States Dollars (US$). The Group has chosen to report all its transactions in United States dollars because it is the new functional currency applicable to all current transactions.

The Group has not been able to comply with the requirements of IAS 21 because this standard requires that all transactions that are in the currency of a hyperinflationary economy to be adjusted to a unit of measure current at the measurement date before conversion to an alternative presentation currency. The Group has not been able to adjust its Zimbabwe Dollar transactions to comply with IAS 29 as more fully explained in note 26.

Transactions that were previously reported in Zimbabwe Dollars in prior periods need to be converted into United States Dollars in order to present the prior year financial information in a similar currency of presentation to the current financial year. Due to the macroeconomic environment prevailing in the previous year, as explained in note 2 on Significant Accounting Policies, the comparative information has not been presented as it would be misleading.

24. LAND DESIGNATION

During previous financial years, the Zimbabwe Government de-listed all land previously listed for compulsory acquisition. In 2005 the Constitution of Zimbabwe Amendment (No17) was enacted into Zimbabwe law by the Parliament of Zimbabwe to confirm acquisition of land for resettlement purposes which took place pursuant of the Land Reform Program beginning 2000 and to provide for the acquisition in future of agricultural land for resettlement and other purposes.

The constitutional provision states that:

- All land that has been identified in the Government Gazette between 2 June and 8 July 2005 or identified after that date by the Government, as being Agricultural land required for resettlement purposes is acquired by the state and is vested in the state with full title therein.
- No compensation shall be payable to such land except for any improvements on the land
- The acquisition of such land may not be challenged by the courts except to the extent of amounts payable for improvements.
- It should however be noted that both the land and operating assets of the Group are protected through a bilateral investment agreement between Zimbabwe and Germany.

25. CONTINGENT LIABILITIES

Border Timbers Limited is in tax dispute with Zimra which is before the Special Court for tax Appeals under case No SP03/09. Zimra is claiming US$ 300 000 by way of PAYE remuneration in kind to employees before dollarisation. Border Timbers Limited has challenged the claim and it awaits date of set down.

Border Timbers Limited employees have been granted an award by arbitrator for Border Timbers Limited to pay the employees back pay and to pay them wages and salaries gazetted by NEC. Border Timbers Limited has appealed and the appeal is still at the labour court.

26. LIMITATIONS OF FINANCIAL REPORTING IN THE GENERAL ENVIRONMENT PREVAILING IN THE PRIOR YEAR

The uncertainties in the adverse Zimbabwean economic environment prior to the introduction of trading in multiple currencies resulted in limitations in financial reporting

The Group operated under a hyperinflationary economy in the prior year 1 July 2008 to January 2009. The entity changed its functional currency to United States dollars with effect from February 2009. The comparative income statement and the statement of cash flows have not been prepared in conformity with International Financial Reporting Standards in that the statements have not been prepared in conformity with International Financial Reporting Standards in that the requirements of IAS 29 and IAS 21 were not complied with in that period in converting the financial information into the new functional currency for the following reasons:

- the inability to reliably measure inflation because of the interaction of multiple economic factors which were pervasive to the Zimbabwean economic environment as explained in note 23.1; and
- the inability to adjust items that were recorded in Zimbabwe dollar into United State dollars at the date of change of functional currency as explained in note 23.1

26. LIMITATIONS OF FINANCIAL REPORTING IN THE GENERAL ENVIRONMENT PREVAILING IN THE PRIOR YEAR (CONTINUED)

Therefore the information for prior period cannot be compared to the current year's financial information because it is not measured on the same basis of accounting as compliance with these standards is considered material and pervasive to the comparative information

As a result of these uncertainties and inherent limitations, the Directors advise caution on the use of the comparative income statement, and the comparative statement of cash flows for decision making purposes.

Approval was given for all entities to trade in foreign currency on 29 January 2009. This means that by the time the Group reported on 30 June 2009 all its assets and liabilities were denominated in a stable foreign currency. For this reason the Director's believe that the comparative statement of financial position is a fair reflection of the financial position of the Group as at 30 June 2010. Therefore the Directors have presented meaningfull comparative information for the statement of financial position.

27. GOING CONCERN

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

Company Income Statement

	Notes	2010 US$	2009 US$
REVENUE	1	13 423 750	7 037 ,345
COST OF SALES		(11 611 338)	(7 019 342)
GROSS PROFIT		1 812 412	18 003
OTHER OPERATING INCOME		9,842,949	4 031 891
DISTRIBUTION AND SELLING EXPENSES		(1 184 255)	(742 180)
ADMINISTRATION EXPENSES		(3 245 388)	(3 200 132)
IMPAIRMENT LOSS		(4 452 245)	-
OPERATING PROFIT BEFORE INTEREST AND TAXATION		2 773 473	107 582
Finance Revenue		859	2 772
Finance Costs		(321 054)	(64 051)
PROFIT BEFORE TAXATION	3	2 453 278	43 303
INCOME TAX CREDIT/(EXPENSE)	5	812 430	(704 415)
PROFIT/(LOSS) FOR THE YEAR		3 265 708	(661 112)
COMPANY STATEMENT OF COMPREHENSIVE INCOME			
Profit/(loss) for the year		3 265 708	(661 112)
Revaluation of property, plant and equipment		3 179 106	-
Income tax effect		(813 625)	-
Total other comprehensive income for the year, net of tax		2 365 481	-
Total comprehensive income for the year, net of tax		5 631 189	(661 112)

Company Statement Of Financial Position

	Notes	2010 US$	2009 US$
EQUITY AND LIABILITIES			
Share Capital	6	-	-
Reserves	7	118 334 114	112 702 925
SHAREHOLDERS FUNDS		118 334 114	112 702 925
Non – current liabilities			
Deferred taxation	8	11 284 302	11 283 108
Deferred Income	9	-	646 918
		11 284 302	11 930 026
Current liabilities	13		
Trade and other payables		1 726 448	1 986 803
Interest bearing loans and borrowings		4 701 158	1 486 715
Provisions		530 871	447 981
Inter-group balances		147 280	157 493
		7 105 757	4 078 992
Total Current Liabilities		18 390 059	16 009 018
TOTAL EQUITY AND LIABILITIES		136 724 173	128 711 943
ASSETS			
Non-current assets			
Property, plant and equipment	10	46 723 497	48 779 512
Biological assets	11	82 828 342	74 372 359
		129 551 839	123 151 871
Current assets			
Inventories	12	3 763 572	3 800 024
Trade and other receivables		1 503 345	863 851
Inter-group balances		1 666 500	807 328
Cash and short term deposits		238 917	88 869
Total Current Assets		7 172 334	5 560 072
TOTAL ASSETS		136 724 173	128 711 943

KRR SCHOFIELD
CHAIRMAN OF THE BOARD
26 OCTOBER 2010

P. NYEMBA
FINANCE DIRECTOR

Company Statement Of Changes In Equity

	Issued capital (Note 10) US$	Share premium US$	Revaluation reserve US$	Non-Distributable Reserves US$	Retained Earnings US$	Total US$
Balance as at 30 June 2008	-	-	-	113 364 036	-	113 364 036
(Loss) for the year	-	-	-	-	(661 112)	(661 112)
Balance at 30 June 2009	-	-	-	113 364 036	(661 112)	112 702 925
Total Comprehensive Income	-	-	2 365 481	-	3 265 708	5 631 189
Profit for the year	-	-	-	-	3 265 708	3 265 708
Other comprehensive income	-	-	2 365 481	-	-	2 365 481
Balance at 30 June 2010	-	-	2 365 481	113 364 036	2 604 596	118 334 114

OPERATING ACTIVITIES	2010 US$	2009 US$
Income before interest	2 773 473	107 583
Non-cash items:		
- Depreciation	1 945 384	2 159 589
- Fair value gain in biological assets	(8 936 592)	(4 021 133)
- Plantation redemption	2 362 846	4 638 625
- Profit on disposal of Property, Plant & Equipment	64 877	(8 178)
- Grant income	(646 918)	-
- Impairment loss	4 452 245	-
	2 015 315	2 876 486
Working Capital Changes:		
- Decrease / (Increase) in inventories	36 451	(643)
- Increase in receivables	(639 493)	(290 876)
- Decrease in short term liabilities	(177 465)	(241 899)
- Increase in Inter-group indebtedness	(869 385)	(724 954)
	365 423	1 618 114
Interest received	859	2 772
NET CASH FLOW FROM OPERATING ACTIVITIES	366 282	1 620 886
INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment		
Expenditure on Plantations	(2 041 590)	(1 176 456)
	(1 882 238)	(969 164)
Increase in capital work-in-progress	814 205	(998 437)
Proceeds on disposal of Property, Plant Equipment	-	33 850
European Union Grant	-	160 202
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3 109 623)	(2 950 005)
FINANCING ACTIVITIES		
Proceeds from borrowings	2 070 382	1 485 028
Repayments of borrowings	(2 000 103)	-
Interest costs	(321 054)	-
NET FLOWS (USED IN)/FROM FINANCING ACTIVITIES	(250 775)	1 485 028
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2 994 116)	88 858
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	88 858	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(2 905 258)	88 858

		2010 US$	2009 US$
1 REVENUE			
Sale of goods		13 423 750	7 037 345

2 SIGNIFICANT INTER-GROUP TRANSACTION

	Nature of Relationship	2010 US$	2009 US$
Sales			
-United Builders Merchants (Private) Limited	Fellow Subsidiary	1 237 901	257 757
-Macdonald Bricks (Private) Limited	Fellow Subsidiary	-	11 898
-Border Timbers International (Private) Limited	Fellow Subsidiary	2 599 303	1 397 794
Purchases			
-United Builders Merchants (Private) Limited	Fellow Subsidiary	156 430	56 110
Cost Contribution			
-Radar Investments (Private) Limited	Fellow Subsidiary	240 000	108 757
Interest Paid			
-Radar Investments (Private) Limited	Fellow Subsidiary	-	35 520

3 PROFIT BEFORE TAXATION

Stated after -

Debiting:

	2010 US$	2009 US$
Auditors' remuneration	98 422	28 047
Current - Audit Services	69 422	11 000
- Other Services	29 074	17 047
Provisions	2 003 893	2 221 874
- Depreciation	1 945 384	2 159 589
- Impairment Charge	58 509	62 285
Directors' emoluments	147 659	26 675
- as directors	-	-
- for management	147 659	26 675

	2010 US$	2009 US$
Staff costs:	4 631 647	1 749 857
- Salaries and wages	4 062 216	1 657 328
- Pension fund contributions	314 140	35 117
- N.S.S.A. contributions	157 011	10 076
- Medical aid contributions	98 280	47 336
Manning levels at 30th June 2009		
Permanent	1 281	1 341
Contract	1 107	899
	2 388	2 240
Crediting:		
Exchange gains	-	99 679
(Loss)/Profit on sale of Property, Plant & Equipment	(64 881)	8 178

4 TAXATION

	2010 US$	2009 US$
Normal	-	-
Deferred		
- current	(812 430)	704 415
Capital Gains	-	-
	(812 430)	704 415
Tax Reconciliation:		
Profit Before Taxation	2 453 278	43 303
Taxation at normal rate	631 719	13 381
Net of non-taxable income and non-deductible expenses	436 369	691 034
Adjustment to opening deferred tax liability resulting from change in tax rate	(1 880 518)	-
	(812 430)	704 415

5 SHARE CAPITAL

	2010 Number of Shares	2009 Number of Shares
Ordinary shares of ZW$2 before revaluation and change in currency		
- authorised	43 000 000	43 000 000
- unissued	(57 505)	(57 505)
Issued and fully paid	42 942 487	42 942 487

Issued and fully paid share capital amounts to 42,942,487 for both years. The unissued shares are under the control of the Directors who may issue them on such terms and conditions as they see fit subject to the limitation of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange Regulations. The period of this authority is unlimited.

6 RESERVES

	Non-Distributable Reserve US$	Retained Earnings US$	Asset revaluation reserve	Total US$
Balances at 1 July	113 364 036	-	-	113 364 036
Loss for the year		(661 112)	-	(661 112)
Balance at 30 June 2009	113 364 036	(661 112)	-	112 702 925
Profit for the year	-	2 365 481	-	2 365 481
Other comprehensive Income	-	-	3 265 708	3 265 708
Balance at 30 June 2010	113 364 036	1 704 369	3 265 708	118 334 114

7 DEFERRED TAXATION

	2010 US$	2009 US$
At 30 June 2009	11 283 108	10 578 693
Transfer ex Capital Reserve	813 625	-
Current year charge to statement of comprehensive income	(812 431)	704 415
At 30 June 2010	**11 284 302**	**11 283 108**
ANALYSIS OF DEFERRED TAXATION		
Accelerated Depreciation for tax purposes	8 490 919	9 917 825
Fair value on biological assets	2 745 807	1 242 531
Prepayments	43 479	113 353
Unrealised exchange gains	4 099	9,399
	11 283 302	**11 283 108**

8 DEFERRED INCOME

	2010 US$	2009 US$
European Union Grant (Interest free and unsecured)	-	646 918
Analysis of Deferred Income		
Opening balance	646 918	486 716
Exchange Rate Adjustment	56 918	-
Received during the year	-	160 202
Transferred to Income Statement	(703 836)	-
Closing Balance	-	646 918

The European Union undertook to finance the installation of a Steam Engine-powered generator set at Charter Sawmill. The total cost of the project was Euro 818,301 of which Euro 499,000 was the European Union Contribution. The steam engine was commissioned during the year. The condition of the grant was that funds should be used for the intended purpose. As the Steam Engine has been commissioned, these funds have been credited to profit and loss.

9 PROPERTY, PLANT & EQUIPMENT

	LAND AND BUILDINGS US$	PLANT AND MACHINERY US$	MOTOR VEHICLES AND TRACTORS US$	FURNITURE AND FITTINGS US$	ELECTRICAL CONNECTIONS US$	CAPITAL WORK-IN-PROGRESS US$	2010 TOTAL US$
OPENING BALANCE – 30TH JUNE 2009	36 615 973	7 674 555	4 738 178	115 180	791 015	998 436	50 933 337
ADDITIONS	1 012	182 955	1 040 057	3 362	-	-	1 227 386
DISPOSALS	(3 996)	-	(60 880)	-	-	-	(64 876)
TRANSFERS IN(OUT)	5 000	39 500	735 952	33 752	-	(814 204)	-
REVALUATION	1 111 862	865 358	1 120 012	2 747	79 27	-	3 179 106
IMPAIRMENT	(1 142 360)	(1 858 141)	(1 181 120)	(28 745)	(241 879)	-	(4 452 245)
CLOSING BALANCE – 30TH JUNE 2010	36 587 491	6 904 227	6 392 199	126 296	628 263	184 232	50 822 708
DEPRECIATION							
OPENING BALANCE – 30TH JUNE 2009	736 838	719 790	716 094	(18 895)	-	-	2 153 827
CURRENT YEAR'S CHARGE	790 261	654 697	464 244	36 182	-	-	1 945 384
DISPOSALS	-	-	-	-	-	-	-
CLOSING BALANCE – 30TH JUNE 2010	1 527 099	1 374 487	1 180 338	17 287	-	-	4 099 211
NET BOOK VALUE – 30TH JUNE 2010	35 060 392	5 529 740	5 211 861	109 009	628 263	184 232	46 723 497

9 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

DEEMED COST	LAND AND BUILDINGS US$	PLANT AND MACHINERY US$	MOTOR VEHICLES AND TRACTORS US$	FURNITURE AND FITTINGS US$	ELECTRICAL CONNECTIONS US$	CAPITAL WORK-IN-PROGRESS US$	2010 TOTAL US$
DEEMED OPENING BALANCE – 30TH JUNE 2008	36 604 958	7 503 241	3 007 406	279 659	1 394 616	-	48 789 880
ADDITIONS	-	-	1 173 140	3 316	-	998 436	2 174 892
DISPOSALS	-	-	(31 435)	-	-	-	(31 435)
TRANSFERS IN(OUT)	11 015	171 314	589 067	(167 795)	(603 601)	-	-
CLOSING BALANCE – 30TH JUNE 2009	36 615 973	7 674 555	4 738 178	115 180	791 015	998 436	50 933 337
DEPRECIATION							
DEEMED OPENING BALANCE – 30TH JUNE 2008	-	-	-	-	-	-	-
CURRENT YEAR'S CHARGE	736 838	719 790	721 857	(18 897)	-	-	2 159 589
DISPOSALS	-	-	(5 763)	-	-	-	(5 763)
CLOSING BALANCE – 30TH JUNE 2009	736 838	719 790	716 094	(18 897)	-	-	2 153 825
NET BOOK VALUE – 30TH JUNE 2009	35 879 135	6 954 765	4 022 084	134 077	791 015	998 436	48 779 512

10 BIOLOGICAL ASSETS	2010 US$	2009 US$
Deemed Opening Balance	74 372 359	79 034 288
Expenditure for the period	1 882 238	969 166
Fair value gain	8 936 592	4 021 133
	85 191 189	84 024 587
Deduct:		
Destroyed by fire / Cyclone	(68 459)	(8 790 512)
Felled Timber	(2 294 388)	(375 461)
Economic Adjustments	-	(486 255)
Valuation at 30th June 2009	82 828 342	74 372 359

Comprising of	2010 Ha	2009 Ha	2010 US$	2009 US$
1- 6 years	6 579	5 861	1 776 386	1 025 588
7-12 years	4 665	5 045	10 206 516	5 861 278
13-18 years	6 422	5 429	38 337 821	30 709 078
19-24 years	2 402	2 585	21 176 072	25 211 227
25-30 years	378	491	4 686 031	6 784 953
Over 30 years	699	656	6 645 514	4 780 235
	21 145	20 067	82 828 342	74 372 359

Valuation of plantations

A director's valuation was carried out at 30th June 2010 based on estimated fair value based on cost in the region.

11 CURRENT ASSETS

Inventories		
- Raw Materials	-	-
- Work-in-progress	2 073 727	1 419 994
- Finished goods	931 533	1 887 778
- Consumables (Goods In Transit)	758 312	492 252
Total Inventories at the Lower of Cost and Net Realisable Value	3 763 572	3 800 024
Trade and Other Receivables:		
Trade Receivables	1 327 562	785 970
Other Receivables and Prepayments	175 783	77 881
Total Trade and Other Receivables	1 503 345	863 851
Inter - group balances	1 666 500	807 328
Cash resources	238 917	88 869
Total Current Assets	7 172 334	5 560 072

Trade and Other Receivables

Trade and other receivables do not bear interest and are normally settled on 30 day terms for local sales and over 90 days for export sales.

	2010 US$	2009 US$
Trade Receivables are shown after deducting a provision for doubtful debts of	120 794	62 284

As at 30 June 2010, trade and other receivables after deducting $120,794 (2009 : US$ 62,284) provision for impairment amounted to $1,503,345 (2009: US$ 863,851).

Movement in the Provision for impairment was as follows:

	2010 US$	2009 US$
Balance at Beginning of the Year	62 284	-
Charge for the Year	58 510	62 284
Amounts written off	-	-
Amounts recovered during the year	-	-
Balance at End of the Year	120 794	62 284

12 CURRENT LIABILITIES

	2010 US$	2009 US$
Interest Bearing	1 556 983	1 486 704
Bank Overdraft	3 144 175	11
	4 701 158	1 486 715
Interest Free:		
Trade Payables	1 726 448	1 986 803
Provisions	530 871	447 981
Inter-group balances	147 280	157 493
	2 404 599	2 592 277
	7 105 757	4 078 992

13 RELATED PARTY DISCLOSURES

a) Key Management Personnel Remuneration and other Compensation

	2010 US$	2009 US$
Directors Fees	-	-
Remuneration		
- Short term employee benefits	147 659	26 675
Compensation		
- Pension contributions	-	1 067
	147 659	26 675

	2010 US$	2009 US$
b) Key Management Personnel Transactions	-	-

13 RELATED PARTY DISCLOSURES (CONTINUED)

		2010 US$	2009 US$
c) Statement of Comprehensive Income Information			
Holding Company			
- Interest Paid		-	-
- Other Amounts Paid		-	-
Fellow Subsidiaries		-	-
- Net Interest Paid (Radar Investments (Private) Limited)	Fellow Subsidiary	-	35 910
- Other Amounts (Radar Investments (Private) Limited)	Fellow Subsidiary	240 000	108 757
- Sales (United Builders Merchants (Private) Limited)	Fellow Subsidiary	1 237 901	269 655
- Purchases (United Builders Merchants (Private) Limited)	Fellow Subsidiary	156 430	56 110
- Other Amounts Paid (Rift Valley (Private) Limited –	Sister Company	11 770	14 900
Subsidiaries			
- Sales (Border Timbers International (Private) Limited– Subsidiary)		2 599 300	1 397 794
d) Statement of Financial Position Information			
Closing Balances			
- Border Timbers International (Private) Limited	Subsidiary	1 615 407	689 962
- Makandi Tea & Coffee Estate (Private) Limited	Sister Company	-	15 025
- Radar Properties (Private) Limited	Fellow Subsidiary	-	13
- Radar Investments (Private) Limited	Fellow Subsidiary	(85 733)	(108 757)
- MacDonald Bricks (Private) Limited	Fellow Subsidiary	(639)	5 715
- United Builders Merchants (Private) Limited	Fellow Subsidiary	50 194	67 884
- Rift Valley Holdings (Private) Limited	Sister Company	(3 130)	(14 900)
- Beit Bridge Juicing (Private) Limited	Sister Company	899	-

	2010 US$	2009 US$
TURNOVER	13 843 061	7 569 529
Income before taxation	1 756 244	90 823
Taxation	813 900	(691 932)
Retained Income for the period	2 570 144	(601 109)
FUNDS EMPLOYED		
Share holders' funds	117 698 552	112 762 929
Medium Term Loans	-	646 918
Deferred Tax	11 270 351	11 270 625
	128 968 903	124 680 472
Represented By		
Property, Plant & Equipment	46 723 497	48 779 512
Plantations	82 828 342	74 372 359
Net current assets /(liabilities) excl. Cash	(835 207)	1 431 903
Cash resources	254 271	96 698
	128 968 903	124 680 472
Statistics		
Shares in issue		
Ordinary Shares	42 942 487	42 942 487
Number of shareholders	470	186
Shareholders performance per share (dollars)		
Basic Profit/(Loss) per share	0.06	(0.01)
Returns		
Operating income to turnover	15.06%	2.05%
Operating income to total assets	1.53%	0.12%
Profit after tax to shareholders funds	2.19%	-
Ratios		
Debt-Equity	-	0.01%
Interest Cover	6.49	2.41
Solvency ratios		
Current Ratio	0.92	1.37
Liquidity	0.32	0.43
Number of employees	2 530	2 419

30 JUNE 2010

			2010							2009			
				% of		% of					% of		% of
			Holders	Total	Shares	Total				Holders	Total	Shares	Total
0	-	1 000	115	62.2%	37 502	0.1%	0	-	1 000	117	62.9%	37 281	0.1%
1.001	-	5 000	32	17.3%	88 328	0.2%	1.001	-	5 000	34	18.3%	92 207	0.2%
5.001	-	10 000	8	4.3%	67 798	0.2%	5.001	-	10 000	8	4.3%	66 606	0.2%
10.001	-	50 000	16	8.6%	310 612	0.7%	10.001	-	50 000	15	8.1%	300 280	0.7%
		Over 50 000	14	7.6%	42 438 247	98.8%			Over 50 000	12	6.5%	42 446 113	98.8%
			185	100.0%	42 942 487	100.0%				186	100.0%	42 942 487	100.0%

CLASSIFICATION

	2010				2009			
		% of		% of		% of		% of
	Holders	Total	Shares	Total	Holders	Total	Shares	Total
Resident:								
Banks & Nominee Companies	34	18.4%	8 963 440	20.9%	34	18.3%	8 963 440	20.9%
Companies	28	15.1%	33 110 055	77.1%	28	15.1%	33 110 055	77.1%
Pension Funds	1	0.5%	152 816	0.4%	1	0.5%	152 816	0.4%
Individuals	105	56.8%	234 331	0.5%	106	57.0%	234 331	0.5%
Non Resident:								
Companies	3	1.6%	300 508	0.7%	3	1.6%	300 508	0.7%
Individuals	14	7.6%	181 337	0.4%	14	7.5%	181 337	0.4%
	185	100.0%	42 942 487	100.0%	186	100.0%	42 942 487	100.0%

MAJOR SHAREHOLDERS

	2010		2009	
		% of		% of
	Holders	Total	Shares	Total
RADAR HOLDINGS LIMITED	22 005 087	51.2%	22 005 087	51.2%
FRANCONIAN ZIMBABWE INVESTMENTS (PVT) LTD	11 045 468	25.7%	11 045 468	25.7%
KINGDOM NOMINEES (PVT) LTD	-	0%	8 719 744	20.3%
TRUSTCORP GROUP	4 294 248	10.0%	-	0%
ILARIA LIMITED	4 294 248	10.0%	-	0%
RIA HOLDINGS LIMITED	123 239	0.3%	-	0%
P & R HOLDINGS (PVT) LTD PENSION FUND	-	0%	152 816	0.4%
TUDLEY HOLDINGS LIMITED	-	0%	150 000	0.3%
SALISBURY NEW POOL SETTLEMENT	114 088	0.3%	114 088	0.3%
WAUGHCO NOMINEES (PVT) LTD	100 000	0.2%	100 000	0.2%
	41 976 378	97.8%	42 287 203	98.5%