



# MEIKLES — LIMITED —

## ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021



Columbus DDB

### SALIENT FEATURES – CONTINUING OPERATIONS

HISTORICAL FINANCIAL HIGHLIGHTS	
Revenue	▲ Increased by 466 % to ZWL 21.9 billion
Operating profit	▲ Increased by 402% to ZWL 2.4 billion
Profit for the year	▲ Increased by 581% to ZWL 2.3 billion
Attributable earnings per share	▲ Increased by 202% to 1,051.90 ZWL cents
Dividend per share	Interim dividend paid 85.0 ZWL cents Final dividend declared 100.0 ZWL cents

### CHAIRMAN'S REPORT

It gives me pleasure to present the Chairman's Report for the financial year ended 31 March 2021.

### GROUP FINANCIAL PERFORMANCE

The Group's financial results demonstrate resilience against the unprecedented effects of the COVID-19 pandemic. Whilst the COVID-19 pandemic affected all Group segments, it impacted severely on the Hospitality segment's operating revenue and profitability, as was common in that industry. Commentary on financial performance is based on inflation adjusted figures, with historical cost figures in brackets to enhance comprehension and analysis.

Group revenue for continuing operations grew by 3% to ZWL 28.4 billion from ZWL 27.6 billion in 2020 (Historical cost, a growth from ZWL 3.9 billion to ZWL 21.9 billion).

Group operating profit for the year from continuing operations was ZWL 878.3 million, down 2% from ZWL 894.5 million in the prior year (Historical cost, a growth from ZWL 473.0 million to ZWL 2.4 billion).

The Group increased employee remuneration to a level, which expressed as a percentage of revenue, exceeds that of the previous year. The increase was in response to the erosion of employees' salaries since the introduction of the local currency in 2019 and to cushion employees from both the effects of inflation and the COVID-19 pandemic. All other expense items increased to a lesser extent than the growth in revenue.

Group Profit after Tax for the year from continuing operations was ZWL 373.3 million down from the previous year of ZWL 3.5 billion (Historical cost, a growth in profit from ZWL 331.7 million to ZWL 2.3 billion). Included in the previous year's profit is a monetary gain of ZWL 4.5 billion, whereas the year under review has recorded a monetary loss of ZWL 725.2 million, a decline of ZWL 5.2 billion from the previous year. A significant portion of the Group's monetary assets are denominated in foreign currency with the result that the monetary adjustment is related to technicalities of inflation accounting, as opposed to a real loss of value.

The structure of the Group statement of financial position reflects a further enhancement. A stronger cash position than that of the previous year has been recorded with cash and bank balances, net of borrowings, up from ZWL 202 million to ZWL 724 million. In addition, all foreign currency denominated debts due to Pick n Pay have been paid.

The agricultural segment, Tanganda Tea Company Limited, was classified as a discontinued operation at the reporting date and its financial results are set out in Note 7 of these abridged financial statements.

Segmental contributions to the Group's financial performance is set out in Note 5 of these abridged audited results.

### KEY DEVELOPMENTS

There has been a historic view that a grouping of related entities into a conglomerate structure is most suitable for shareholders in terms of value creation. However, there is a growing opinion that an entity should be an independent business with its own focused identity and will then be well placed to unlock shareholder value.

Meikles Limited has provided additional capital to Tanganda since 2011 to support the crop diversification thrust. This capital being additional to Tanganda's normal annual capital expenditure. As at 31 March 2021, Meikles has cumulatively injected US\$20.8 million for macadamia nuts and avocados plantations development, an avocado processing facility and recently for solar power plants. Further capital has been provided subsequent to the year-end.

Tanganda is now in a strong financial position and well set to independently sustain its operations going forward. Subject to shareholders approval, Tanganda is to be unbundled in the months before the end of the calendar year and is to be separately listed. It will cease to have any financial connection with the Group.

The strategy is expected to unlock the value of the capital invested in crop diversification for the shareholders. The separate financial reporting will enhance understanding by financial markets leading to a more accurate valuation of the business.

The Group has a large portfolio of properties. Strategic alternatives are being examined on how best to unbundle properties and to provide an opportunity for shareholders to enhance value. A strategy will be determined and implemented after the Tanganda unbundling process.

The status of the Hospitality assets is yet to be decided, but a strategy to unlock and enhance shareholder value will be determined.

It is envisaged that Meikles Limited will focus on the retention of its investment in retail, primarily supermarkets.

### REVIEW OF OPERATIONS

#### Supermarkets – trading as TM Pick n Pay

Revenue increased by 3% over the previous year in inflation adjusted terms. Sales volumes declined by 21% primarily due to COVID-19 induced restrictions in trading times. In addition, some stores had to close for certain periods of time when staff tested positive. The decline in volumes reduced in the second half of the financial year and volumes are currently increasing on a month-on-month basis. We are thankful for the agility of our employees, suppliers and customers in their ability to adapt and provide a safe shopping experience in the stores during a challenging period.

Operating Profit grew to ZWL 1.1 billion from ZWL 734.1 million (Historical cost growth from ZWL 485.7 million to ZWL 2.5 billion) in the previous year. Profit growth was achieved through tight margin control and substantial savings in operating costs, other than employee costs. The COVID-19 pandemic resulted in unforeseen costs, examples being cost of sanitisers, masks and tests. Employee costs expressed as a percentage of revenue increased, due to statutory increases in basic salaries and the need to cushion employees through cost of living adjustments during these challenging economic times. In addition, other payroll related costs increased such as staff uniforms, transport allowances and medical aid expenses.

The Profit after Tax was ZWL 632.5 million, a reduction from the previous year of ZWL 2.0 billion (Historical cost, a growth from ZWL 240.3 million to ZWL 1.7 billion).

In the previous year, the segment's monetary liabilities included US\$2.3 million in legacy debts that were paid during the year under review. The legacy debt increased the previous year's monetary gain to ZWL 3.6 billion and this distorts a comparison with the current period monetary gain of ZWL 710.8 million.

The strength and stability of the segment is reflected through the generation of sufficient cash flows from operating activities to fund the operations, investment in new stores, refurbishment of the existing stores and a payment of a dividend to shareholders during a period with significant COVID-19 disruptions. The segment invested ZWL 578.5 million in store upgrades and two new stores, Pick n Pay Aspidale and Pick n Pay Chiremba. In the next three years, a substantial growth in investment in this segment will be implemented.

#### Agriculture

During the year ended 31 March 2021, strong performance came from value added packed tea products whose sales volume grew by 16% to 2,100 tonnes from 1,812 tonnes in prior year. Although adverse weather in 2019-2020 season and COVID-19 impacted negatively on crop performance in Agriculture, revenue of ZWL 2.4 billion was comparable to that of the prior year

of ZWL 2.5 billion. The Company is now realising the benefits of diversified operations.

Tea production of 9,188 tonnes grew by 10% over prior year of 8,319 tonnes. Average export selling price for bulk tea was US\$1.38 per kilogram, down 4% from a prior year average of US\$1.44 per kilogram. Macadamia crop of 650 tonnes was 24% lower than 855 tonnes in prior year due to the adverse weather. The average price firmed from US\$4.99 per kilogram in the previous year to US\$5.30 per kilogram. The avocado crop grew by 32% from 1,907 tonnes in prior year to 2,520 tonnes. Avocado trees reached a new level of maturity. However, the average export price for avocados was 84 US cents per kilogram, 51% lower than prior year's 173 US cents per kilogram as a result of the COVID-19 induced lockdown on the hospitality sector in Europe.

Construction of the Ratelshoek 1.8 Mega Watt solar plant was completed in September 2020. Tingamira's 1.2 Mega Watt and Jersey's 1.6 Mega Watt plants are expected to be completed by July 2021. An application for Independent Power Producer licence has been lodged and will result in the solar plants feeding into the National Grid. Furthermore, a battery pack is being sourced for Ratelshoek estate, making all three solar plants backed by batteries.

Subject to shareholders approval, the Company will be listed with a balance sheet structure best suited for its future well-being and with all additional requirements to comply with the relevant listing rules in terms of governance.

#### Hospitality

Profit after tax declined from a profit in the previous year of ZWL 629.2 million to a loss in the current year of ZWL 122.7 million (Historical cost, the profit grew from ZWL 125.4 million to ZWL 724.7 million) as international tourism and travel halted due to the COVID-19 pandemic during the whole period under review, and adversely affected revenue, profits and occupancy.

The Victoria Falls Hotel reopened in November 2020 following the relaxation of restrictions by authorities. The clientele were mainly local and regional guests. The recovery of international travel and tourism hinges on a variety of factors including vaccination roll out by countries. We are thankful to the Zimbabwe Government for the swift roll out of the vaccination programme in Victoria Falls. Meanwhile, the planned renovations of the hotel have commenced.

#### Properties

There is substantial development in this segment. Properties which were previously occupied by the retail segment and have been unoccupied are being redeveloped and occupied by strong tenants. All properties will have completed their planned development by the end of the forthcoming financial year.

#### Security Services

Meikles Guard Services performed satisfactorily as contracts lost during the year due to COVID-19 were offset with new posts from both the Group's operations and third parties. The segment benefits from expansion of the supermarkets segment.

### MEIKLES FOUNDATION

The climax of Meikles Foundation's activities during the period under review was a pledge for the equivalent of US\$300 000 towards the construction of the first phase of Rainbow Children's Village, a home for child cancer patients from disadvantaged backgrounds. Meikles Limited, as part of its corporate social responsibility, will pay for Meikles Foundation's pledge towards the noble cause. In addition, Meikles Foundation and the subsidiaries assisted the less privileged and the needy in the communities they operate in. The focus during the year under review was to alleviate the suffering caused by the COVID-19 pandemic. More details on activities undertaken by both the Meikles Foundation and the subsidiaries are provided under the section on "Investing in our Community" of the Annual Report.

### DIVIDEND

The Board has declared a final dividend of ZWL 100 cents per share, taking the total dividend for the financial year to ZWL 185 cents per share, inclusive of two interim dividends of ZWL 42.5 cents each paid in December 2020 and May 2021. A full dividend announcement has been included at the end of the press release.

### DIRECTORATE

There have been substantial changes to the structure of the Board of Directors during the year and subsequent to the year end. The Board now consists of a Non-Executive Chairman, five independent Non-Executive Directors, a Finance Director, and two other Executive Directors. The three Executive Directors serve on an Executive Committee which oversees Group operations and strategy implementation as determined by the Company Board and subsidiary Company Boards.

### OUTLOOK

The Group continues to operate with a risk adjusted strategy as COVID-19 circumstances affect sectors of our business activities.

### APPRECIATION

I would like to extend my appreciation to our customers as well as suppliers for their continued support and to our shareholders, other stakeholders and regulatory authorities for their assistance and guidance. I would also like to extend my thanks and appreciation to fellow Board members, management and staff for their dedication and commitment.

**JRT Moxon**  
Chairman  
29 June 2021



The new TM Pick n Pay Chiremba Store







# MEIKLES

## — LIMITED —

### ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021



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#### NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS

#### 7. Discontinued operations and assets held for sale and distribution (continued)

##### 7.5 Summarised:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2021 ZWL 000	31 Mar 2020 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2020 ZWL 000
Total assets held for sale and distribution	5,182,607	1,320	2,613,009	9
Total liabilities relating to assets classified as held for distribution	(1,031,833)	-	(639,009)	-
<b>Total net assets classified as held for distribution and sale</b>	<b>4,150,774</b>	<b>1,320</b>	<b>1,974,000</b>	<b>9</b>

#### 8. Prior period error

During the prior year ended 31 March 2020, the inflation adjusted work in progress balance under property, plant and equipment for the Supermarkets segment was misstated due to an arithmetical error. The error only affected the inflation adjusted financial statements. The financial statements have been restated to correct this error. The Group did not prepare three statements of financial position since the error did not affect opening balances for the year ended 31 March 2020.

The impact of the prior period error on the Group abridged financial statements is as summarised below:

	INFLATION ADJUSTED
	Group 31 Mar 2020 ZWL 000
<b>Consolidated statement of profit or loss</b>	
Decrease in monetary adjustment	(404,848)
Decrease in income tax expense	100,079
Decrease in profit for the year	<u>(304,769)</u>
<b>Consolidated statement of financial position</b>	
Decrease in property, plant and equipment	(404,848)
Decrease in deferred tax liability	100,079
Decrease in total equity	<u>(304,769)</u>
Decrease in equity attributable to non-controlling interests	(149,337)
Net decrease in equity attributable to owners of the parent	<u>(155,432)</u>
	<u>(304,769)</u>
<b>Impact of prior period error on earnings per share in cents</b>	
Decrease in profit for the year attributable to owners of the parent from continuing operations	<u>(155,432)</u>
	<u>Cents</u>
Decrease in basic and diluted earnings per share	<u>(59.54)</u>
Decrease in headline earnings per share	<u>(59.54)</u>

Meikles Limited Website: [www.meiklesltd.com](http://www.meiklesltd.com)

#### NOTICE TO SHAREHOLDERS

##### 1. Dividend declaration

Notice is hereby given that the Board of Directors declared a final Dividend Number 85 of 100.0 ZWL cents per share payable out of the profits for the financial year ended 31 March 2021. The dividend will be payable on or about 28 July 2021. Disbursements to foreign shareholders is subject to Exchange Control Approval and payment guidelines for foreign payments. The timetable for the dividend payment is as follows: -

ACTION	DATE
Dividend announcement	7 July 2021
Last date to trade cum dividend	20 July 2021
Ex-dividend date	21 July 2021
Last record date	23 July 2021
Payment date	28 July 2021

Shareholders are encouraged to update their payment details through our transfer secretaries:

ZB Transfer Secretaries, 21 Natal Road, Belgravia, Harare Zimbabwe  
 PMberikwazvi@zb.co.zw  
 RMutakwa@zb.co.zw

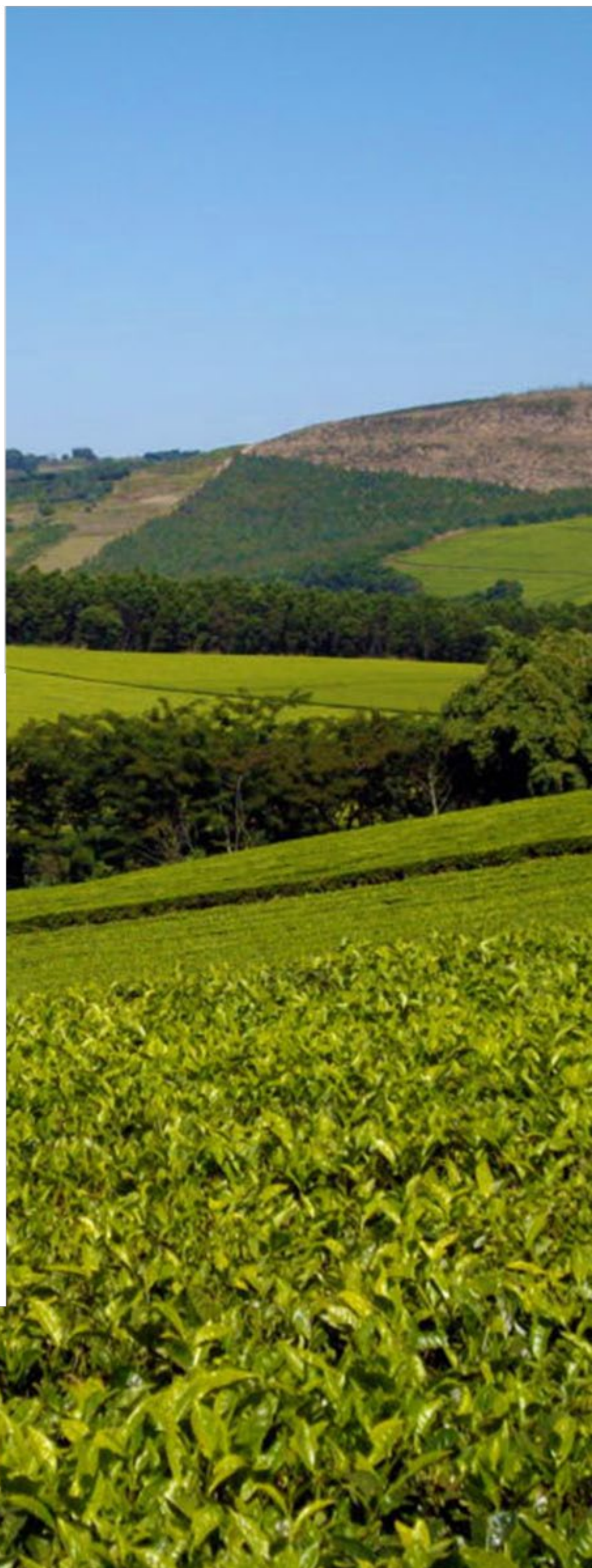
##### 2. Cautionary Statement

Further to the cautionary announcement published on 15 April 2021, 7 May 2021 and 3 June 2021, shareholders are advised that Meikles Limited Board of Directors has determined to unbundle from the Company and list separately on the Zimbabwe Stock Exchange the Company's agricultural processing business, Tanganda Tea Company Limited subject to shareholders' approval.

Accordingly, shareholders are advised to continue exercising caution when dealing in the company's shares until further notice. In the meantime, shareholders are encouraged to update their mailing details through the Transfer Secretaries:

ZB Transfer Secretaries, 21 Natal Road, Belgravia, Harare, Zimbabwe  
 transfersecretaries@zb.co.zw  
 schatitima@zb.co.zw

By Order of the Board  
 T. Mpofu  
 Company Secretary  
 7 July 2021



## **Independent Auditor's Report To the Shareholders of Meikles Limited**

### **Report on the Audit of the Inflation Adjusted Consolidated Financial Statements**

#### **Opinion**

We have audited the inflation adjusted consolidated financial statements of Meikles Limited and its subsidiaries ("the Group"), set out on pages 13 to 62, which comprise the inflation adjusted consolidated statement of financial position as at 31 March 2021, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the inflation adjusted consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the relevant Statutory Instruments ("SI") SI33/99 and SI62/96.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Independent Auditor's Report  
To the Shareholders of Meikles Limited**

**Report on the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)**

**Key Audit Matters (continued)**

Key Audit Matter	How the matter was addressed in the audit
<b>Valuation of investment in Mentor Africa (Pty) Limited</b>	
<p>As disclosed in note 4.2.7 of the inflation adjusted consolidated financial statements, the investment in Mentor Africa (Pty) Limited ("Mentor") is carried at fair value through other comprehensive income.</p> <p>The fair value of Mentor was determined to be ZWL 376,9 million as at 31 March 2021 (31 March 2020: ZWL 171,8 million). In determining the fair value, the Directors assessed two valuation methods and made assumptions that were based on economic and market conditions prevailing at the reporting date. These conditions included the uncertainty created by the COVID-19 pandemic to hospitality businesses.</p> <p>The valuation of Mentor was considered a key audit matter due to the complexity involved in the valuation process. The significant judgements and assumptions made by the Directors involved:</p> <ul style="list-style-type: none"> <li>• The marketability discount applied to determining a non-marketable value for Mentor; and</li> <li>• The weightings applied to the two valuation methods adopted.</li> </ul> <p>The related disclosures for the investment in Mentor are included in notes 4.1.1., 4.2.7 and 19 of the inflation adjusted consolidated financial statements.</p>	<p><b>We performed a number of procedures including the following:</b></p> <ul style="list-style-type: none"> <li>• Tested the design and implementation of the key controls over the valuation process.</li> <li>• Evaluated management's independent external valuer's competence, capabilities and objectivity.</li> <li>• Performed detailed testing on a sample of the input data provided by management to the external valuer for accuracy and completeness.</li> <li>• Using our own internal specialists, performed the following: <ul style="list-style-type: none"> <li>- A detailed examination of the valuation methodologies and models adopted by management's expert and assessed the appropriateness of these against market practice and prevailing condition;</li> <li>- Assessed whether inputs and assumptions used fall within an acceptable range based on relevant knowledge and experience of the market; and</li> <li>- Performed an independent valuation and compared with management's valuation.</li> </ul> </li> <li>• Inspected the inflation adjusted consolidated financial statements for adequate disclosures of the assumptions, judgments and various inputs to the valuation.</li> </ul> <p>We assessed the valuation methodologies applied to be appropriate. The valuation of the investment in Mentor is within an acceptable range.</p>

**Independent Auditor's Report  
To the Shareholders of Meikles Limited**

**Report on the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)**

**Key Audit Matters (continued)**

Key Audit Matter	How the matter was addressed in the audit
<b>Valuation of biological assets</b>	
<p>As disclosed in note 3.20 of the inflation adjusted consolidated financial statements, the Group's biological assets are measured at fair value. The value of biological assets as at 31 March 2021 is ZWL 792.7 million (31 March 2020: ZWL 713.6 million in inflation adjusted terms).</p> <p>The key data inputs into the valuation models are:</p> <ul style="list-style-type: none"> <li>• Expected yields; and</li> <li>• Average selling prices less costs to sell for produce growing on the bearer plants at year end.</li> </ul> <p>Due to the significance of the estimation involved in determining the fair value of biological assets, this has been included as a key audit matter.</p> <p>The disclosures relating to the accounting policy and key sources of estimation are included in notes 3.20 and 4.2.2 of the inflation adjusted consolidated financial statements and the details of the biological assets are disclosed in note 20.</p>	<p>In responding to the identified matter, our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Tested the design and implementation of the key controls over the valuation process.</li> <li>• Assessed the consistency and challenged the reasonability of assumptions used in the Directors' valuation model to determine the value of biological assets.</li> <li>• Tested a selection of key data inputs underpinning the carrying value of biological assets including estimated yields and selling prices, against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof.</li> <li>• We assessed the reliability of the Directors' estimated yields through a comparison of actual results in the current year against forecasts made in the prior year.</li> <li>• For livestock, we evaluated management's independent valuer's competence, capabilities and objectivity.</li> <li>• We reviewed management's assessment of the impact of COVID-19 on the entity's biological assets.</li> <li>• We performed an independent assessment of the impact of COVID-19 on pricing of the entity's products; and</li> <li>• Evaluated the financial statement disclosures for appropriateness and adequacy.</li> </ul> <p>We found the recognition and measurement of biological assets to be appropriate.</p> <p>We found the disclosures to be detailed and complete.</p>

**Independent Auditor's Report  
To the Shareholders of Meikles Limited**

**Report on the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)**

**Other Information**

The directors are responsible for the other information. The other information comprises the Chairman's Statement, Directors Responsibility for Financial Reporting, the separate Company financial information, the historical cost consolidated financial information, Group Structure and Corporate information which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Inflation Adjusted Consolidated Financial Statements**

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the relevant statutory instruments (SI 33/99, SI 33/19 and SI 62/96), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.



**Independent Auditor's Report  
To the Shareholders of Meikles Limited**

**Report on the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)**

**Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Independent Auditor's Report  
To the Shareholders of Meikles Limited**

**Report on Other Legal and Regulatory Requirements**

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193 (1) (a)

The financial statements of the Group are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of the financial statements for the financial year ended 31 March 2021.

Section 193 (2)

We have no matters to report in respect of section 193 (2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Charity Mtwazi.

*Deloitte & Touche*

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**Deloitte & Touche  
Chartered Accountants (Zimbabwe)  
Per: Charity Mtwazi  
Partner  
Registered Auditor  
PAAB Certificate Number: 0585**

6 July 2021