

# REVIEWED ABRIDGED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020



## CHAIRMAN'S STATEMENT

### OVERVIEW

Covid-19 was declared a pandemic and the country went into lockdown from 30 March 2020. The lockdown restrictions remained in place at different levels throughout the period under review. The containment measures affected business through limited production, supply chain disruptions, logistical bottlenecks and reduced aggregate demand.

Hyperinflation, underpinned by runaway depreciation of the local currency, continued into the current financial period with official inflation peaking at 837.5% by July. Earnings did not keep pace with increases in prices and this, in addition to the effect of Covid-19, constrained demand. As a result sales volume for the period declined by 26.9% compared to the same period in prior year in an environment where aggregate demand has declined.

With effect from April 2020, the authorities allowed the US\$ to be used to settle transactions alongside the ZWL. However, the Group's sales remained predominantly in ZWL.

The authorities introduced the foreign currency auction system to allocate foreign currency, guided by economic priorities for the country. Between allocations from the auction and the foreign currency sales generated in the business, the Group was able to pay for all its import requirements.

The Group's capital expenditure programme continued during the period and store refurbishments were completed at OK Avonlea and OK Machipisa. Customers responded positively to the improved facilities in-store, leading to improved sales.

The Group embarked on a refreshing exercise for all its three store brands, namely OK, Bon Marche' and OKmart, to reflect how it is staying abreast with customers' requirements and aspirations.

### GROUP PERFORMANCE

The results were inflation-adjusted to reflect the impact of the general change in the purchasing power of the reporting currency in accordance IAS 29, Financial Reporting in Hyperinflationary Economies. The commentary is based on historical figures.

Revenue for the half year grew by 684% to ZWL 8.7 billion from ZWL 1.1 billion in the comparative period. Profit before tax of ZWL 1.3 billion was 621% up on prior year's ZWL 185 million, while profit after tax increased by 634% to ZWL 968.3 million from ZWL 131.9 million in prior year.

Overheads grew by 680.6% over prior year. The Group's response to fight Covid-19 pandemic impacted overheads, particularly RDT and PCR tests, purchase of face masks, thermometers, hand sanitizers and staff passage costs. Contingent rentals, repairs and maintenance, bank charges and cleaning expenses also significantly contributed to increase in overheads.

Capital expenditure for the half year was ZWL 384.9 million, up from ZWL 51.5 million for the same period in prior year. Most of the capital expenditure was on store refurbishments and equipping new stores.

### DIVIDEND

The Directors have declared an interim dividend of 26 ZWL cents per share to be paid to the shareholders on or about the 5th of January 2021.

### OUTLOOK

The Covid-19 induced restrictions have been relaxed in recent months. However, developments elsewhere around the world show that the fight against the pandemic is not yet over. The Group continues to be guided by pronouncements from the World Health Organization and the Ministry of Health and Child Care for measures that protect our staff and other stakeholders.

Post the reporting period, the Group opened a new OKmart store in Victoria Falls on 1 October 2020 and an OK Store in Harare's Sanganayi Inn area on 5 November 2020. The new stores were well received in the respective markets and are expected to contribute meaningfully to the Group's revenue. The Group's refurbishment programme will continue and eight stores have been targeted for completion by the end of the financial year.

The Group will continue to work with supplier partners to ensure the stores are adequately stocked for the festive season and beyond, our value offering to customers will assist to recover volume sales.

**H. NKALA**  
CHAIRMAN  
19 November 2020

### DIVIDEND ANNOUNCEMENT NOTICE TO SHAREHOLDERS

NOTICE is hereby given that on the 19th of November 2020, the Board of Directors declared an interim dividend (number 28) of 26 ZWL cents per share payable in respect of the qualifying ordinary shares of the Company to be paid out of the profits for the period ended 30 September 2020.

The dividend will be payable on or about the 5th of January 2021 to shareholders in the Group's register at the close of business on the 15th of December 2020. Disbursements to foreign shareholders is subject to Exchange Control Approval and payment guidelines for foreign payments. The dividend will be paid by direct transfers or other approved forms as per the following timetable:-

| ACTION                            | DATE             |
|-----------------------------------|------------------|
| 1 Announcement date               | 19 November 2020 |
| 2 Last Date to Trade Cum-Dividend | 15 December 2020 |
| 3 Share Trade Ex-Dividend         | 16 December 2020 |
| 4 Last Record Date                | 18 December 2020 |
| 5 Payment Date                    | 5 January 2021   |

Shareholders are encouraged to update their payment details through our offices or our Transfer Secretaries, Corpserve, 2nd Floor, ZB Centre, Kwame Nkrumah Avenue, P. O. Box 2208, Harare, Zimbabwe.

By the order of the Board

.....  
**MARGARET MUNYURU (MRS.)**  
GROUP COMPANY SECRETARY  
19 November 2020

### REVIEWED ABRIDGED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six month period ended

| Note   | INFLATION ADJUSTED                 |                                     | HISTORICAL*                         |                                     |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | 30 Sep 2020<br>ZWL 000<br>Reviewed | 30 Sep 2019<br>ZWL 000<br>Unaudited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 30 Sep 2019<br>ZWL 000<br>Unaudited |
| Revenue  | 11,647,030                         | 13,794,772                          | 8,734,874                           | 1,113,835                           |
| Changes in trade inventories                         | (636,846)                          | (183,868)                           | (1,755,912)                         | (206,234)                           |
| Merchandise and consumables used                     | (7,620,480)                        | (9,472,472)                         | (4,466,651)                         | (572,181)                           |
| Employee benefits expense                            | (618,276)                          | (599,246)                           | (495,573)                           | (46,483)                            |
| Depreciation and amortisation expense                | (228,342)                          | (208,239)                           | (42,784)                            | (10,547)                            |
| Share based payments expense                         | (5,270)                            | (7,707)                             | (3,894)                             | (931)                               |
| Net operating costs                                  | (790,753)                          | (1,047,033)                         | (601,944)                           | (88,618)                            |
| Finance cost   | (44,078)                           | (31,506)                            | (34,511)                            | (3,838)                             |
| Monetary loss  | (97,738)                           | (418,934)                           | -                                   | -                                   |
| Profit before tax                                    | 1,605,247                          | 1,825,767                           | 1,333,605                           | 185,003                             |
| Income tax expense                                   | (605,764)                          | (328,837)                           | (365,311)                           | (53,120)                            |
| <b>Profit for the period</b>                         | <b>999,483</b>                     | <b>1,496,930</b>                    | <b>968,294</b>                      | <b>131,883</b>                      |
| <b>Other comprehensive income (OCI)</b>              |                                    |                                     |                                     |                                     |
| Gains on revaluation of property and equipment       | 268,138                            | 906,087                             | 1,049,136                           | 220,044                             |
| Fair value gains on financial assets through OCI     | 1,055                              | 2,444                               | 2,830                               | 322                                 |
| Tax expense relating to components of OCI            | (43,351)                           | (45,335)                            | (192,433)                           | (49,235)                            |
| Other comprehensive income for the period net of tax | 225,842                            | 863,196                             | 859,533                             | 171,131                             |
| <b>Total comprehensive income for the period</b>     | <b>1,225,325</b>                   | <b>2,360,126</b>                    | <b>1,827,827</b>                    | <b>303,014</b>                      |
| Weighted average number of ordinary shares in issue  | 1,244,456,417                      | 1,219,587,462                       | 1,244,456,417                       | 1,219,587,462                       |
| Share performance - ZWL cents                        |                                    |                                     |                                     |                                     |
| : attributable earnings per share                    | 80.31                              | 122.74                              | 77.81                               | 10.81                               |
| : headline earnings per share                        | 80.18                              | 122.68                              | 77.68                               | 10.81                               |
| : diluted earnings per share                         | 79.55                              | 121.55                              | 77.07                               | 10.71                               |
| : net asset value per share                          | 480.74                             | 481.37                              | 218.20                              | 37.20                               |

### REVIEWED ABRIDGED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| As at                               | Note | INFLATION ADJUSTED                 |                                   | HISTORICAL*                         |                                     |
|-------------------------------------|------|------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
|                                     |      | 30 Sep 2020<br>ZWL 000<br>Reviewed | 31 Mar 2020<br>ZWL 000<br>Audited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 31 Mar 2020<br>ZWL 000<br>Unaudited |
| <b>Assets</b>                       |      |                                    |                                   |                                     |                                     |
| <b>Non-current assets</b>           |      |                                    |                                   |                                     |                                     |
| Property and equipment              | 8    | 4,524,360                          | 4,000,647                         | 2,163,739                           | 750,186                             |
| Financial asset at amortised cost   |      | 226                                | 419                               | 115                                 | 115                                 |
| Goodwill                            |      | 11,816                             | 11,816                            | 400                                 | 400                                 |
| Right of use asset                  |      | 1,289,208                          | 582,521                           | 260,685                             | 96,084                              |
| Financial assets at FVTOCI          |      | 3,862                              | 2,807                             | 3,862                               | 1,032                               |
|                                     |      | <u>5,829,472</u>                   | <u>4,598,210</u>                  | <u>2,428,801</u>                    | <u>847,817</u>                      |
| <b>Current assets</b>               |      |                                    |                                   |                                     |                                     |
| Inventories                         | 10   | 3,164,723                          | 2,536,125                         | 2,612,625                           | 822,265                             |
| Trade and other receivables         |      | 108,035                            | 44,953                            | 108,035                             | 16,527                              |
| Prepayments                         |      | 419,187                            | 304,023                           | 220,347                             | 73,833                              |
| Short-term loans                    |      | 137                                | 76                                | 137                                 | 28                                  |
| Cash and cash equivalents           |      | 200,553                            | 490,789                           | 200,553                             | 180,437                             |
|                                     |      | <u>3,892,635</u>                   | <u>3,375,966</u>                  | <u>3,141,697</u>                    | <u>1,093,090</u>                    |
| <b>Total assets</b>                 |      | <b>9,722,107</b>                   | <b>7,974,176</b>                  | <b>5,570,498</b>                    | <b>1,940,907</b>                    |
| <b>Equity and liabilities</b>       |      |                                    |                                   |                                     |                                     |
| <b>Capital and reserves</b>         |      |                                    |                                   |                                     |                                     |
| Share capital                       |      | 3,590                              | 3,588                             | 125                                 | 123                                 |
| Share premium                       |      | 1,029,178                          | 1,027,670                         | 39,614                              | 38,575                              |
| Share based payment reserve         |      | 47,057                             | 41,787                            | 7,420                               | 3,526                               |
| Mark to market reserve              |      | 2,331                              | 1,287                             | 3,543                               | 741                                 |
| Revaluation reserve                 |      | 285,430                            | 60,632                            | 1,220,091                           | 363,360                             |
| Non-distributable reserve           |      | 290,088                            | 290,088                           | 9,820                               | 9,820                               |
| Retained earnings                   |      | 4,324,960                          | 3,499,285                         | 1,434,747                           | 580,053                             |
|                                     |      | <u>5,982,634</u>                   | <u>4,924,337</u>                  | <u>2,715,360</u>                    | <u>996,198</u>                      |
| <b>Non-current liabilities</b>      |      |                                    |                                   |                                     |                                     |
| Deferred tax                        |      | 785,895                            | 699,610                           | 218,812                             | 80,654                              |
| Finance lease liability             |      | 572,493                            | 213,101                           | 255,241                             | 78,346                              |
|                                     |      | <u>1,358,388</u>                   | <u>912,711</u>                    | <u>474,053</u>                      | <u>159,000</u>                      |
| <b>Current liabilities</b>          |      |                                    |                                   |                                     |                                     |
| Trade and other payables            | 9    | 1,988,800                          | 1,846,782                         | 1,988,800                           | 678,964                             |
| Finance lease liability             |      | 21,067                             | 57,302                            | 21,067                              | 21,067                              |
| Short term borrowings               |      | 50,000                             | -                                 | 50,000                              | -                                   |
| Current tax liability               |      | 321,218                            | 233,044                           | 321,218                             | 85,678                              |
|                                     |      | <u>2,381,085</u>                   | <u>2,137,128</u>                  | <u>2,381,085</u>                    | <u>785,709</u>                      |
| <b>Total equity and liabilities</b> |      | <b>9,722,107</b>                   | <b>7,974,176</b>                  | <b>5,570,498</b>                    | <b>1,940,907</b>                    |

### REVIEWED ABRIDGED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six month period ended

|   | INFLATION ADJUSTED                 |                                     | HISTORICAL*                         |                                     |
|---|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | 30 Sep 2020<br>ZWL 000<br>Reviewed | 30 Sep 2019<br>ZWL 000<br>Unaudited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 30 Sep 2019<br>ZWL 000<br>Unaudited |
| <b>Cash flows from operating activities</b>               |                                    |                                     |                                     |                                     |
| Cash generated from trading                               | 1,452,474                          | 1,314,652                           | 1,412,313                           | 200,280                             |
| Working capital changes                                   | (664,826)                          | (157,568)                           | (718,546)                           | (60,652)                            |
| Cash generated from operations                            | 787,648                            | 1,157,084                           | 693,767                             | 139,628                             |
| Net finance charges                                       | (42,523)                           | (30,064)                            | (33,605)                            | (3,669)                             |
| Tax paid  | (474,656)                          | (377,155)                           | (184,047)                           | (18,528)                            |
| <b>Net cash generated from operating activities</b>       | <b>270,469</b>                     | <b>749,865</b>                      | <b>476,115</b>                      | <b>117,431</b>                      |
| <b>Cash flows from investing activities</b>               |                                    |                                     |                                     |                                     |
| <b>Investments to maintain operations</b>                 |                                    |                                     |                                     |                                     |
| Replacement of property and equipment                     | (274,655)                          | (553,387)                           | (247,372)                           | (48,655)                            |
| Proceeds from disposal of property and equipment          | 1,669                              | 1,237                               | 1,591                               | 86                                  |
|   | <u>(272,986)</u>                   | <u>(552,150)</u>                    | <u>(245,781)</u>                    | <u>(48,569)</u>                     |
| <b>Investment to expand operations</b>                    |                                    |                                     |                                     |                                     |
| Additions to property and equipment                       | (152,678)                          | (30,580)                            | (137,511)                           | (2,846)                             |
| <b>Net cash utilised in investing activities</b>          | <b>(425,664)</b>                   | <b>(582,730)</b>                    | <b>(383,292)</b>                    | <b>(51,415)</b>                     |
| <b>Cash flows from financing activities</b>               |                                    |                                     |                                     |                                     |
| Dividend paid   | (173,808)                          | (270,081)                           | (113,600)                           | (21,315)                            |
| Proceeds from share options exercised                     | 1,510                              | 37,852                              | 1,041                               | 3,023                               |
| (Increase)/decrease in short-term loans receivable        | (61)                               | 425                                 | (109)                               | (24)                                |
| Lease payments  | (12,682)                           | -                                   | (10,039)                            | -                                   |
| Increase in short term borrowings                         | 50,000                             | -                                   | 50,000                              | -                                   |
| <b>Net cash utilised in financing activities</b>          | <b>(135,041)</b>                   | <b>(231,804)</b>                    | <b>(72,707)</b>                     | <b>(18,316)</b>                     |
| Net (decrease)/increase in cash and cash equivalents      | (290,236)                          | (64,669)                            | 20,116                              | 47,700                              |
| Cash and cash equivalents at the beginning of the period  | 490,789                            | 666,313                             | 180,437                             | 31,568                              |
| <b>Cash and cash equivalents at the end of the period</b> | <b>200,553</b>                     | <b>601,644</b>                      | <b>200,553</b>                      | <b>79,268</b>                       |

### REVIEWED ABRIDGED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six month period ended

|  | INFLATION ADJUSTED                 |                                     | HISTORICAL*                         |                                     |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | 30 Sep 2020<br>ZWL 000<br>Reviewed | 30 Sep 2019<br>ZWL 000<br>Unaudited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 30 Sep 2019<br>ZWL 000<br>Unaudited |
| Shareholders' equity at the beginning of the period  | 4,924,337                          | 3,735,135                           | 996,198                             | 168,004                             |
| <b>Changes in share capital</b>                      |                                    |                                     |                                     |                                     |
| Arising from shares issued                           | 1,510                              | 37,852                              | 1,041                               | 3,024                               |
| Recognition of share based payment                   | 5,270                              | 7,707                               | 3,894                               | 931                                 |
| <b>Changes in distributable reserve</b>              |                                    |                                     |                                     |                                     |
| Dividend paid  | (173,808)                          | (270,081)                           | (113,600)                           | (21,315)                            |
| Total comprehensive income for the year net of tax   | 1,225,325                          | 2,360,126                           | 1,827,827                           | 303,014                             |
| <b>Shareholders' equity at the end of the period</b> | <b>5,982,634</b>                   | <b>5,870,739</b>                    | <b>2,715,360</b>                    | <b>453,658</b>                      |

### NOTES TO THE REVIEWED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

#### 1 GENERAL INFORMATION

The Group is a leading supermarket retailer whose business covers three major categories, comprising groceries, basic clothing and textiles and houseware products. At the reporting date, the Group was operating from sixty-five shops countrywide and had two wholly owned subsidiaries.

#### 2 BASIS OF PREPARATION

The abridged reviewed consolidated financial statements of OK Zimbabwe Limited have been prepared in accordance with International Financial Reporting Standards "IFRSs" and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

#### 2.1 Hyperinflation

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyperinflationary Economies) compliant. Indices used were obtained from the Zimbabwe Statistical Office for the period from September 2019 to September 2020. The conversion factors used to restate the financial results are as follows:

|                             | Indices | Conversion Factor |
|-----------------------------|---------|-------------------|
| CPI as at 31 March 2019     | 104.4   | 21.13             |
| CPI as at 30 September 2019 | 290.4   | 7.59              |
| CPI as at 31 March 2020     | 810.4   | 2.72              |
| CPI as at 30 September 2020 | 2,205.2 | 1.00              |



**DIRECTORS:** H. Nkala (Chairman), A. E. Siyavora (Chief Executive Officer), A. R. Katsande (Commercial Director), T. L. Gumbo, R. A. Maunze, R. Mavima, A. S. McLeod, B. A. Carter (Alternate), R. J. Moyo, K. Mtemerwa, L. Webster-Rozon

**ADDRESS:** OK House, 7 Ramon Road, Graniteside, P.O. Box 3081, Harare, Zimbabwe. Telephone: 263 (242) 7511/9, (242) 7502089/9, (242) 755617, (242) 755632, and (242) 755637  
FAX: 263 (242) 757028, (242) 757039. TELEX: 264632W, E-MAIL: corpserve@okzim.co.zw

# REVIEWED ABRIDGED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020



## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS For the period ended 30 September 2020

### 2.2 Currency of reporting

The Group's financial statements are presented in Zimbabwe dollars (ZWL), which is the functional currency of the Group. All foreign denominated transactions and balances post the change in functional currency date, are translated to ZWL in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) at the official interbank rate prevailing at the time of transacting. All values are rounded to the nearest thousand except where otherwise stated.

### 2.3 Historical reporting\*

The historical financial disclosure is shown as complementary information. The information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). As a result, the auditors have not issued a review conclusion on the historic financial information.

### 3 STATEMENT OF ACCOUNTING POLICY

The accounting policies are consistent with those used in the prior year.

|  | INFLATION ADJUSTED                 |                                     | HISTORICAL*                         |                                     |
|--|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | 30 Sep 2020<br>ZWL 000<br>Reviewed | 30 Sep 2019<br>ZWL 000<br>Unaudited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 30 Sep 2019<br>ZWL 000<br>Unaudited |
| <b>4 CAPITAL EXPENDITURE</b>             | 427,333                            | 583,967                             | 384,883                             | 51,501                              |
| <b>5 CAPITAL COMMITMENTS</b>             |                                    |                                     |                                     |                                     |
| Authorised but not contracted for        | 2,064,647                          | 1,889,925                           | 2,064,647                           | 249,002                             |
| <b>6 INCOME TAX EXPENSE</b>              |                                    |                                     |                                     |                                     |
| Current income tax                       | 562,654                            | 341,127                             | 419,456                             | 72,669                              |
| : Standard                               | 546,266                            | 331,191                             | 407,239                             | 70,552                              |
| : Aids levy                              | 16,388                             | 9,936                               | 12,217                              | 2,117                               |
| With holding tax                         | 176                                | 70                                  | 131                                 | 15                                  |
| Deferred tax movement                    | 42,934                             | (12,360)                            | (54,276)                            | (19,564)                            |
|  | <b>605,764</b>                     | <b>328,837</b>                      | <b>365,311</b>                      | <b>53,120</b>                       |
| <b>7 CASH GENERATED FROM TRADING</b>     |                                    |                                     |                                     |                                     |
| Profit before tax                        | 1,605,247                          | 1,825,767                           | 1,333,605                           | 185,003                             |
| Adjusted for :                           |                                    |                                     |                                     |                                     |
| Net finance costs                        | 42,523                             | 30,064                              | 33,605                              | 3,669                               |
| Depreciation and amortisation            | 228,342                            | 208,239                             | 42,784                              | 10,547                              |
| Share based payments expense             | 5,270                              | 7,707                               | 3,894                               | 931                                 |
| Employee share participation costs       | -                                  | 2,512                               | -                                   | 180                                 |
| Profit on sale of property and equipment | (1,652)                            | (789)                               | (1,575)                             | (50)                                |
| Impact of inflation on cash flows        | (427,256)                          | (758,848)                           | -                                   | -                                   |
|  | <b>1,452,474</b>                   | <b>1,314,652</b>                    | <b>1,412,313</b>                    | <b>200,280</b>                      |

|                                   | INFLATION ADJUSTED                 |                                     | HISTORICAL*                         |                                       |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
|                                   | 30 Sep 2020<br>ZWL 000<br>Reviewed | 31 March 2020<br>ZWL 000<br>Audited | 30 Sep 2020<br>ZWL 000<br>Unaudited | 31 March 2020<br>ZWL 000<br>Unaudited |
| <b>8 PROPERTY AND EQUIPMENT</b>   |                                    |                                     |                                     |                                       |
| At the beginning of the period    | 4,000,647                          | 3,058,506                           | 750,186                             | 123,641                               |
| Capital expenditure               | 427,333                            | 1,205,344                           | 384,883                             | 236,443                               |
| Revaluation                       | 268,138                            | 76,427                              | 1,049,136                           | 408,679                               |
| Disposals                         | (17)                               | (3,979)                             | (16)                                | (135)                                 |
| Depreciation                      | (171,741)                          | (335,651)                           | (20,450)                            | (18,442)                              |
| <b>At the end of the period</b>   | <b>4,524,360</b>                   | <b>4,000,647</b>                    | <b>2,163,739</b>                    | <b>750,186</b>                        |
| <b>9 TRADE AND OTHER PAYABLES</b> |                                    |                                     |                                     |                                       |
| Trade payables                    | 1,640,868                          | 1,219,303                           | 1,640,868                           | 448,273                               |
| Provisions                        | 171,256                            | 111,068                             | 171,256                             | 40,834                                |
| Accruals and other payables       | 176,676                            | 516,411                             | 176,676                             | 189,857                               |
|                                   | <b>1,988,800</b>                   | <b>1,846,782</b>                    | <b>1,988,800</b>                    | <b>678,964</b>                        |
| <b>10 INVENTORIES</b>             |                                    |                                     |                                     |                                       |
| Consumable stocks                 | 56,072                             | 64,320                              | 55,302                              | 20,854                                |
| Merchandise                       | 3,108,651                          | 2,471,805                           | 2,557,323                           | 801,411                               |
|                                   | <b>3,164,723</b>                   | <b>2,536,125</b>                    | <b>2,612,625</b>                    | <b>822,265</b>                        |

### 11 CONTINGENT LIABILITIES

There were no contingent liabilities at reporting date.

### 12 GOING CONCERN

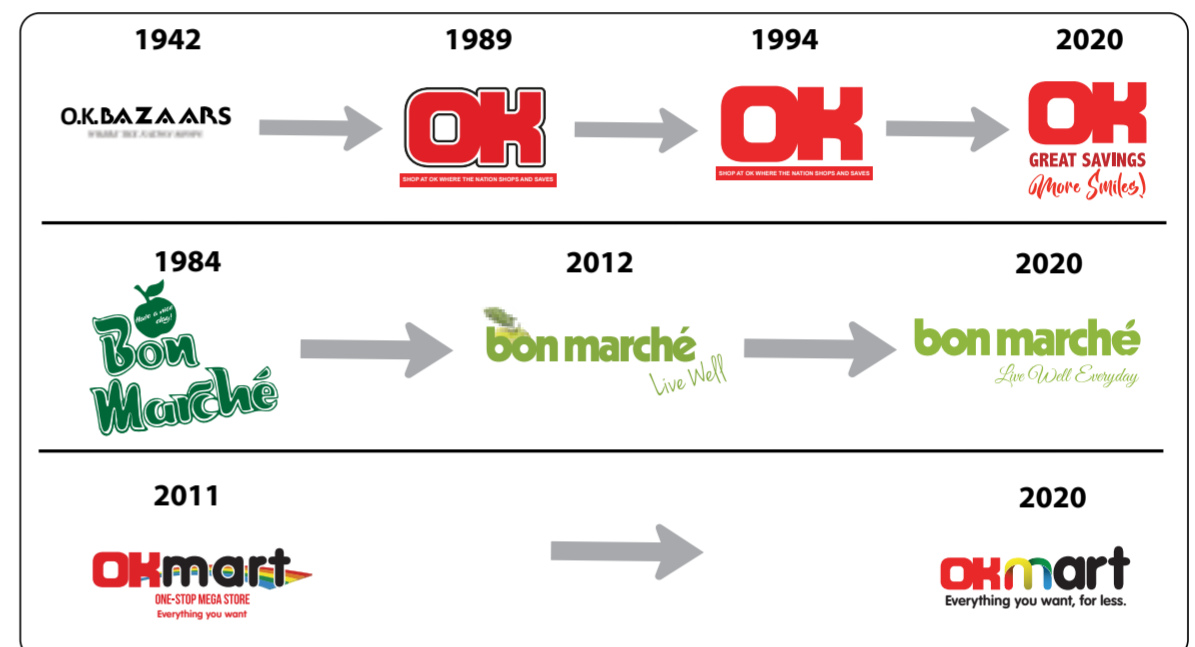
The impact of COVID-19 is expected to persist for the foreseeable future as the vaccine to cure the pandemic is still being developed. The directors and management have assessed the ability of the Group to continue as a going concern and believe the preparation of the condensed financial results on a going concern basis is still appropriate. The Group is capable of settling all its obligations as they fall due while operating profitably. In addition, the Group has banking facilities in place which can be utilised if the need arises.

### 13 REVIEW CONCLUSION

The condensed interim financial results have been reviewed by Deloitte & Touche (Chartered Accountants) Zimbabwe who indicate that nothing has come to their attention that causes them to believe that these inflation adjusted condensed interim financial results do not present fairly, in all material respects, the inflation adjusted financial position of OK Zimbabwe Limited as at 30 September 2020 and its inflation adjusted financial performance and cash flows for the period and that they were prepared in accordance with IAS 34 - Interim Financial Reporting and the requirements of the Zimbabwe Stock Exchange Listing Regulations.

The engagement partner on the review resulting in this independent auditor's review report is Tumai Mafunga. The auditor's review statement is available for inspection at the Company's registered office and on the website.

## REBRANDING TO RECONNECT



**Great Savings, More Smiles** is a promise of great value all round! With affordable prices and friendly staff on hand to assist, our customers will leave our stores with smiles on their faces. Customers save money and Save on time with our range of affordable products and services that are carefully selected for their convenience.



**Live Well Everyday** is the brand's lifestyle expression! This is a promise to our customers that our quality product offering and in-store experience support their everyday wellness. Living well is about having a sound and balanced Mind, Body and Soul. Bon Marche proudly takes the lead in encouraging our customers to make positive choices everyday.



**Everything you want, for less.** We believe that our customers want range diversity and abundance. Hence, we promise to provide a unique one-stop shopping experience to them; offering a competitively priced wide product range, delivered with the quality service they have come to know and trust.

"We continually put effort into understanding our customers' desires, aspirations and needs in order that our offering and marketing thrust can achieve customer satisfaction and loyalty. This way we ensure that our brands keep evolving in a manner which delivers promises that are meaningful, unique and compelling."

**Mr. Alex E. Siyavora, OK Zimbabwe Limited CEO**

RESET | REVITALIZE | REFRESH



**DIRECTORS:** H. Nkala (Chairman), A. E. Siyavora (Chief Executive Officer), A. R. Katsande (Commercial Director), T. L. Gumbo, R. A. Maunze, R. Mavima, A. S. McLeod, B. A. Carter (Alternate), R. J. Moyo, K. Mtemerwa, L. Webster-Rozon

**ADDRESS:** OK House, 7 Ramon Road, Graniteside, P.O. Box 3081, Harare, Zimbabwe. Telephone: 263 (242) 7511/9, (242) 7502089/9, (242) 755617, (242) 755632, and (242) 755637  
FAX: 263 (242) 757028, (242) 757039. TELEX: 264632W, E-MAIL: corpserve@okzim.co.zw

**Independent Auditor's Report on Review of Inflation Adjusted Condensed Interim Financial Information  
To the Shareholders of OK Zimbabwe Limited  
For the six-month period ended 30 September 2020**

We have reviewed the inflation adjusted consolidated interim financial information of OK Zimbabwe Limited and its subsidiaries ("the Group"), which comprise the inflation adjusted condensed consolidated interim statement of financial position as at 30 September 2020 and the inflation adjusted condensed consolidated interim statement of profit and loss and other comprehensive income, the inflation adjusted condensed consolidated interim statement of changes in equity and the inflation adjusted condensed consolidated interim statement of cash flows for the six month period ended, and selected explanatory notes.

**Directors' responsibility for the inflation adjusted condensed consolidated interim financial information**

The directors are responsible for the preparation and presentation of these inflation adjusted condensed consolidated interim financial information in accordance with the International Accounting Standard (IAS) 34, (Interim Financial Reporting) and the requirements of the Zimbabwe Stock Exchange (ZSE) Listings Requirements for interim financial information, and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted condensed consolidated interim financial information that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the inflation adjusted condensed consolidated interim financial information**

Our responsibility is to express a conclusion on these inflation adjusted condensed consolidated interim financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the inflation adjusted condensed consolidated interim financial information are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on these financial information.

**Independent Auditor's Report on Review of Inflation Adjusted Condensed Interim Financial Information  
To the Shareholders of OK Zimbabwe Limited  
For the six-month period ended 30 September 2020 (Continued)**

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these inflation adjusted condensed consolidated interim financial information do not present fairly, in all material respects, the inflation adjusted consolidated financial position of OK Zimbabwe Limited and its subsidiaries as at 30 September 2020 and its the inflation adjusted consolidate financial performance and the inflation adjusted consolidated cash flows for the six month period then ended in accordance with IAS 34 and the provisions of the Zimbabwe Stock Exchange Listing Requirements.

The engagement partner on the review resulting in this independent auditor's review report is Tumai Mafunga.

*Deloitte & Touche*

**Per. Tumai Mafunga  
(PAAB Practice Certificate Number 0442)  
Deloitte & Touche Chartered Accountants (Zimbabwe)  
Harare  
Zimbabwe**

**19 November 2020**