HWANGE COLLIERY COMPANY LIMITED
(*Incorporated in Zimbabwe under registration number* 381/1954)
ZSE Share Code: **HCCL.ZW** ISIN: **ZW0009011934**
JSE Share Code: **HCCL.ZW** ISIN: **ZW0009011934**
LSE Share Code: **HCCL.ZW** ISIN: **ZW0009011934**

UNAUDITED CONDENSED INTERIM FINANCIAL RESULTS
For the half year ended 30 June 2017

CHAIRMAN’S STATEMENT

On behalf of the Board of Directors, I present the unaudited condensed financial results of Hwange Colliery Company Limited for the half year ended 30 June 2017.

FINANCIAL RESULTS

For the six (6) months under review, revenue was US$18.8 million compared to US$24.5 million recorded during the same period last year. This represented a 23% decline and was caused by low sales volumes as a result of low production volumes for the period January to April 2017.
The operating loss was US$16.2 million compared to an operating loss of US$25.9 million for the comparative period last year. Despite a number of once off costs incurred during the period, the Company’s loss after tax narrowed by 5% to US$27 million from US$28.5 million loss recorded for the same period in 2016.

The Company strategically adopted cost containment measures with a resultant effect of reducing both operating and administrative costs. Finance costs for the period amounted to US$7.2 million compared to US$1.8 million for the same period last year.
Total non-current assets decreased by 13% to US$141.8 million from US$162.4 million for the same period in 2016.

PERFOMANCE

The company’s performance over the last six month fell short of budgetary targets due to low production levels during the period January to April 2017 that were attributable to working capital constraints. Monthly production average was 94,216 tonnes compared to the budgeted monthly production of 175,425 tonnes. Whilst the monthly production for the period January to April averaged 42 000 tonnes, a significant improvement in production was witnessed in May and June which recorded 170 000 and 230 000 tonnes respectively.

Total sales tonnage was 450,557 against a budget of 1,082,935 and an actual of 585,689 for the same period last year. HCC/HIC coal sales during the period increased by 37.5% from 125,544 tonnes to 172,573 tonnes.

Sales of coal fines and breeze increased by 13.7% from 41,982 tonnes to 47,749 tonnes for the comparative periods. Coke sales volume decreased from 39 842 tonnes achieved in the first half of 2016 to 7 069 tonnes for the period under review. This was attributed to the cancellation of toll coking arrangements.

There was a significant reduction in cost of sales which were 51% below the figure recorded for the same period last year. This was a function of low sales volumes which were 135 132 tonnes less than same period last year as well as improved production volumes and efficiencies as from May 2017 which lowered the unit cost. Cost reduction initiatives also contributed to lower cost of sales than the same period last year.

Whilst the financial statements still reflect a loss position, they show remarkable progress in the Company's turnaround programme. One of the major objectives of the Board during the 2017 financial year is to reverse the gross trading loss position which has been a feature over the last few years to a gross trading profit position as a major step to achieve net profitability.

During the six month period revenue declined by 23% but however cost of sales decline by 51% which reflect a major improvement towards achieving a gross profit trading position. There was thus a significant reduction in the trading loss from $18 million to $2.1 million in the six month to June 2017 compared to the same period last year.

The care and maintenance cost of $5.2 million relate to the costs of maintaining underground and the coke works which both were not operational during the period under review. Should the $5.2 million be factored into the cost of sales figure, there is still a reduction in the cost of sales and resultant significant improvement in the gross trading profit position. The cost of sales improvement is largely attributable to various turnaround initiatives relating to cost control and improvement in efficiencies.

The loss for the period has been affected by some once off items. There is a provision of redundancy costs of $3.5 million relating to a voluntary retrenchment exercise where 222 employees participated. This retrenchment exercise will result in a reduction in the cost base in future periods. Underground operations are expected to resume towards the end of the second half whilst there are no firm plans as yet to resume coke works operations. As such, there will be a slight reduction in the care and maintenance costs for the second half of the financial year and a significant reduction from the beginning of the 2018 financial year.

As part of the turnaround strategy, the Company obtained some treasury bills from the Government of Zimbabwe. The conversion of these treasury bills to fund various turnaround initiatives resulted in a once off loss of $3.5 million. There was a significant increase in the finance cost from $1.5 million to $7.2 million. This increase is largely as a result of the $111.5 million treasury bills which the Company obtained. This finance cost will from the second half of the financial year and especially from 2018, be more than compensated by a significant increase in production, volumes, sales revenue and gross trading profit position.

SCHEME OF ARRANGEMENT

The creditors' scheme of arrangement was aimed at stabilising the Company from a downward spiral in its overall performance. The Company successfully held its Creditors' Scheme of Arrangement meeting with its Creditors on the 26th of April 2017 where 88.75% of the Creditors by number and 95.93% by value voted in favour of the scheme. The High Court of Zimbabwe sanctioned the Company's scheme on the 15th of May 2017.

The legal process establishing the scheme was concluded and implementation was on-going. Payments of the agreed initial deposits to Creditors, in accordance with the scheme of arrangement, commenced by end of June 2017. The operating space the Company needed has been created and the Board is confident the turnaround efforts shall yield the desired results.

The Company is grateful for the support rendered by all its creditors in supporting the Company's scheme of arrangement. This support afforded a win-win situation for the Company and its Creditors. The Company also expresses its gratitude to its team of advisers to the scheme of arrangement for competently and professionally advising the Company on this transaction.

OUTLOOK

As demonstrated by the half-year results, signs of recovery are tangible. The narrowing of the loss position especially the gross trading loss confirms the Company is on course to recovery.

The turnaround strategy gained momentum only in the last two months of the first half of the financial year. The effect of the turnaround strategy will continue to increase gradually during the second period of the financial year which is expected to generate a net profit for the period. The reopening of underground operations is targeted towards the end of the second half of the year with the financial benefits only being realised in the 2018 financial year. The strategic priorities for the company's half-year were the following;

INCREASING AND REALIGNING PRODUCTION

The Company has deliberately taken measures to increase production and the results are visible.

OPEN CAST MINING

Given the country's dependence on coal fired electricity generation, the Company took steps to increase production of both thermal and industrial coal. The working capital constraints in the Company's Open Cast production are being addressed on an on-going basis. US$3million working capital was injected in March 2017 and resulted in a production increase from an average of 90 000 tonnes to 170 000 tonnes in May, and 230 000 tonnes in June 2017 thus exceeding its break-even tonnage. Engagements with financial institutions continue being made to ensure further working capital injection.

Production increase was also a result of the successful implementation of a 100 days' change management program dubbed "Project Gijima" aimed at improving the culture and productivity of staff. In this program, cross functional team of teams were formed that focussed on improving equipment availability, spare parts availability, production in the first two hours of every shift, actual production per shift and quality of products.

In the first three months of the second half of the year, teams will focus on further improvements in safety, quality, increased throughput from processing and deliveries, overall equipment availability and increasing sales from export markets.

Production contribution from the Company's mining contractor continues to augment production from its own operations.

Resuscitation of Underground Mine Operations

While there has been a delay in bringing back the underground mine back into production, it remains the Company's key strategy that underground mine commences before the end of this financial year. The key piece of equipment for the underground mine operations is the Continuous Miner and the Board is pleased to report that this machine was delivered at the mine. However the other equipment such as shuttle cars, roof bolter, electrical equipment, to name a few, are still to be delivered.

The resuscitation of underground mine operations undoubtedly increases the Company's capacity to generate export sales from coking coal and coke. These products make a significant contribution to the Company's profitability. The Company's generation of the much needed foreign currency has spinoff effects in other sectors and re-affirms its role as a key player to the national economy.

Coke Production

The company remains focused on the production of high value products particularly coke. To this end, the Company was engaged in discussions aimed at facilitating the takeover of the Hwange Coal Gasification Company (HCGC) Coke Oven Battery pursuant to a BOOT Agreement with its Chinese partners in HCGC.

Once the takeover is concluded and the resuscitation of underground mine operations is complete, coking coal supplies to the coke oven battery for coke production is set to improve and increase the company's capacity to generate high value revenue.

Cost Reduction

The Company's deliberate cost reduction strategy contributed to the reduction of both the operating and administrative costs. Administrative costs were 14% below the same period last year with the reduction mainly on the employment costs following the Company's short working months for the period January to March 2017 as well as the changes in the company's employment cost structure.

It remains the Company's commitment that the comprehensive cost cutting initiatives coupled with other measures on production increase, the Company shall turn from a gross loss to a gross profit position by end of the year.

Marketing costs were however 14% above costs for the same period last year as a result of the drive to increase market share in order to sale the increased stock volumes.

Improvement in operational and equipment efficiencies remain a key area of focus. Review of input and contractor costs remains ongoing.
The commencement of the Company's medical aid scheme and funeral insurance cover has underpinned Company's conviction to improve the welfare of its staff at optimal cost.

Zimbabwe Power Company's Stage 3 Expansion
The expansion of Zimbabwe Power Company's Stage 3 shall result in increased coal demand where it is expected that the Company shall supply an additional 200,000 tonnes of coal per month for power generation purposes. To this end, HCCL will commence exploration and drilling of the Western Areas Concession. Thereafter, mine development will follow after securing funding for this phase.

Lumimbi West Coal Concession
A 25 year coal supply agreement was signed with an Independent Power Producer (IPP). This IPP will construct a coal fired power station which will initially consume 200 000 tonnes per month of coal in approximately 3 years' time.

Market Dominance
The international prices of coal remain firm. The government's initiatives to promote locally manufactured goods have caused an increase in capacity utilisation of the local industry. In addition, tobacco production has continued to grow year on year. These demand side factors have created a pull effect for the Company's coal. The Company's products will be available to its customer base directly or through its partners where it does not have foot print. Close collaboration with the National Railways of Zimbabwe and with Beitbridge-Bulawayo Railway for deliveries in the southern region is the hallmark for this success.

REALISATION OF POTENTIAL
Strategic plans to unearth the Company's potential are being developed and these include:-

a) Development of Western Areas and Lubimbi West coal concessions granted by the Government of Zimbabwe and exploration is due to commence beginning quarter 4, 2017.
b) Development of the coal bed methane opportunity.
c) Explore the potential, if any, of converting coal into fuels.
d) Utilise the vast coal fines dumps to fire a thermal power plant or convert the material into briquettes.

DIRECTORATE

Post the reporting date, Messrs W. T. Kutekwatekwa and A. M Ngapo resigned from the Board of Directors effective 18th and 28th July 2017 respectively. The Company acknowledges the contribution made by the two resigned Directors and wishes them well in their current and future endeavours.
There are still vacancies on the Board which require shareholders to make appointments in order to strengthen the Board.

CORPORATE GOVERNANCE
The Board is committed to ensuring good corporate governance. To confirm this commitment, the Board attended a refresher course on good corporate governance on the 23rd of February 2017 under the facilitation of the Zimbabwe Leadership Forum (Quality Corporate Governance Centre).
The Board and Management shall attend a joint refresher session on good corporate governance in the last quarter of 2017.

APPRECIATION
Whilst the half year results are still disappointing, they demonstrate signs of recovery resultant from a concerted team effort to turnaround the Company. The Board is grateful for the support rendered by all stakeholders to the Company's turnaround plans.
I would like to express my gratitude to my fellow Directors, Management and Staff for their collective efforts and dedication to the Company.

W. Chitando **Board Chairman**
21 August 2017

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
For the six months ended June 2017

	Notes	30 June 2017 USD Unaudited	30 June 2016 USD Unaudited	31 December 2016 USD Unaudited
Revenue	5	18 814 733	24 481 645	39 911 465

Cost of sales		(20 957 538)	(42 783 403)	(77 742 700)
Gross(loss)/profit		(2 142 805)	(18 301 758)	(37 831 235)
Other Income		218 760	218 534	545 008
Other gains and losses (net)		(3 609)	-	790 000
Marketing costs		(333 237)	(292 314)	(2 473 101)
Administrative costs		(6 415 219)	(7 492 249)	(47 582 295)
Care and maintenance costs		(5 278 313)	-	-
Redundancy costs		(2 345 979)	-	-
Operating loss		(16 300 402)	(25 867 787)	(86 551 623)
Loss on disposal of treasury bills		(3 575 410)	-	-
Finance Cost		(4 623 896)	(1 852 830)	(1 992 977)
Share of loss from equity accounted investments		(63 113)	(765 952)	(1 365 390)
LOSS BEFORE TAX		(24 562 821)	(28 486 569)	(89 909 990)
Income tax	6	-	-	-
LOSS FOR THE PERIOD/YEAR		(24 562 821)	(28 486 569)	(89 909 990
Other comprehensive income:				
Other comprehensive income for the period/year, net of tax		-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/ YEAR		**(24 562 821)**	**(28 486 569)**	**(89 909 990**
Attributable loss per share -basic	6	(0.13)	(0.16)	(0.49)
-diluted	6	(0.13)	(0.16)	(0.49)
Headline loss per share -basic	6	(0.13)	(0.16)	(0.48)
-diluted	6	(0.13)	(0.16)	(0.48)

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	30 June 2017 USD	30 June 2017 USD	31 December 2017 USD

Assets				
Non-current assets				
Property, plant and equipment	7	112 433 601	127 210 600	119 261 362
Investment property	8	4 490 000	3 700 000	4 490 000
Investments accounted for using the equity method	9	14 753 031	15 415 582	14 816 144
Intangible assets	10	862 411	1 131 940	968 842
Inventories non-current portion		9 218 421	15 009 021	9 218 421
		141 757 464	162 467 143	148 754 769
Current assets				
Stripping activity asset	11	-	4 804 187	-
Inventories	12	22 381 506	25 470 961	15 228 838
Trade and other receivables	13	22 021 505	30 778 163	18 295 306
Cash and cash equivalents	14	511 763	360 488	340 024
Treasury bills	15	29 618 795	-	-
		74 533 569	61 413 799	33 864 168
Total assets		216 291 033	223 880 942	182 618 937
EQUITY AND LIABILITIES				
Capital reserves				
Share Capital	16	45 962 789	45 962 789	45 962 789
Non-distributable reserves		4 358 468	4 358 468	4 358 468
Share premium		577 956	577 956	577 956
Revaluation reserve		39 948 518	39 948 518	39 948 518
Accumulated losses		(283 154 774)	(197 168 532)	(258 591 953)
		(192 307 043)	(106 320 801)	(167 744 222)
Non-current Liabilities				
Lease Liability	17.1	700 000	2 013 044	700 000
Borrowings	18	145 940 958	17 237 866	78 634 350
Payables	19.1	184 776 428	-	-
		331 417 386	19 250 910	79 334 350
Current liabilities				

Lease Liabilities	17.2	397 723	19 949 799	377 161
Borrowing	18.2	-	12 589 456	12 396 334
Trade and other payables	19	53 162 651	256 199 532	237 037 122
Provisions	20	13 565 466	12 157 196	11 163 342
Current tax liability		10 054 850	10 054 850	10 054 850
		77 180 690	310 950 833	271 028 809
Total Equity and liabilities		216 291 033	233 880 942	182 618 937

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2017

	Share Capital USD	**Non-distributable Reserves USD**	**Share Premium USD**	**Revaluation reserve USD**	**Accumulated Losses USD**	**Total USD**
Balance at 1 January 2017	45 962 789	4 358 468	577 956	39 948 518	(258 592 953)	(167 744 222)
Total comprehensive loss for the period (unaudited)	-	-	-	-	(24 562 821)	(24 562 821)
Balance at 30 June 2017 (unaudited)	45 962 789	4 358 468	577 956	39 948 518	(283 154 774)	(192 307 043)
Balance at 1 January 2016	45 962 789	4 358 468	577 956	39 948 518	(168 681 963)	(77 834 232)
Total Comprehensive loss for the period (unaudited)	-	-	-	-	(28 486 569)	(28 486 569)
Balances at June 2016 (unaudited)	45 962 789	4 358 468	577 956	39 948 518	(197 168 532)	(106 320 801)
Balance at 1 January 2016	45 962 789	4 358 468	577 956	39 948 518	(168 681 963)	(77 834 232)

Total Comprehensive loss for the year (audited)	-	-	-	-	(89 909 990)	(89 909 990)
Balances at 31 December 2016 (audited0	45 962 789	4 358 468	577 956	39 948 518	(258 591 953)	(167 744 222)

CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2017

	Notes	**30 June 2017 USD Unaudited**	**30 June 2016 USD Unaudited**	**31 December 2016 USD Unaudited**
Cash generated from operating activities				
Loss before taxation		(24 562 821)	(28 486 569)	(89 909 990)
Adjustment for non-cash items		11 782 590	11 820 397	22 838 277
Net Effect of changes in working capital		(37 193 581)	16 523 635	25 972 734
Net cash (utilised in)/generated from operations		(49 973 812)	(142 537)	(41 098 979)
Interest paid		-	(28 656)	(19 725)
Tax paid		-	-	-
Net cash (utilised in)/ generated from operating activities		(49 973 812)	(171 193)	(41 118 704)
Cash flows from investing activities				
Purchase of property		(77 120)	(13 443)	(68 642)
Net cash utilised in investing activities		(77 120)	(13 443)	(68 642)
Cash flows from financing activities				
Proceeds from borrowings		53 375 561	-	59 216 000
Repayment of borrowings		(3 091 497)	(125 000)	(18 216 000)
Net cash generated from/(utilised in)				

financing activities		50 284 064	(125 000)	41 000 000
Net (decrease)/increase in cash and cash equivalents		233 132	(309 636)	(187 346)
Cash and cash equivalents at beginning of the period/year		278 631	465 977	465 977
Cash and cash equivalents at beginning of the period/year	14	511 763	156 341	278 631

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2017

1 Nature of operations

Hwange Colliery Company Limited is a Company whose principal activities include extraction, processing and distribution of coal and coal products and provision of health services, provision of properties for rental and various retail goods and services.

2 Basis of preparation of the condensed financial statements

The condensed interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards; Companies Act(Chapter 24:03) and the relevant statutory instruments (SI 33/99 and SI 62/96).

The company is a limited liability company incorporated and domiciled in Zimbabwe. It is listed primarily on the Zimbabwe Stock Exchange (ZSE), and also on the Johannesburg Stock Exchange (JSE) and London Stock Exchange (LSE). This condensed interim financial information have been reviewed, not audited. These condensed interim financial statements were approved for issue by the board of directors on 19 September 2017.

3 Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2016.

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 31 December 2016.

5 Revenue

	6 Months to 30 June 2017 Tonnes	**6 Months to 30 June 2016 Tonnes**	**6 Months to 31 December 2016 Tonnes**
Coal Sales			
HCC/HIC	172 573	125 544	291 457
HPS coal	223 166	378 321	545 617
Coal fines and breeze	47 749	41 982	101 019
Total coal sales	443 488	545 847	938 093
Coke tonnes	7 069	39 842	4 653
Total sales	450 557	585 689	942 746
	USD	USD	USD
Mining	15 457 085	20 460 370	32 274 013
Estates	3 082 171	3 645 564	7 075 689
Medical Services	275 477	375 711	561 763
Total	18 814 733	24 481 645	39 911 465

6 Taxation

6.1 Basic

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period/year.

Loss attributable to shareholders	(24 562 821)	(28 486 569)	(89 909 990)

Weighted average number of ordinary shares in issue	183 757 366	183 757 366	183 720 699
Basic loss per share	(0.13)	(0.16)	(0.49)
6.2 Diluted Loss used to determine diluted loss per share	(24 562 821)	(28 486 569)	(89 909 990)

The weighted average number of ordinary shares for the purpose of diluted loss per share, reconciles to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows.

6.3 Headline loss per share

Headline loss per share excludes all items of a capital nature and represents an after tax amount. It is calculated by dividing the headline loss shown below by the number of shares in issue during the year.

Reconciliation between headline loss and basic loss:

	30 June 2017 USD Unaudited	**30 June 2016 USD Unaudited**	**31 December 2016 USD Audited**
IAS 33 - Losses	(24 562 821)	(28 486 182)	(89 909 990)
Non-recuring items: Proceeds on sale of scrap	(3 198)	(7 307)	(12 312)
Retrenchment costs	-	-	2 020 787
Tax effect of the above	-	-	(517 182)
Headline losses	(24 566 019)	(28 493 480)	(88 418 697)
Weighted average number of ordinary shares in issue	183 757 366	183 757 366	183 720 699
Headline	(0.13)	(0.16)	(0.48)
7. Property, plant and equipment			
Carrying amount at the beginning of the period/year			

	119 261 362	136 344 524	136 344 524
Additions	77 120	31 425	102 142
Disposals	-	(1 075 376)	(1 075 367)
Charge to profit or loss	-	-	-
Depreciation charge for the period /year	(6 904 881)	(8 089 973)	(16 109 937)
Carrying amount at the end of the period/year	112 433 601	127 210 600	119 261 362
8. Investment property Fair Value	4 490 000	3 700 000	4 490 000

Investment property comprises of:
-Land situated at lot 7 of stand 2185, Salisbury Township Harare with an administration building thereon.
-Land situated at stand 555, Bulawayo Township Bulawayo with an administration building thereon.

8.1 The following amount has been recognised in profit and loss:

Rental income	175 318	124 795	407 193
9. Investment in equity accounted investments Investments in associates (note 11.1)	-	174 982	63 113
Investments in Joint venture (note 11.2)	14 753 031	15 240 600	14 753 031
		15 415 582	14 816 144
9.1 Investment in associates Carrying amount as at beginning of period/year	63 113	231 148	231 148
Share of loss	(63 113)	(56 166)	(168 035)
Carrying amount as at end of period/year	-	174 982	63 113

The Company holds a 49% of voting and equity interest in clay products (Private) Limited. The Company also holds a 44% voting and equity interest in Zimchem Refineries (Private) Limited. The investments are accounted for using equity method.

The Company did not recognise losses for the period amounting to USD 336 429 (2016: USD 333 390) for Zimchem Refineries (Private) Limited as the cumulative losses exceed the carrying amount of the investment in associate.

9.2 Investment in joint venture

Carrying amount as at 1 January	14 753 031	15 950 386	15 950 386
Share of loss	-	(709 786)	(1 197 355)
Carrying amount at the end of the period/year	14 753 031	15 240 600	14 753 031

Hwange Coal Gasification (Private) Limited is the only jointly controlled entity and the ultimate ownership interest is 25%. The investment in the joint venture has been accounted for using the equity method.

10 Intangible assets.

Opening Carrying amount	968 841	1 238 371	1 238 371
Additions	-	-	-
Impairment losses	-	-	-
Amortisation charge	(106 431)	(106 431)	269 530)
Closing carrying amount	862 410	1 131 940	968 841

Intangible assets comprise of mining rights and an enterprise resource planning (ERP) software. The Company acquired the ERP software to support the administration and control of the Company. Some modules for mine planning and marketing are still to be developed. Mining rights comprise new coal mining claims acquired during the year. No intangible assets have pledged as security for liabilities.

11 Stripping activity assets.

Carrying amount at 1 January	-	4 849 819	4 849 819
Pre-stripping costs incurred	-	464 400	-
Impairment of stripping activity asset	-	-	4 849 819
Costs charged/(credited) to cost of sales	-	510 032	-
Closing carrying amount	-	4 804 187	-

12 Inventories Raw Materials	13 107 614	7 766 184	8 656 781
Finished goods Coal and coal fines	9 273 892	15 098 800	5 709 283
Coke	-	2 605 977	862 744
	22 381 506	25 470 961	15 228 838
13 Trade and other payables			
Trade	16 746 975	16 717 650	12 886 722
Other	5 274 530	14 060 513	5 408 584
	22 021 505	30 778 163	18 295 306

14 Cash and cash equivalents.
For the purposes of statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the period/year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Bank and cash balances	511 763	360 488	340 024
Bank overdraft	-	(204 147)	(61 393)
	511 763	156 341	278 631
15 Treasury bills Government of Zimbabwe	29 618 795	-	-

As part of the ongoing restructuring plan, the Government of Zimbabwe through the Ministry of Finance and Economic Development issued treasury bills of USD 41 million and USD 18.216 million in settlement of the Mota Engil and RBZ/PTA Bank loan, respectively. The Government of Zimbabwe indicated that Hwange Colliery Company should issue preference shares against these treasury bills once due process and approvals have been sought and as such the USD 111.3 million has been recognised as a non-interest bearing loan in June 2017.

16 Share Capital			
Authorised 204 000 000 ordinary shares of USD 0.25 each	51 000 000	51 000 000	51 000 000
Issued and fully paid			

110 237 432 Ordinary shares of USD 0.25 each	27 559 358	27 559 358	27 559 358
5 962 366 Ordinary shares issued under share option scheme	1 514 039	1 514 039	1 514 039
	29 073 397	29 073 397	29 073 397
67 557 568 “A” Ordinary shares of USD 0.25 each	16 889 392	16 889 392	16 889 392
	45 962 789	45 962 789	45 962 789
17 Lease liability			
17.1 Non-current			
Finance lease liabilities due after one year	700 000	2 013 044	700 000
17.2 Current Finance lease liabilities due within one year	397 723	19 949 799	377 161
18 Borrowings Average interest on borrowings was 7.14%			
18.1 Non-current Loans due after one year	145 940 958	17 237 866	78 634 350
18.2 Current Bank overdraft	-	204 147	61 393
Loans payable within one year	-	12 385 309	12 334 941
	-	12 589 456	12 396 334
19. Trade and other payables Current Trade	23 356 436	121 801 922	60 741 155

Other	29 806 215	134 397 610	176 295 967
	53 162 651	256 199 532	237 037 122
Non-current Trade	60 843 209	121 801 922	60 741 155
Other	123 933 219	134 397 610	176 295 967
	184 776 428	256 199 532	237 037 122

19.1 Non-current liabilities – Payables

Payables amount of $184,776,428 relates to trade creditors, statutory creditors and employee obligations which will be paid over a period exceeding 12 months as per the terms and conditions of the creditors' scheme of arrangement.

20. Provisions

20.1 Provisions for rehabilitation

At the beginning of the period/year	6 371 883	5 726 693	5 726 693
Additional provisions made during the period/year	370 024	499 999	645 190
At the end of the period/year	6 741 907	6 226 692	6 371 883
20.2 Other provisions			
Leave pay and other provisions	6 823 559	5 930 504	4 791 459
Total provisions	**13 565 466**	**12 157 196**	**11 163 342**

21 Segment Reporting

Management currently identifies the Company's three business units as its operating segments. These operating segments are monitored by the Company's Board of Directors and strategic decisions are made on the basis of adjusted segment operating results.

Segment information for the reporting periods is as follows:

	Mining USD	Estates USD	Medical Services USD	Total USD
30 June 2017				

Revenue				
From external customers	15 457 085	3 082 172	238 332	18 777 588
From other segments	-	239 111	813 377	1 052 488
Total segments revenue	15 457 085	3 321 283	1 051 709	19 830 076
Segment operating loss/profit	(14 783 974)	(852 602)	(633 329)	(16 269 906)
30 June 2016 **Revenue**				
From external customers	20 460 370	3 645 564	375 711	24 481 645
From other segments	-	580 713	967 166	1 547 879
Total segments revenues	20 460 370	4 226 278	1 342 877	26 029 524
Segment operating loss	(25 671 399)	676 731	(872 731)	(25 867 399)
Segment assets	300 973 607	11 700 447	13 584 191	326 258 245
Segment liabilities	300 973 607	19 225 347	23 194 584	343 393 538
31 December 2016 **Revenue**				
From external customers	32 274 013	7 075 689	561 763	39 911 465
From other segments	-	729 371	1 891 206	2 620 577
Total Segment revenues	32 274 013	7 805 060	2 452 696	42 532 042
Segment operating (loss)/profit	(78 585 623)	1 208 227	(1 463 072)	(78 840 468)
Segment assets	168 286 636	6 986 314	7 345 987	182 618 937
Segment liabilities	319 148 715	16 310 785	14 903 659	350 363 159

Harare
29 September 2017
Sponsor: Sasfin Capital (a member of the Sasfin group)