2021 ANNUAL REPORT

OK

ZIMBABWE LIMITED

ABOUT THIS REPORT

OK Zimbabwe Limited, a company listed on the Zimbabwe Stock Exchange (ZSE) since 2001 is pleased to present the annual report for the year ended 31 March 2021. This is the first annual report integrating financial and sustainability information to provide stakeholders with a broad understanding of how we create value and impacts.

Reporting scope

The report contains information for OK Zimbabwe Limited ("the Company") and its subsidiaries together “the Group”. This information relates to key activities of the Group which includes our country wide retail operations and distribution centres. In this report references to ‘’our’’, ‘’we’’, ‘’us’’, ‘’the Group’’ refers to OK Zimbabwe Limited.

Reporting frameworks

This report was compiled with due consideration of the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Zimbabwe Stock Exchange (ZSE) Listing Requirements;
- International Financial Reporting Standards (IFRS) and
- Global Reporting Initiative (“GRI”) Standards.

Data and assurance

The financial statements were audited by Deloitte & Touche Chartered Accountants (Zimbabwe), in accordance with the International Auditing Standards (ISAs). The independent auditor’s report is contained on pages 50 to 54. Non-financial information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts, but not externally assured. A GRI Content Index is contained on pages 101 to 105.

Reinstatements

The Group did not make any reinstatements of non-financial data previously published except for financial statements in accordance with ‘IAS 29 -Financial Reporting in Hyperinflationary Economies’ as pronounced by the Public Accountants and Auditors Board (PAAB) in Zimbabwe.

Board approval

The Board recognises its accountability for ensuring integrity of this annual report. In the Board's opinion, the report fairly presents the overall performance of the Group and believe that it has been prepared in accordance with the GRI Standards – ‘Core’ Option. This report was approved by the Board of Directors.

Forward looking statement

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. While these statements represent our judgements and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We do not undertake to update publicly or to release any revisions to these forward-looking statements, to reflect events or circumstances after the date of the publication of this report or to reflect the occurrence of unanticipated events.

Feedback

We welcome your feedback on our annual report, if you have any suggestions on how we can improve our reporting or clarifications on any information provided in this report please send your comments to Mrs. Margaret Munyuru, the Company Secretary on mmunyuru@okzim.co.zw.

Herbert Nkala
Chairman

Maxen P. Karombo
Chief Executive Officer

3 June 2021

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OUR BUSINESS AT A GLANCE

OUR BUSINESS AT A GLANCE

OUR BUSINESS

The Group is a leading supermarket retailer whose business covers three major categories comprising groceries, basic clothing and textiles, and houseware products. The groceries category includes dry groceries, liquor, butchery, delicatessen, bakery, provisions and fruit and vegetables.

OK Zimbabwe trades under three highly recognised brand names:

OK — GREAT SAVINGS More Smiles	51 STORES
bon marché — Live Well Everyday	8 STORES
OKmart — Everything you want, for less.	8 STORES

OUR BUSINESS *(...continued)*

What differentiates us

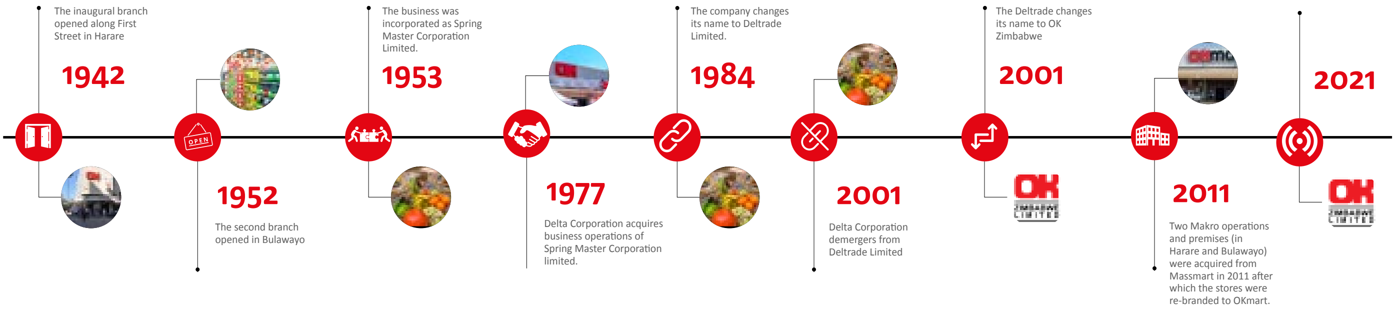
The diversified distribution channel allows the Group to target all segments of the market. In this regard, the Group has specifically profiled its stores in terms of design, product range, services and other offerings in a way that effectively caters for the specific requirements in low, middle and high-income consumer categories.

Our house brands

OK Zimbabwe Limited has maintained its position as one of the dominant supermarket retailers in the country. The Group has developed its own brands through the Bon Marché Premier Choice, Top Notch and Shopperschoice labels.

OUR JOURNEY

The roots of OK Zimbabwe traces back about 80 years to a furniture company called Spring Master Corporation. The business has since diversified to become a leading retail giant offering an assortment of products, but it all started with an inaugural retail outlet along First Street in Harare (formerly Salisbury) in 1942.



OUR BUSINESS AT A GLANCE

OUR CORPORATE PURPOSE

PURPOSE

We are driven to enhance our customers' quality of life, by making their money go further and giving them choice and service that goes beyond their expectations.

MISSION

We earn the trust of the people we serve by first anticipating, then fulfilling their needs with our superior-quality products, a unique shopping experience, customer-focused service and continuous innovation, while generating long-term profitable growth for our shareholders.

VALUES

We Serve
For the OK family, serving customers is at the heart of everything we do. We constantly strive to satisfy the needs of our customers better than the best of our competitors. We seek to always be relevant in their lives and to form lifelong relationships.

We Are Responsible
We encourage our associates to be active and responsible citizens and will allocate resources for activities that enhance the quality of life for our Customers, our Associates and the Communities we serve.

We Improve
We are committed to continuous improvement, and our operating procedures will increasingly reflect our belief. We are best positioned to serve changing consumer needs.

We Act With Integrity
We will provide all Associates and Customers with a safe, friendly work and shopping environment and will treat each of them with dignity, respect, openness, honesty and fairness.

We Reward
We will conduct our business to produce positive returns that reward investment by shareholders and allow the Company to grow.

OUR BUSINESS AT A GLANCE

GROUP STRUCTURE

The company controls three subsidiaries namely Eriswel (Private) Limited, Swan Technologies (Private) Limited and Winterwest (Private) Limited.

OK ZIMBABWE LIMITED

ERISWEL PRIVATE LIMITED	SWAN TECHNOLOGIES PRIVATE LIMITED	WINTERWEST PRIVATE LIMITED
100%	100%	100%

BUSINESS MODEL

To be the number one grocery retailer in Zimbabwe by meeting customer needs better and more efficiently than our competitors.

- Strongest brand
- Best stores for every occasion
- Cheapest grocery basket in Zimbabwe
- Customer-centric range and layout
- Leading fresh offer
- Relevant promotions
- Best service
- Extended range of VAS

Deliver a Winning Customer Value Proposition

- Efficient sourcing, stock management and supply chain
- Future fit ERP and retail systems
- Efficient, lean operations

Build Best in Class Retail Capabilities

- Attract, retain and grow right people across roles
- Build "bench strength" in key roles and scarce skills
- Succession planning
- Best standardized skills development and training
- Culture – agile and accountable
- Performance linked incentives – KPIs include customer measures

Invest to improve the Operating Model

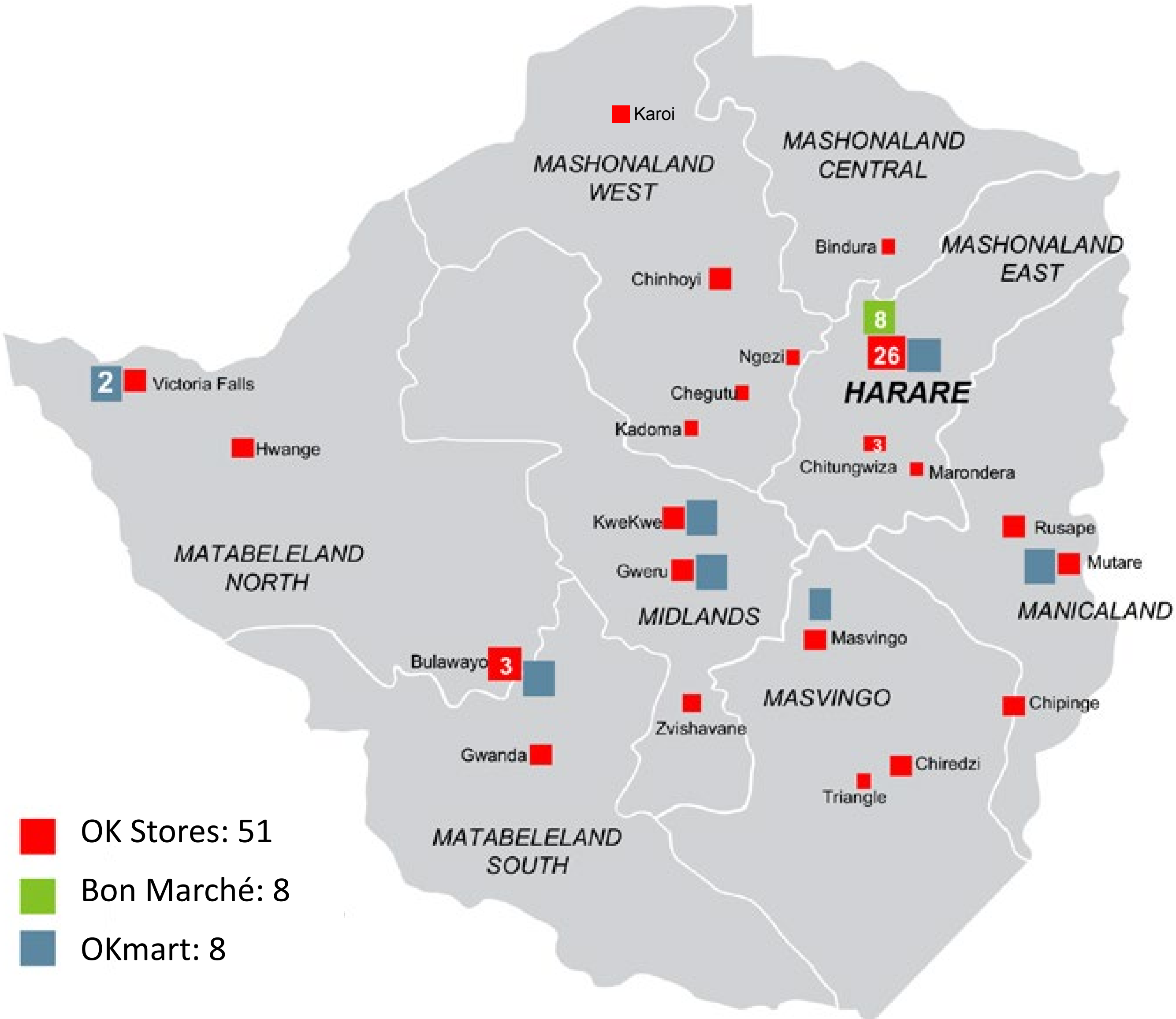
Finances

Leading shareholder returns

Sales growth, profitability, strong balance sheet and return on capital

OUR BUSINESS AT A GLANCE

OUR FOOTPRINT



BUSINESS ASSOCIATIONS AND CERTIFICATIONS

General

- Institute of Directors of Zimbabwe (IoDZ)
- Zimbabwe National Chamber of Commerce (ZNCC)
- Buy Zimbabwe Campaign

Industry

- Retailers Association of Zimbabwe (RAZ)
- Confederation of Zimbabwe Industries (CZI)
- Zimbabwe Council of Wellness (ZCW)

Certifications

- ZWS ISO 31000:2010 Risk Management

AWARDS

Top Companies Survey 2020 - Top Listed Company - Second Runner Up Sponsored by Old Mutual Limited and Financial Gazette

Top Companies Survey

1st Runner up: 2019

Winner: 2018

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Inflation Adjusted (ZWL 000)	Historical (ZWL 000)
↓ **2%** Revenue ZWL 34 301 072 *2020:* ZWL 35 029 072	↑ **494%** Revenue ZWL 26 862 119 *2020:* ZWL 4 525 564
↓ **32%** EBIDTA ZWL 2 782 984 *2020:* ZWL 4 069 234	↑ **221%** EBIDTA ZWL 2 676 142 *2020:* ZWL 832 447
↓ **42%** Profit before Tax ZWL 2 002 460 *2020:* ZWL 3 449 048	↑ **200%** Profit before Tax ZWL 2 364 174 *2020:* ZWL 788 562
↓ **46%** Profit for the year ZWL 1 078 761 *2020:* ZWL 2 000 388	↑ **252%** Profit for the year ZWL 1 992 253 *2020:* ZWL 566 189
↓ **46%** Headline earnings ZWL 1 077 450 *2020:* ZWL 2 002 874	↑ **251%** Headline earnings ZWL 1,986,848 *2020:* ZWL 566,023
↑ **25%** Total Assets ZWL 12 521 682 *2020:* ZWL 9 997 035	↑ **331%** Total Assets ZWL 8 371 167 *2020:* ZWL 1 940 907

	Inflation Adjusted			Historical		
	2021 ZWL 000	2020 ZWL 000	2019 ZWL 000	2021 ZWL 000	2020 ZWL 000	2019 ZWL 000
Market Capitalisation	18 986 051	7 015 192	6 549 324	18 986 051	2 057 241	247 503
Debt	1 164 143	338 998	-	1 164 143	99 413	-
Equity	7 065 981	6 304 477	4 742 625	3 636 705	996 198	168 004
Dividend per Share ZWL Cents						
Interim	28.00	41.19	15.08	26.00	4.00	0.35
Final	54.00	30.69	45.21	54.00	9.00	1.71
Total	**82.00**	**71.88**	**60.29**	**80.00**	**13.00**	**2.06**

PERFORMANCE HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

Indicator	Units	2021	2020	% change
Employees	Count	4 900	5 213	6% ↓
Community investments	ZWL '000	9 366	1 344	697% ↑
Energy consumption	KWH	78 217 306	74 730 172	5% ↑

CHAIRMAN'S STATEMENT

Herbert Nkala
Independent Non-Executive Chairman

Overview

The operating environment for the financial year under review was affected by Covid-19, with lockdown restrictions in place throughout the period. The lockdown measures negatively impacted business through supply chain disruptions and reduced consumer disposable incomes. The Group was also unable to hold its flagship promotion, the Grand Challenge. As a result, volumes for the year declined by 13% from prior year. The improvement in volume performance relative to the decline of 27% reported for the half year is on the back of easing of the restrictions during the second half of the financial year.

Inflation levels were high particularly during the first half of the financial year, with official annual inflation peaking at 837.5% in July 2020 before gradually declining to close at 240.6% in March 2021. Foreign currency availability and exchange rate stability improved during the year mainly due to the success on the foreign currency auction system introduced in June 2020. This together with the liberalisation on the use of foreign currency for domestic sales under Statutory Instrument 185 of 2020 brought some stability into pricing and product supply. The foreign currency component of the Group's sales remained low, although this was largely adequate for the Group's inventory and capital expenditure import requirements.

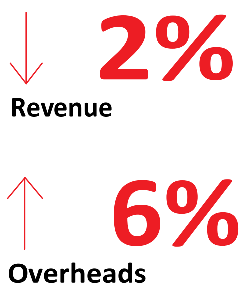
The Group's capital expenditure programme continued during the year with refurbishments completed at OK Avonlea, OK Machipisa, Bon Marché Belgravia, Bon Marché Eastlea, OK Kadoma, OK Rusape and OK Hwange. Two new stores were opened, an OK store in Harare's Sanganayi Inn area and an OKmart store in Victoria Falls. The refurbished stores and new branches were well received in their respective markets and made a significant contribution to the Group's sales.

The Group embarked on a brand repositioning exercise for all its store brands, namely OK, Bon Marché and OKmart to meet emerging customer requirements and market trends.

Group performance

The results were inflation adjusted to reflect the impact of the change in the general purchasing power of the reporting currency (ZWL) in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Revenue for the year declined by 2% to ZWL 34.3 billion from ZWL 35.0 billion in the prior year. Profit before tax of ZWL 2.0 billion was 42% below prior year's ZWL 3.4 billion, while profit after tax declined by 46% to ZWL 1.1 billion from ZWL 2.0 billion in prior year.



Overheads grew by 6% over prior year. The measures implemented by the Group to curtail the spread of Covid-19 increased the cost base. Electricity charges, staff costs, cleaning costs and security expenses also contributed to overheads growth.

Capital expenditure for the year was ZWL 1.2 billion down from ZWL 1.5 billion in prior year. Most of the capital expenditure was on store refurbishments and equipping the new stores.

Sustainable business practices

The Covid-19 pandemic had a strong impact on our customers, the business and supply chain. As such, we took precautionary measures to protect our customers and stakeholders while ensuring business operations are safe from Covid-19 exposure. In addition, the Group adopted sustainability reporting to reinforce our responsible business values. Sustainability will now drive our future business strategy and practices.

Dividend

The Directors declared a final dividend of 54 ZWL cents per share to be paid to the shareholders on or about the 1st of July 2021. The final dividend brings the total dividend declared for the year to 80 ZWL cents per share.

Outlook

The impact of Covid-19 on future operations remains uncertain. However, the Group's financial status remains solid and mitigatory measures are in place to ensure continuity and viability of operations. The health and safety of employees, customers and all stakeholders remain of paramount importance and the Group will continue to follow Covid-19 protocols for their safety.

The economy is expected to benefit from the anticipated good harvest from the 2020/2021 agricultural season, availability of foreign currency on the auction system and declining inflation. The Group has been investing in capacity enhancement and is therefore well poised to maximize on the anticipated economic rebound. The resumption of the Grand Challenge promotion in the current financial year is expected to underpin volume growth in the first quarter. The Group will also continue to pursue more innovative initiatives to grow market share profitably. The refurbishment and expansion drive will be reinforced, with a number of stores targeted for refurbishment and potential new sites under consideration.

Directorate

Mr. Alex Edgar Siyavora, the Group's Chief Executive Officer from April 2017, and a senior executive of the Group since 2001, retired on 31 March 2021 after having served the Group for twenty years. The Board extends its gratitude to Alex for his invaluable contribution to the Group.

The Board is pleased to announce the appointment of Mr. Maxen Phillip Karombo to the position of Group Chief Executive Officer with effect from 1 April 2021. Maxen joined the Group from Delta Corporation where he was an Executive Director – Operations and

Marketing for ten years. The Board is delighted to welcome Maxen to the Group, where he will undoubtedly apply his vast marketing and business experience to drive the Group's leadership in the retail space.

The Board also wishes to announce the resignation of Mr. Bruce Armstrong Carter as non-executive director with effect from 1 December 2020 and the appointment of Mr. Simon Masanga as a non-executive Director with effect from 1 April 2021. The Board extends its appreciation to Bruce for his service to the Group and wishes Simon success in his new role.

Herbert Nkala
Chairman

3 June 2021

REBRANDING TO RECONNECT

OK ZIMBABWE LIMITED

1942	1989	1994	2020
O.K. BAZAARS	OK SHOP AT OK WHERE THE NATION SHOPS AND SAVES	OK SHOP AT OK WHERE THE NATION SHOPS AND SAVES	OK GREAT SAVINGS More Smiles

1984	2012	2020
Have a nice day! Bon Marché	bon marché Live Well	bon marché Live Well Everyday

2011	2020
OKmart ONE-STOP MEGA STORE Everything you want	OKmart Everything you want, for less.

OK GREAT SAVINGS More Smiles

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.

bon marché Live Well Everyday

Live Well Everyday is the brand's lifestyle expression! This is a promise to our customers that our quality product offering and instore 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.

OKmart Everything you want, for less.

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, Former OK Zimbabwe CEO

RESET | REVITALIZE | REFRESH

CHIEF EXECUTIVE'S REPORT

Maxen Phillip Karombo
Group Chief Executive Officer

Business performance review

The Covid-19 pandemic presented unprecedented challenges to business generally. As an essential service provider, it was incumbent upon the Group to provide the service in a responsible and sustainable manner, balancing the needs of all stakeholders. I present below the key performance statistics and metrics based on inflation adjusted figures:-

	FY 21	FY 20
Revenue (ZWL millions)	34 301.1	35 029.1
Overheads (ZWL millions)	4 972.8	4 682.3
EBITDA (ZWL millions)	2 783.0	4 069.2
Attributable Earnings (ZWL millions)	1 078.8	2 000.4
Overheads (% of sales)	14.5%	13.4%
Employee Benefits (% of sales)	6.0%	4.0%
Operating profit (% of sales)	6.2%	10.2%
Inventory (ZWL millions)	3 554.3	3 179.5
Stock-turn (times)	9.0	8.5
Current ratio	1.2	1.6

The lockdown measures negatively impacted real disposable incomes as a result of restrictions in economic activity. The restrictions also dictated that the Group open its stores for limited trading hours throughout the year. These measures were most significant in the first quarter of the financial year, with the highlight being the complete closure of six stores based in the Harare's Central Business District in April 2020 for close to a month and closure of all the other stores by 1500hrs every day. The restrictions were eased gradually and their impact were relatively minimal by the end of the financial year.

The economy remained in hyperinflation throughout the year, with annual inflation closing at 240.6% in March 2021. Authorities introduced the foreign currency auction system and also allowed the use of foreign currency for domestic transactions through Statutory Instrument 185 of 2020. These measures resulted in improvement in the availability of foreign exchange for imports and the easing of inflation which had peaked at 837.5% in July 2020.

Under such trading conditions, the Group managed to restrict the decline in sales volumes to 13% from prior year. Revenue declined by 2% to ZWL 34.4 billion from 35.0 billion in prior year. The full year volume performance is an improvement on the decline of 27% reported for the half year, reflecting the impact of easing of lockdown restrictions in the second half of the financial year.

Despite the decline in sales, the Group faced significant cost pressures. The measures that the Group implemented to fight the spread of the pandemic and thus ensuring the safety of its employees, customers, suppliers and all other stakeholders increased the cost base. These included the Covid-19 RDT and PCR tests, purchase of face masks, thermometers, hand sanitisers, staff passage costs and awareness campaigns in the media. These costs are being necessarily incurred and we will not compromise on the safety of our stakeholders.

The Group takes the welfare of its employees seriously and therefore had to apply earnings recovery and retention measures for its employees throughout the year in light of hyperinflation. Cost pressures also affected our key service providers resulting in increases in security and cleaning expenses. As a result of these pressures, overheads went up 6% on prior year.

The decline in sales and increase in overheads resulted in operating profit margin for the year softening by 4.0 percentage points to 6.2%.

The rate of stock turn improved to 9.0 times (F 20: 8.5), translating to 40.5 days of sales against 42.8 days in prior year. This was a result of tighter management of working capital in an environment constrained by the Covid-19 pandemic.

Operations

The Group operated a network of sixty-seven (67) stores that are spread throughout the country. Two new stores, OK Sanganayi and OKmart Victoria Falls, were opened in the third quarter of the financial year. Sales performance and contribution from OK Sanganayi surpassed expectations whilst OKmart Victoria Falls contribution was affected by the sluggish performance of the tourism sector due to Covid-19 pandemic restrictions.

Refurbishment of stores remains a central part of the Group's strategy of regularly refreshing our facilities and ambience, which subsequently improves the equity of our store brands. Refurbishments were completed at OK Avonlea, OK Machipisa, Bon Marché Belgravia, Bon Marché Eastlea, OK Kadoma, OK Rusape and OK Hwange. All the stores have registered a significant increase in customer count and sales volume.

Capital expenditure for the year was ZWL 1.2 billion down from ZWL 1.5 billion in prior year. The bulk of the capital expenditure was spent on refurbishments of stores, opening of new stores, replacement of equipment, and purchases of delivery fleet. Nonetheless, some of the refurbishments were carried over into the next financial year due to lockdown restrictions.

Stock shrinkage was kept under control and below industry average; during the year under review. Management will continue implementing measures to control shrinkage; given the challenging economic environment.

Financial services maintained positive growth in value added services, with notable improvement recorded in the remittance business, in spite of projected declines due to the effects of the pandemic. Growth in online business was recorded, with contribution to sales also improving in the year.

Procurement

The supply of products from both local and foreign sources remained largely stable albeit in limited volumes as result of lengthened lead times caused by Covid-19 pandemic protocols. Our suppliers' base was equally affected by the lengthened logistics lead times on raw materials and packaging from abroad. This necessitated the holding of buffer stock for some items in our Distribution Centres for guaranteed on shelf availability. The introduction of the Reserve Bank of Zimbabwe foreign currency auction system in June 2020, brought some relative price stability in the marketplace as well as improved availability of most locally produced products compared to prior year. Though inflation has remained in the three digits, the pressure continued to ease off in the year under review. There was increased use of the Distribution Centre for both locally and imported goods to service all branches especially out of Harare to cover those suppliers whose production capacity was affected by lockdowns.

The Group will continue to collaborate with all the stakeholders in the value chain to improve on supply chain scope. Locally, emphasis is on working with both established suppliers as well as developing Small to Medium Enterprises (SMEs) in agriculture, distribution and manufacturing sectors.

Human resources

In the year under review, the staff complement closed at 4 900 compared to 5 213 in prior year. This decrease was brought about by the Covid-19 restrictions as business operating conditions were curtailed. Staff requirements to cater for new stores and refurbishments were appropriately catered for to ensure that satisfactory levels of customer service were maintained.

Continuous improvement programmes continued in the year under review with development programmes conducted for the employees at all levels. Fit for purpose teams were aligned to the work strategies for the attainment of optimum customer care and service. This contributed to the sustained growth trajectory for the Group.

The Covid-19 pandemic presented a new operating environment and the Group rose to the demands of protecting the customers and employees. Protecting and improving the health and safety of employees at work together with their commute was top priority. Support in the form of suitable programmes, services and material resources required to attain sound well-being were provided to employees and their dependents. Medical care in the form of primary and family healthcare services were provided to the team and their dependents.

A sound industrial relations environment desirable for high productivity was observed during the reporting period. Various engagement initiatives between management and employees saw cordial relations and collaborations across the business. Effective two-way communication with worker leadership and the generality of the workers was critical in achieving a harmonious and productive industrial relations climate.

Regular remuneration reviews were conducted and proved critical in period under review. This was done to cushion employees against the adverse impacts of the hyperinflationary environment that the economy was experiencing during the financial year. In line with OK Zimbabwe's strategy of being an employer of choice, the remuneration adjustments made were above the industry set minimum wage levels.

Information technology

We are going to be upgrading our core systems in the next financial year to a modern and integrated ERP system. This will in turn allow the organisation to be more efficient and effective in its execution.

The network is key to our business as sales are predominantly processed electronically. The network was stable in the year under review. The biggest concern has been power inconsistencies that affect uptime of service provider infrastructure. There also have been an increase in acts of vandalism on network infrastructure especially copper based lines. The effect on our service has been minimal as all branches have two independent links.

The webstore sales have been growing steadily. The online order pickup and delivery was confined to the OKmart brand in the past, but service is now going to be progressively expanded to cover all branches.

Promotions

F21 was a significant financial year for the Group because we refreshed all three (3) store brands with new logos and taglines. We continuously put effort into understanding our customers' desires, aspirations and needs so that our offering and marketing thrust can achieve customer satisfaction and loyalty. This way we ensure that our brands keep evolving in a way which delivers promises that are meaningful, unique and compelling.

The Covid-19 pandemic came at a time when we were gearing up to launch 32nd edition of our main promotion, The OK Grand Challenge Jackpot Promotion. We made the difficult decision of cancelling the staging of this promotion as we were uncertain about how the promotion would perform, particularly since the country, and the world at large, was in lockdown. During the period under review, the only reward based promotion run was the OK Shop Easy Club Token of Appreciation for the OK stores.

In a bid to ensure that we still remain customer-centric, we were able to run the annual retail promotions for the sister brands, Bon Marché and OKmart. We successfully ran the 10th Liv It up Fiesta and 6th Mega Money Maker promotions through a digital entry and draw system. This meant that we eliminated the use of paper coupons, thus enabling the Group to adhere to the Covid-19 guidelines which discourage excessive "touch contact." Our electronic draws were also conducted with limited crowd gathering with prize presentations conducted in the respective branches.

Community responsibility

Corporate social responsibility is integral to our business strategy. As OK Zimbabwe, our approach to corporate social responsibility supports the goals we have set in order to achieve top financial results relative to industry peers and other comparators in allied industries.

During the period under review we coined the hashtag #OKZimInTheCommunity which we have successfully used when conducting significant outreach projects. Given the negative impact of Covid-19 on our customers and the community at large, we partnered with the Ministry of Health on matters associated with providing PPE to medical institutions frontline workers.

Our own staff members across our branch network are also well geared on a daily basis to protect their health and that of our customers, and their families at home. When our staff are well protected, so is the community since our staff are a constant source of contact with multitudes of people.

Our flagship CSR initiative in partnership with Friends of the Environment (FOTE) and Nyaradzo to mark World Tree Planting Day was carried out on a very small scale and this was primarily due to the pandemic. Our donation went towards purchasing branded regalia for participants who had pledged to walk at least 20km on World Tree Planting Day – 1st December. The Group remains committed to our pledge to establish a total of eight (8) nurseries, with two (2) outstanding in Mashonaland Central and Matabeleland North Provinces.

As a Group we have also consistently shown our commitment to the community we serve. Through our wide network of branches, various charitable causes within the customer catchment area of the specific stores were supported throughout the year. Among these were Old People's Homes, Children's Homes and Institutions which take care of the "differently abled."

Due to the Covid-19 pandemic, the only major activity we did not execute were the very popular Bon Marche Health & Wellness events. We, however, continued to communicate with customers about the importance of maintaining a healthy lifestyle through regular exercise and eating well.

Corporate governance

The Group remains committed to the principles of good corporate governance and best practices which uphold a culture of business ethics, openness, transparency, integrity and accountability in its business dealings with all its stakeholders. The Group has one overarching governance body with ultimate responsibility for all Group business units, including responsibility for oversight, governance and setting of direction for the Group. At Board and committee meetings, the Board is given insight into the material affairs of all Group companies. The

Group's formalised governance framework is set out in a number of documents including the Board charter, committees' terms of reference, the Group authority matrix and various Group-wide policies.

Our practices are consistent with the standards set by regulatory authorities and are covered in detail elsewhere in the annual report. The Group recognizes that it has responsibilities to its shareholders, customers, employees and suppliers as well as to the communities in which it operates. The Board has ultimate oversight role and regards corporate governance as a critical element in achieving the Group's objectives. Accordingly, the Board has adopted appropriate charters, codes and policies and established a number of Board Committees as mechanisms to discharge its duties.

Risk management

The Group aims to achieve an appropriate balance between risk and reward, recognising that certain risks need to be taken to achieve sustainable growth and returns while at the same time protecting the Group and its stakeholders against avoidable risks. The Board is responsible for the oversight of the risk management process and has delegated responsibility to the Audit, Finance and Strategy committee. The Group operates a formalised and thorough process of identifying, monitoring and managing risks. This is aimed at protecting assets and earnings against financial losses and legal liabilities, as well as seizing opportunities. The Board reviews all business risks on a quarterly basis and ensures that strategies and action plans are in place to manage identified risks. The Group has in place a Risk Management Committee that spearheads the implementation of the Enterprise-Wide Risk Management framework and systems and work is continuing to ensure full implementation of best practices and risk based audits in terms of ISO31000.

The Group has an approved risk framework which sets out the various risks that should be considered as part of the risk identification process. These potential risks are updated annually to ensure all relevant industry issues are considered. The Group uses a broad limit of materiality of 5% of profit before tax as the indicator of the group's capacity to tolerate a potential loss. A disciplined approach is followed in evaluating risks and developing appropriate strategies to mitigate and manage risk. The environment we are operating in remains harsh and therefore the process of risk management has become a vital component of managing the business.

During the financial year, the Group continued to develop the capacity and scope of the risk management system to increase focus on Safety, Health, Environmental and Quality (SHEQ) risks together with management of occupational hazards. This has become particularly critical in the wake of the Covid-19 pandemic. The Covid-19 pandemic is an unprecedented crisis. It has generated huge upheaval in companies and stimulated new thinking about what safety means. During the financial year, the Group was compelled to transform its processes to prioritise the provision of a vital service to the nation, especially to those who are most vulnerable. The Group revised its risk management framework which played a critical role in responding, stabilizing and optimizing, as well as transforming operations for sustainable growth.

Sustainability

The Group adopted sustainability reporting in line with provisions of SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rule 2019. As such, this is our first annual report prepared in accordance with the Global Reporting Initiatives (GRI) Standards. Beyond the compliance, sustainability reporting provides a strategic opportunity for reinforcing sustainable business values by embedding economic, environmental, social and governance considerations in our business value chain and decisions. With Covid-19 having tested the resilience of many companies, the Group will be enhancing the implementation of corporate sustainability as a business strategy going forward.

Outlook

The fight against the Covid-19 pandemic is not yet over, with developments particularly in Asia pointing to a possibility of a global third wave. However, the success registered on vaccines to date supports optimism for bringing the pandemic under control in the medium to long term. Nevertheless, the Group remains resolute in protecting its employees, customers, suppliers and all other stakeholders from the spread of the pandemic by consistently following all Covid-19 protocols in all its facilities.

The good harvest from the 2020/2021 agricultural season is expected to underpin economic recovery. This should further consolidate the economic stability realised in the past financial year in the form of improved foreign exchange liquidity and easing inflation. The Group has been investing in the refurbishment of its stores and is in a good position to maximise on the anticipated economic rebound. The Grand Challenge Promotion that was shelved during the year under review was successfully held and this should support volume growth particularly in the first quarter.

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 during the just ended financial year. The store brand refreshing exercise continues in the next financial year with the Group anticipating to benefit from the improved brands' positioning. The Group is also investing in a fully integrated enterprise resource planning system and this is expected to improve efficiencies in the future.

The Group's thrust on capacity enhancement through refurbishments and opening of new stores continues, with more stores planned for refurbishment in the next financial year and a number of potential new sites also under consideration.

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Maxen P. Karombo
CHIEF EXECUTIVE OFFICER

3 June 2021

OUR STORE BRANDS

OK SUPERMARKETS

The OK Stores brand boasts of 51 outlets nationwide in major cities and towns around the country, catering for the widest range of customers within the OK Zimbabwe stable.

Premier events/ promotions

OK Grand Challenge Jackpot Promotion

OK store locations

26

Stores in Harare

Ard-Mbare, Avonlea, Budiriro, Fife Avenue, First Street, Glen Norah, Glen View, Houghton Park, Julius Nyerere Way, Kuwadzana Main, Kuwadzana Express, Kwame Nkrumah, Mbuya Nehanda, Mabelreign, Mabvuku, Machipisa, Malvern, Marimba, Mbare, Mufakose, Queensdale, Robson Manyika, Norton, Third Street, Waterfalls and Sanganayi.

3

Stores in Bulawayo

Entumbane, Jason Moyo and Lobengula

22

Stores in other towns

Bindura, Chegutu, Chinhoyi, Chipinge, Chiredzi, Gwanda, Gweru, Hwange, Kadoma, Karoi, Kwekwe, Marondera, Masvingo, Mutare, Ngezi, Rusape, Triangle, Chitungwiza, Seke Makoni, St. Mary's, Victoria Falls and Zvishavane.

BON MARCHÉ

Bon Marché is OK Zimbabwe's up-market store brand located in the northern suburbs of Harare and has eight (8) stores.

Premier wellness events

- Ultimate PowerWalk;
- Walk-A-Robix;
- Biggest Loser Challenge and
- Cook-Outs.

Bon Marché Stores

bon marché Live Well Everyday

8

Stores in Harare

Avondale, Belgravia, Borrowdale Brooke, Borrowdale Sam Levy, Chisipite, Eastlea, Mount Pleasant and Westgate

OKMART

OKmart is the wholesale arm of OK Zimbabwe Limited, which was incorporated as a brand after the acquisition of former Makro locations in Harare and Bulawayo in February 2011. The two mega stores boast a total shopping area of 8,000m2 in Harare and 5,000m2 in Bulawayo – and over 30,000 product lines.

OKmart Mega Stores offers a unique one-stop shopping experience to their customers, with departments that range from Hi-tech through toys to camping and sports equipment. The outlets continue to receive rave reviews from customers and continue to increase value and product offering.

OKmart operates on a hybrid retail/wholesale model skewed towards encouraging wholesale or bulk purchases.

OKmart mega stores

OKmart Everything you want, for less.

8

Stores

Bulawayo, Gweru, Harare, Kwekwe, Masvingo, Mutare and Victoria Falls (2 stores)

CORPORATE GOVERNANCE

The Group is committed to the highest standards of effective corporate governance and best practices. Our governance values are underpinned by a culture of ethical business practices, openness, transparency, integrity and accountability in our dealings with all our stakeholders. We embrace the leading practices in retail governance to ensure we deliver a world class shopping experience. We do this in a transparent manner that enables our shareholders and stakeholders to hold us to account for our governance processes. We recognise that the primary objective of any system of corporate governance is to ensure that Directors, executives and managers carry out their responsibilities faithfully, effectively and efficiently.

The Group's structure, operations, policies and procedures are continuously assessed and updated for compliance with national laws and generally accepted corporate governance practices. The Group will continue to review and align its corporate governance instruments with the Companies and Other Business Entities Act (24:31), SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019 and the National Code on Corporate Governance in Zimbabwe (ZIMCODE). In addition, the Group continues to benchmark with international best practices such as the King IV Code of Corporate Governance of South Africa.

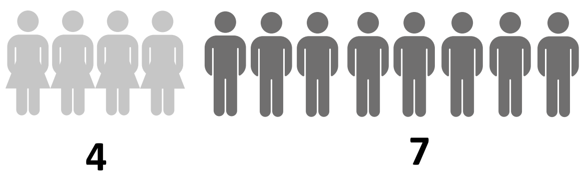
Board responsibility

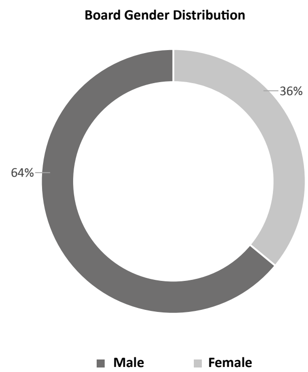
The Board of Directors is responsible for giving direction and setting of the overall strategy, key policies and risk parameters. It is also responsible for approving strategic and operational budgets, significant acquisitions and disposals and interim and annual operating results. The implementation of the overall strategy, policies and the management of risks are monitored using key performance indicators and best practice benchmarks. Executive management presents structured reports to allow the Board to monitor performance.

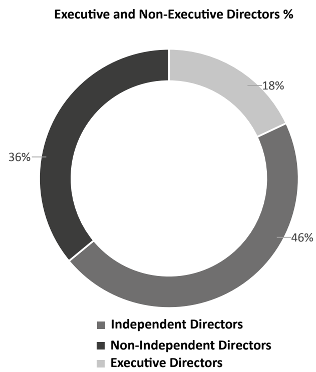
Board composition

The Group's Articles of Association provide for the appointment of independent Directors. The Board currently comprises two Executive Directors and nine Non-Executive Directors, five of whom are independent. The Chairman of the Board is an Independent Non-Executive Director. Our Directors are highly experienced with diverse professional and commercial skills necessary to deliver their duties.

5 Independent + **4** Non-Independent + **2** Executive = **11** Total







Nomination and selection of Board members

Our directors are elected and appointed by shareholders at an Annual General Meeting. However, the Board plays an important role in the selection and recommendation of potential directors for appointment by shareholders. The Board delegates this function to the Board Human Resources Committee sitting in the capacity of the Nominations Committee. This Committee is mandated by a Board Charter to consider succession planning issues. As such, the committee makes recommendations to the Board concerning any selection and appointment of directors.

The Board regularly reviews the size and composition of the Board to ensure that it continues to have diversity and the right mix of experience, competencies and skills to fulfil its responsibilities effectively. The following broad categories have been identified as desirable competencies of Board members:

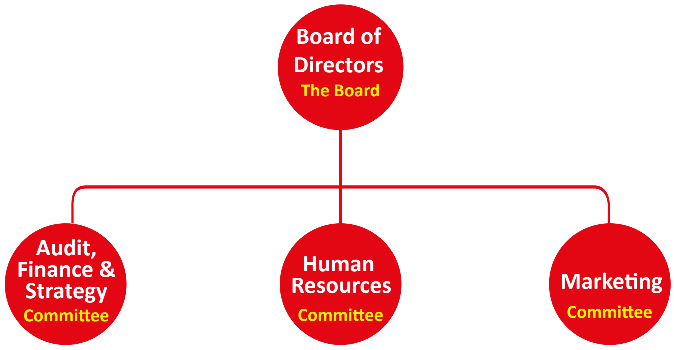
- Industry knowledge or ability to acquire that knowledge;
- Independence - determined following the Group's policy on independence (where relevant);
- Personal and professional integrity, good communication skills and ability to work harmoniously with fellow directors and management;
- Demonstrated and recognised knowledge, experience and competence in the business including financial literacy;
- Diversity of race, age, gender, ethnicity, background and interests; and
- Ability to analyse information, think strategically and review and challenge management to make informed decisions and assess performance.

GOVERNANCE

Board induction and evaluation

The Company Secretary is responsible for the induction process of new directors. Newly appointed directors undergo an induction process which supplies necessary information, training and support. As soon as the Board (or Members at an election) confirms appointment of a new director, the Company Secretary makes contact with the new director and facilitates an induction. The Company Secretary provides a copy of the Director Induction Manual and takes them through the manual as an initial introduction to Board processes and ongoing reference.

Board structure



Board committees

Audit, finance and strategy committee

Members	
Rufaro Audrey Maunze (Chairperson)	Independent Non-Executive Director
Andrew Stuart Mcleod	Non-Executive Director
Tawanda Llyod Gumbo	Independent Non-Executive Director
Simon Masanga	Non-Executive Director

Responsibilities

The committee consists of four Non-Executive Directors. The internal and external auditors attend the meetings and have unrestricted access to the Chairperson of the committee. The committee meets at least twice a year.

The function of the Audit, Finance and Strategy Committee is:

- To advise the Board on all matters relating to corporate governance and regulatory issues. In particular, it monitors financial controls, accounting systems and assesses the processes for identifying, monitoring and managing business risks;
- It reviews any significant abnormal transactions, ensures there are no restrictions on the external auditors work and follows up matters reported or unresolved with the auditors;
- It reviews the Group’s financial statements and external audit fees before submission to the Board for consideration and approval and
- Monitors the Internal Audit Charter, plans, programs and reports and recommend appointment of external auditors.

Human resources committee

Members	
Rutenhuro James Moyo (Chairperson)	Non-Executive Director
Herbert Nkala	Independent Non-Executive Director
Rose Mavima	Independent Non-Executive Director
Maxen Phillip Karombo	Group Chief Executive Officer

Responsibilities

The committee consists of three Non-Executive Directors and one Executive Director. The Human Resources Committee is responsible for:

- Making recommendations on all major human resources policy issues, including Board appointments and the remuneration policy of the Executive Directors and senior management. The objective of the policy is to ensure the right calibre of management is recruited and retained.
- The committee also considers, at the Board level, remuneration levels and conditions of services of staff to ensure that these are fair, appropriate and in line with the market and the Group's remuneration philosophy.

Marketing committee

Members	
Rose Mavima (Chairperson)	Independent Non-Executive Director
Rutenhuro James Moyo	Non-Executive Director
Herbert Nkala	Independent Non-Executive Director
Lyndsay Webster-Rozon	Non-Executive Director
Keresia Mtemererwa	Independent Non-Executive Director
Albert Rufaro Katsande	Commercial Director
Maxen Phillip Karombo	Group Chief Executive Officer

Responsibilities

The Committee consists of five Non-Executive Directors and two Executive Directors.

The role of the Marketing Committee is:

- To support overall comprehensive marketing, public relations and communications strategy;
- Development and implementation of a consistent and active communication strategy to all stakeholders;
- Contribute its expertise to assist management in establishing organisational marketing, branding and communication plans and initiatives and
- Building and maintaining policies for stakeholder management.

Board communication systems with stakeholders

The Board is approachable and encourages stakeholders to come forward to raise any concerns and contributions. The business has created several platforms for directly communicating with stakeholders which include quarterly Board meetings, regular meetings with the CEO, annual report, employee representative meeting and quarterly trading updates.

Directors' remuneration

The remuneration policy promotes the company's long-term financial performance and creates long-lasting shareholder value. This policy is intended to remunerate the directors appropriately in accordance with their qualifications, responsibilities and dedication required, ensuring that such remuneration is in line with market requirements and sufficient to attract and retain directors of the desired profile, but not so high as to compromise the independence of the non-executive directors' criteria. The shareholders decide on the remuneration of the Board of Directors annually at the Annual General Meeting. With regard specifically to the directors who carry out executive duties, the policy aims to attract, retain and motivate the Company's professionals.

The Company's remuneration policy is based on the following principles:

- Alignment with long-term value creation for shareholders;
- Talent attraction, retention and motivation;
- Compensation for professional accountability and career paths;
- Internal equity and external competitiveness; and
- The balance between the remuneration elements.

Director declarations

In terms of the Company's Articles of Association, Directors are not precluded from entering into or being interested in contracts or arrangements within the Group. However, a Director who is in any way whether directly or indirectly, interested in a contract or proposed contract which has been or is to be entered into by the Group is required to declare the nature and extent of this interest. Such a Director is not permitted to vote in respect of any contract or arrangement in which he or she is interested. Any service rendered by the directors and all director's interests in the Group is required to be conducted on an arm's length basis. Full disclosure of any such arrangements by all the current Executive and Non-Executive Directors must be made in accordance with legal requirements. Each year Directors are required to submit in writing whether they have interests in any contracts of significance to the Group, which could give rise to conflict of interest.

Share dealing

No Director, officer or employee of the Company may deal directly or indirectly in the Company's shares based on unpublished price-sensitive information regarding its business or affairs. In addition, no Director, officer or employee may trade in the Company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary announcement.

Covid-19 impact on governance

During the year, the Board and Management met virtually due to Covid-19 induced national lockdown to fulfil their mandates contained in the Board Charter and Articles of Association. The Annual General Meeting for the year was held virtualy at the height of the Covid-19 pandemic in July 2020. The Group made quarterly updates of business operating conditions and performance.

Meeting attendance

Board Member	Tenure	Main Board (4 Meetings)	Audit, Finance and Strategy Committee (2 Meetings)	Human Resources Resources Committee (3 Meetings)	Marketing Committee (4 Meetings)
Herbert Nkala	9 years	4	#	3	4
Alex Edgar Siyavora*	20 years	4	2	3	4
Albert Rufaro Katsande*	20 years	4	#	#	4
Tawanda Lloyd Gumbo	1 year	3	1	#	#
Rufaro Audrey Maunze	4 years	4	2	#	#
Rose Mavima	4 years	3	#	2	3
Andrew Stuart McLeod	3 years	4	2	#	#
Rutenhuro James Moyo	5 years	4	#	3	3
Keresia Mtemererwa	1 year	3	#	#	3
Lyndsay Webster-Rozon	2 years	4	#	#	4

**** Ex-Officio members***
 # Not a member of the committee

Messrs. Maxen P. Karombo and Simon Masanga were appointed to the Board with effect from 1 April 2021.

BOARD OF DIRECTORS AND PROFILES

Herbert Nkala
Independent Non-Executive Chairman
Tenure on the board: 9 years

Qualifications: MBA (UZ), BSc Business Studies (University of Wales UK)

Other Directorships: Chairman:- Arena Investments (Pvt) Ltd, FBC Holdings Ltd, Tanganda Tea Company (Pvt) Ltd, Nuanetsi Ranch (Pvt) Ltd, Mtirikwi Sugar Company. He is a trustee of the Joshua Mqabuko Nkomo Foundation.

Experience and expertise: Mr Nkala is a businessman in his own right, he is also a Business and Marketing Consultant, holding several consultancy contracts in Zimbabwe and abroad.

He is former Group Chief Executive of Rainbow Tourism Group, was founder Chief Executive and saw the group grow from three (3) hotels to fifteen (15) as well as its listing on the Zimbabwe Stock Exchange with the major shareholder being ACCOR of France.

He is the former Marketing Director of Dairiboard Zimbabwe Limited as well as Marketing and Public Affairs Director of National Breweries.

Maxen Phillip Karombo
Group Chief Executive Officer
Appointed on 1 April 2021

Qualifications: CIM, MBA (UZ), B. Tech (UZ)

Experience and expertise: Maxen Karombo joined OK Zimbabwe in April 2021. A Fellow of the Chartered Institute of Marketing (CIM), Max was first certified as a Chartered Marketer in 1999 and is a recipient of the Outstanding Marketing Personality of the Year from the Marketers Association of Zimbabwe.

Maxen has held various senior leadership roles in Marketing and Operations which have enabled him to hone his vast experience in marketing. Leveraging on his robust training, he grew his business leadership credentials at Unilever where he started off as Marketing Director for the South East Africa cluster, Zimbabwe Customer Development Director, Managing Director at Unilever Uganda and eventually as Managing Director at Unilever Zimbabwe. In the recent past, he was at Delta Corporation as Executive Director – Operations and Marketing for 10 years.

Albert Rufaro Katsande
Group Commercial Director
Tenure on the board: 20 years

Qualifications: MBA, BSc Economics (Honours) - UZ

Other Directorship: Non-Executive Director & Chairman of BancABC Zimbabwe.

Experience and expertise: Albert joined the company in December 1989. He holds a Bachelor of Science Economics (Honours) degree and a Master of Business Administration degree both from the University of Zimbabwe. Albert has vast experience in marketing having worked for Lever Brothers, Dairy Marketing Board, and CAPS Holdings before joining OKZL then a division of Delta Corporation as Marketing Manager. Albert rose to the positions of Marketing Director (1992), Managing Director (1995), Chief Operating Officer (2001- at demerger from Delta and listing of OKZL on the Zimbabwe Stock Exchange) before his appointment to his current position.

Tawanda Lloyd Gumbo
Independent Non-Executive Director
Tenure on the board: 1 year

Qualifications: CA (SA & Z)

Other Directorship: Director CBZ Holdings.

Experience and expertise: Tawanda is a Chartered Accountant (South Africa & Zimbabwe) with 30 years professional experience, 20 of them as a Deloitte partner in various African practices. He is a co-founder and chief adviser to private equity businesses and recently served as an Audit Executive Partner in Deloitte Southern Africa where he was responsible for business development across Africa. He was CEO for the Deloitte West Africa cluster, over five years, based in Nigeria. He has served as a member of the Deloitte Africa Executive Committee, and as a board member of the Deloitte Southern Africa cluster. Tawanda also served as the CEO of Deloitte Central Africa cluster for 8 years prior to joining Deloitte in West Africa.

Tawanda is a past President of the Institute of Chartered Accountants of Zimbabwe and has served as the deputy chairperson and member of the Zimbabwe Stock Exchange monitoring panel. He has also served on the council for the Pan African Federation of Accountants (PAFA) and as an Executive Committee member of the predecessor accounting body ECSAFA covering 29 Anglophone African countries.

Simon Masanga
Non-Executive Director
Appointed 1 April 2021

Qualifications: Masters in Public Sector Management

Other Directorship: Chairman of the Zimbabwe Occupational Health and Safety Council.

Experience and expertise: Mr. Simon Masanga is the Permanent Secretary of the Ministry of Public Service, Labour and Social Welfare. He is a career civil servant who has worked in various Government Ministries in Zimbabwe. He has previously served as the Head Human Resources Management and Development at the Public Service Commission as well as the Principal Director in the Ministry of Labour and Social Welfare where he was the Country Focal Person for Sustainable Development Goals. Simon started his career in the public service in 1991 as a Human Resources Practitioner. He was later promoted to Human Resources Director in the Minstry of Lands and Agriculture in 2005. In 2014, he moved to the Ministry of Youth where he was elevated to Principal Director Youth Development in March 2016.

Simon has served as a board member in various organisations and other councils which include Grain Marketing Board, Rainbow Tourism Group, the East and Southern Africa Management Institute and Productivity Institute of Africa among others. He holds several professional qualifications including a Masters in Public Sector Management. He has vast experience in corporate governance, strategic planning, leadership and is an accomplished motivational speaker.

Rufaro Audrey Maunze
Independent Non-Executive Director
Tenure on the board: 4 years

Qualifications: Masters in Coaching and Consulting for Change (SAID/HEC Paris Business Schools), MDevF (Stellenbosch Business School), CA(Z)

Other Directorships: Independent Non-Executive Director Imara Fiduciary. Chairperson of ICAZ Women's Chartered Accountants Network.

Experience and expertise: Rufaro is an Executive Coach with over 20 years' experience in business leadership, banking, strategy, change management and inclusive finance. Her experience has seen her work across several markets including Zimbabwe, Australia, and several countries across sub-Saharan Africa.

She is currently the Managing Partner for Tsambe Business Advisory and is also a Senior Partner with Triage. Rufaro started her carrier in Assurance and Audit with Deloitte and worked for several global offices before moving into the Australian banking sector where she held various leadership roles. She has also held National and Regional leadership roles for international development organisations including FSDAfrica, and TechnoServe.

As a Social Entrepreneur and Impact Investor, Rufaro has interest in inclusive agriculture and women and youth focused impact investment, she is an advocate for business solutions for sustained development and is passionate about developing people and the Leader within.

BOARD OF DIRECTORS AND PROFILES *(...continued)*

Rose Mavima
Independent Non-Executive Director
Tenure on the board: 4 years

Qualifications: BBS (UZ)

Other Directorship: Corporate Affairs Director at Hanawa Super Foods.

Experience and expertise: She started her marketing career in 1987 as a Relationship manager and rose to Account Director at Lintas Advertising Agency, where she managed the communication strategies of various premium brands and portfolios.

Since 1996, Mrs Mavima has been managing family owned business in the tourism, financial and manufacturing sectors.

Andrew Stuart McLeod
Non-Executive Director
Tenure on the board: 3 years

Qualifications: CA (SA), B Comm (UCT), DIP Theory of Accounting.

Other Directorship: Currently a Director of Forbes Investment Holdings.

Experience and expertise: Qualified as Chartered Accountant (SA), Completed Articles with Deloitte (Pim Goldby), Financial Manager for Lowe Bell Communications (London), Joined Coca-Cola Peninsula Beverages as a Management Accountant. Progressed to Financial Manager, Financial Director (1994), Appointed as Managing Director of Coca-Cola Peninsula Beverage (1999) and as Managing Director of Forbes Investment Holdings (2014) and stepped down in 2021.

Andrew was born and grew up in Swaziland. He then moved to Cape Town in 1980 to attend University.

Rutenhuro James Moyo
Non-Executive Director
Tenure on the board: 5 years

Qualifications: MBA, BSc (UZ)

Other Directorships: Heads Remoggo Investments, Director Superswift, National Tyre Services, Hippo Valley Estates and FBC Bank.

Experience and expertise: He has worked for Anglo American Corporation Zimbabwe, Old Mutual Zimbabwe, and The Coca-Cola Company. He also created and headed the Shanduka Group's FMCG Unit that had interests in both Coca-Cola Shanduka Beverages South Africa (Pty) Ltd and McDonalds SA.

Keresia Mtemererwa
Independent Non-Executive Director
Tenure on the board: 1 year

Qualifications: LLB at Rhodes University

Other Directorship: Director Masscash (Pty) Ltd.

Experience and expertise: Keresia is a legal practitioner by profession having attained her LLB at Rhodes University in 2004, making the Dean's merit list for academic achievement in her third year. She is an admitted attorney and conveyancer. Before joining Massmart in 2013 as Group Associate General Counsel, Kay worked as a Group Legal Advisor at RCL Foods for almost four years where she gained invaluable experience in commercial drafting, property transactions, compliance, consumer protection law and competition law.

In her current role at Masscash, Kay serves on the executive team, provides strategic-minded legal input and provides legal counsel and representation to the business with respect to the legal implications of major decisions, strategies and transactions.

Kay is naturally driven and has rapidly built a career as an in-house legal advisor. Kay was awarded the CEO citation award for demonstrating exceptional performance in 2015. That same year Kay spent eight weeks at Wal-Mart on a summer rotation program.

Lyndsay Webster-Rozon
Non-Executive Director
Tenure on the board: 2 years

Qualifications: MBA (McGill University, Canada), BBA, BA Psychology (St Andrews University USA)

Other Directorship: Director Webstor-Rozon (Proprietary) Limited.

Experience and expertise: Lyndsay Webster-Rozon has over 20 years' experience as a Retail Executive and Management Consultant. After starting her career at international strategy consulting firm, Bain & Company, she spent 14 years in several senior executive positions within one of South Africa's largest grocery retail brands, Pick n Pay. These roles included GM Corporate Strategy reporting to the CEO; GM e-tailing (which included e-commerce, financial and value-added services) and GM Strategic Marketing and Brand.

In 2014 she started an independent consulting business, specializing in strategy, commercial due diligence, marketing, omni-channel retail and business development.

She has served a diverse array of Blue Chip clients from a number of sectors, including Retail, Financial Services, Private Equity (commercial due diligence), Advertising, Sports Apparel, CPG, and Quick Service Restaurants.

She has delivered strategic projects across Southern Africa, including RSA, Botswana, Mozambique, Zimbabwe and Kenya.

Alex Edgar Siyavora
Executive Director
Retired 31 March 2021

Qualifications: MBL (UNISA), CA (Z)

Other Directorship: Non-executive Director CABS

Experience and expertise: Mr. Alex Edgar Siyavora joined OK Zimbabwe Limited in 2001 as Finance Director. He worked for Price Waterhouse Chartered Accountants (Zimbabwe) before joining Coca-Cola Swaziland as Finance Manager and subsequently Merlin Limited as Group Finance Director. He qualified as a Chartered Accountant in 1989. He was promoted to Chief Executive Officer in 2017 and served in that role till his retirement on 31 March 2021.

SENIOR MANAGEMENT

Max Phillip Karombo
Group Chief Executive Officer
Appointed: 1 April 2021

Qualifications: CIM, MBA (UZ), B. Tech (UZ)

Experience and expertise: Maxen Karombo joined OK Zimbabwe in April 2021. A Fellow of the Chartered Institute of Marketing (CIM), Max was first certified as a Chartered Marketer in 1999 and is a recipient of the Outstanding Marketing Personality of the Year from the Marketers Association of Zimbabwe.

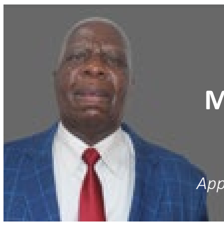
Maxen has held various senior leadership roles in Marketing and Operations which have enabled him to hone his vast experience in marketing. Leveraging on his robust training, he grew his business leadership credentials at Unilever where he started off as Marketing Director for the South East Africa cluster, Zimbabwe Customer Development Director, Managing Director at Unilever Uganda and eventually as Managing Director at Unilever Zimbabwe. In the recent past, he was at Delta Corporation as Executive Director – Operations and Marketing for 10 years.

Albert Rufaro Katsande
Group Commercial Director
Appointed: 1 April 2017

Qualifications: MBA, BSc Economics (Honours) - (UZ)

Other Directorship: Non-Executive Director & Chairman of BancABC Zimbabwe.

Experience and expertise: Albert joined the company in December 1989. He holds a Bachelor of Science Economics (Honours) degree and a Master of Business Administration degree both from the University of Zimbabwe. Albert has vast experience in marketing having worked for Lever Brothers, Dairy Marketing Board, and CAPS Holdings before joining OKZL then a division of Delta Corporation as Marketing Manager. Albert rose to the positions of Marketing Director (1992), Managing Director (1995), Chief Operating Officer (2001- at demerger from Delta and listing of OKZL on the Zimbabwe Stock Exchange) before his appointment to his current position.



Muzvidzwa Richard Chingaira
Procurement Executive
Appointed on: 1 November 2002

Qualifications: MCIPS (UK), Founder Member of the Chartered Institute of Procurement & Supply (UK), BCom & MBL (UNISA).

Experience and expertise: Born in Zimbabwe, Muzvidzwa holds a Bachelor of Commerce degree from the University of South Africa (UNISA) and a Master of Business Leadership degree from the School of Business Leadership (SBL – UNISA) and a graduate diploma in Purchasing & Supply Management from the Chartered Institute of Purchase and Supply, United Kingdom. He is a founder member of the Chartered Institute of Purchasing and Supply, United Kingdom – MCIPS. Muzvidzwa worked for Cash and Carry Wholesale from 1979, before joining OK Zimbabwe as a management trainee in 1982. Over the last 28 years, he has worked his way up from Assistant Buyer, Group Buyer to Buying Manager (Food Group) and to Procurement Executive, a position he assumed in November 2002, and holds today.

Vupenyu Gumbo
Operations Executive – OK Brand
Appointed on: June 2019

Qualifications: Bcom Honours Marketing (NUST).

Experience and expertise: Vupenyu is a highly experienced retailer with more than 20 years local and regional experience in FMCG, clothing and general merchandise environments. He started his retail career as a graduate trainee at OK Zimbabwe in 1998, worked at Red Star, CFI Retail t/a Town and Country in various capacities (General manager – Operations and Special Projects), and later promoted to Managing Director. He spent nearly 10 years in Country GM roles at Woolworths in Tanzania, Uganda, Lesotho and Zambia. Vupenyu rejoined OK Zimbabwe in June 2019.

Willie Mapundu
Business Information Systems Executive
Appointed on: 1 April 2018

Qualifications: Computer Science (UZ)

Experience and expertise: Willie joined OK Zimbabwe on 1st of February, 1994. He studied Computer Science at the University of Zimbabwe, then worked for Infotech Zimbabwe as a Systems Programmer. He then moved to Alpha Systems as a Software Engineer and subsequently worked for IBM Zimbabwe as a Systems Engineer. He Joined OKZL as a Group Systems Analyst. He was appointed to his current position in April 2018.

Margret Nettie Mlambo
Operations Executive – Bon Marché and OKmart Brands
Appointed on: 1 June 2018

Qualifications: BTEC, HND Food Technology (Reaseheath College, Harper Adams University UK). QA – (City & Guilds London), HACCP, ISO Management.

Experience and expertise: Margret Mlambo joined the company in 2012. She is a Food Technologist who qualified at Harper Adams University in the United Kingdom. She has worked for various food processing organisations including Dairibord Zimbabwe Ltd as Assistant Quality Assurance Manager and for Mitchell & Mitchell Fresh Exports as Export Sales & Logistics Manager among other roles. She has retail experience gained in the UK from Sainsbury's, Tesco, Woolworths and Marks & Spencer. She joined OKZL as Fruit & Veg Manager and rose to the position of Operations Manager: – Bakeries, Fruit & Veg. Margret was appointed Operations Manager: Bon Marché stores in 2017, a position she held before being promoted to her current postion.

Margaret Munyuru
Company Secretary and Head of Corporate Service
Appointed on: 1 May 2018

Qualifications: LLBS (Hons) (UZ); ICSAZ, MSc International Relations (UZ), LLM in International Economic Law (UNISA)

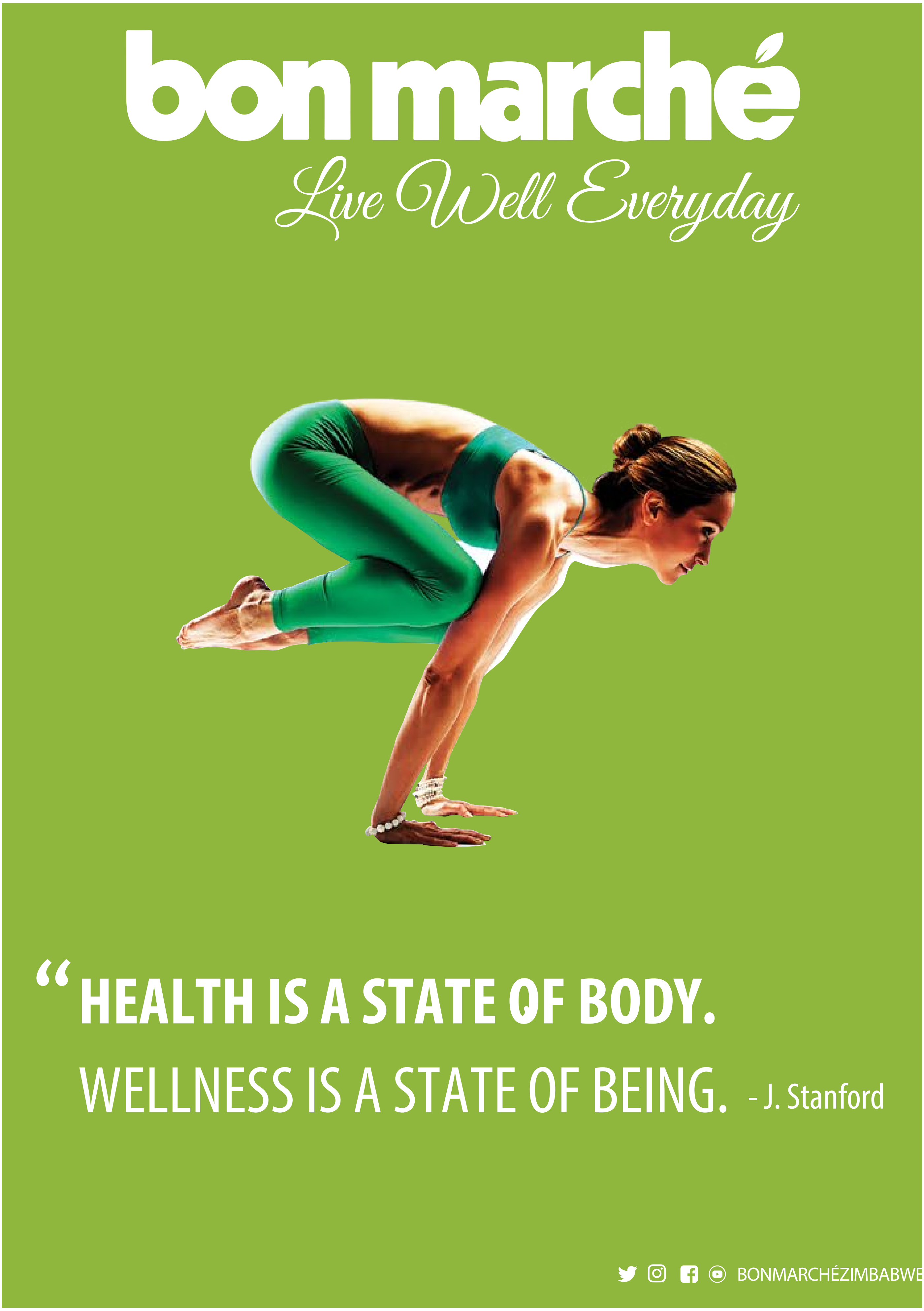
Experience and expertise: Margaret is a seasoned legal expert with strong background in legal, governance, risk management and compliance systems in the financial services and retail sectors. With a Bachelor of Laws Honours degree attained from the University of Zimbabwe and specialisation in international economic law and international relations, Margaret brings vast wealth of knowledge to the Management team. She is an accomplished analytical thinker and passionate problem solver who has the ability to read and interpret complex regulations and make accurate operational decisions regarding them. She has a track record of developing and implementing policies, procedures and programs.

Brian Muradzikwa
Finance Executive
Appointed on: 1 May 2017

Qualifications: MBL (UNISA), CA (Z), Bcom Honours Accounting (NUST)

Experience and expertise: Brian joined the company in August 2003 as a Finance Manager and was promoted to the current position in May 2017. He trained with Deloitte and Touche (Zimbabwe) and qualified as a Chartered Accountant in 2001. He joined Caltex Oil Zimbabwe (Pvt) Ltd in 2002 as Finance Manager. He holds a Bachelor of Commerce Honours Degree in Accounting from NUST and a Master in Business Leadership Degree from the University of South Africa.

Vacant
Human Resources Executive


bon marché
Live Well Everyday
“HEALTH IS A STATE OF BODY.
WELLNESS IS A STATE OF BEING. - J. Stanford
BONMARCHÉZIMBABWE

BUSINESS ETHICS & COMPLIANCE

ETHICAL VALUES

Directors and employees are required to observe the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach. In this regard, the Group has a detailed code of ethics for all levels of employees. In line with the Zimbabwe Stock Exchange listing requirements, the Group observes a closed period before the publication of its quarterly, half yearly and year-end financial results, during which period Directors, officers and employees may not deal in the shares of the Group. Where appropriate, this restriction is also extended to include other sensitive periods.

STATEMENT OF COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business values are to comply with applicable legal regulatory obligations and industry standards. In addition, the Group tries to live up to voluntary and mandatory obligations it may ascribe to, whether domestic or international. Management takes the responsibility of ensuring that compliance matters are upheld at the highest standard.

The business has put in place formalised controls to ensure compliance with the country's regulations. A central legal and compliance function has been established by the business to oversee compliance issues across the Group. This function requires extensive experience in the legal regulatory frameworks and is assisted by managers and executive responsible for the multiple regulatory areas. These individuals assist in the implementation of compliance management plans in the business.

Key regulatory areas are as follows :-

- Operations;
- Human Resources;
- Safety, Health and Environment;
- Food Standards and Control;
- Marketing and Competition;
- Business Information Systems; and
- Finance.

Compliance management is a significant part of our risk management processes which covers some of the following areas of risk mitigation:

- Monitoring and scanning changes in the regulatory landscape;
- Continuous compliance risk identification;
- Establishment of policies and procedures to mitigate compliance risks and
- Internal auditing to identify risk areas.

During the reporting period, the business is confident that it has complied with all applicable legal, regulatory and voluntary requirements.

Accounting philosophy

OK Zimbabwe Limited is dedicated to achieving meaningful and responsible reporting through comprehensive disclosure and explanation of its financial results. This is done to assist objective corporate performance measurement, to enable returns on investment to be assessed against the risks inherent in their achievement and to facilitate appraisal of the full potential of the Group.

The core determinant of meaningful presentation and disclosure of information is its validity in supporting management's decision making process. While the accounting philosophy encourages the pioneering of new techniques, it endorses the fundamental concepts underlying financial accounting disciplines as enunciated by the Public Accountants and Auditors Board Zimbabwe, International Financial Reporting Standards Foundation and the International Federation of Accountants.

The Group is committed to regular reviews of accounting standards and to the development of new and improved accounting practices. This is done to ensure that the information reported to management and the stakeholders of the Group continues to be internationally comparable, relevant and reliable. This includes, wherever it is considered appropriate, the early adoption of accounting standards. However, where the adoption of accounting standards is seen to be fundamentally inappropriate, the Group will comply but disclose its views challenging the requirements of that accounting standard.

RISK MANAGEMENT

The Group has an Enterprise Risk Management (ERM) framework managed under the responsibility of the Board and management. Management is responsible for determining the sufficiency of risk measures, their implementation and monitoring of daily operations. Our risk management framework focuses on business and operational, financial and information technology risk though not limited to these.

Risk management framework

The Group is certified for ISO31000 – Risk Management which requires the business to identify, analyse, evaluate, mitigate, monitor and review, and communicate risks within branches, head office units and across operations. The Board of Directors, through the Audit, Finance and Strategy Committee, provides guidance, direction and monitoring of ERM. The Risk Management Committee is constituted by representatives from all key business units to review and monitor aggregate risk levels in the business and quality of risk mitigation controls in all areas. As part of compliance, all relevant branches and units are required to maintain risk registers which are regularly reviewed and updated.

Business and operational risk

Our business risk management is profound in the understanding of the business, the operating environment and command of the tools used for daily business operations and their management. Characteristic risks in each business area are identified in the units, assessed by unit management teams, and if need be, reported to the Board of Directors or the Audit, Finance and Strategy Committee.

Financial risk management

The Audit, Finance and Strategy Committee monitors the efficiency of the risk management systems and deals with processes, plans and reports on the risk management. Management is responsible for ensuring that sufficient risk assessment and reporting procedures are incorporated into the processes they are responsible for. We have financial control systems in place which include checklists, policies, audits, security systems and spot checks. These are designed to mitigate any finance related risks. Our financial risk management includes credit risk, liquidity risk and control risk. More details are provided on page 84-86 in the financial statements section.

Information technology risk

Our business thrives on e-commerce which is prone to a high risk of intrusion or hacking. As such, we have security measures that ensure our electronic payment systems are secure and protected at all times. Our BIS unit is responsible for regular monitoring and protection of electronic systems and data storage facilities. We operate CCTV systems to monitor access to activity in our business premises.

OUR SUSTAINABLE BUSINESS PRACTICES

Operating sustainably is a strategic value proposition for the Group. Our core values define how our business operates. We strive to uphold high standards that protect our brands and value chains through sustainable business practices.

OUR STRATEGY

Customer centric

Our purpose is to deliver a winning customer value proposition. We prioritise building strong and inclusive relations with our customers anchored by good communication channels. We have direct and indirect communication systems with our customers on any matters.

Sustainable operations

The Group has systems and procedures for monitoring and managing energy, water and waste across operations. We prioritise minimising wastage and negative effects from water and energy consumption. We enforce core value behaviours in the management of these key areas.

Human rights

As a responsible business, observing employee human rights is a business priority. These rights require us to treat our employees with fairness, dignity, equality and respect and eliminate any forms of abuse, neglect and isolation of any persons considered part of our company. We have policies and regulations that ensure we provide a clean and safe environment, equal opportunities, fair disciplinary procedures, clear grievance handling processes and adequate training on matters of employee rights and customer service. Our Tip-Off Anonymous platform also includes reporting any human rights violations.

Anti-corruption

The business has zero-tolerance for corruption enforced through the Company Code of Conduct, anti-corruption policy, gifts and bribery policy. Any unethical and corrupt practices are reported through the Tip-Off Anonymous and the grievance handling channels. The business has dedicated systems for investigating every reported case and rewards paid to whistle-blowers. Training is conducted for staff and stakeholders on our Tip-Off Program. Our corruption reporting infrastructure includes toll free numbers and speed dial telephones that are managed with oversight of a Tip-Off Committee which evaluates the system regularly for effectiveness.

Responsible procurement

The Group has a resilient supply chain built on strong ethical sourcing and sustainable policies. We regularly evaluate our suppliers for compliance with laws and regulations as well as their public reputation. Our procurement practices are driven by quality control systems and fair business dealing with both large suppliers and smallholder producers who meet our standards.

Good corporate citizenship

Our philosophy is to make a positive difference in our community. We strongly believe in contributing towards sustainable development and giving back to our society. Throughout the year, we support healthcare, education, elderly and social development needs through our corporate social responsibility programme.

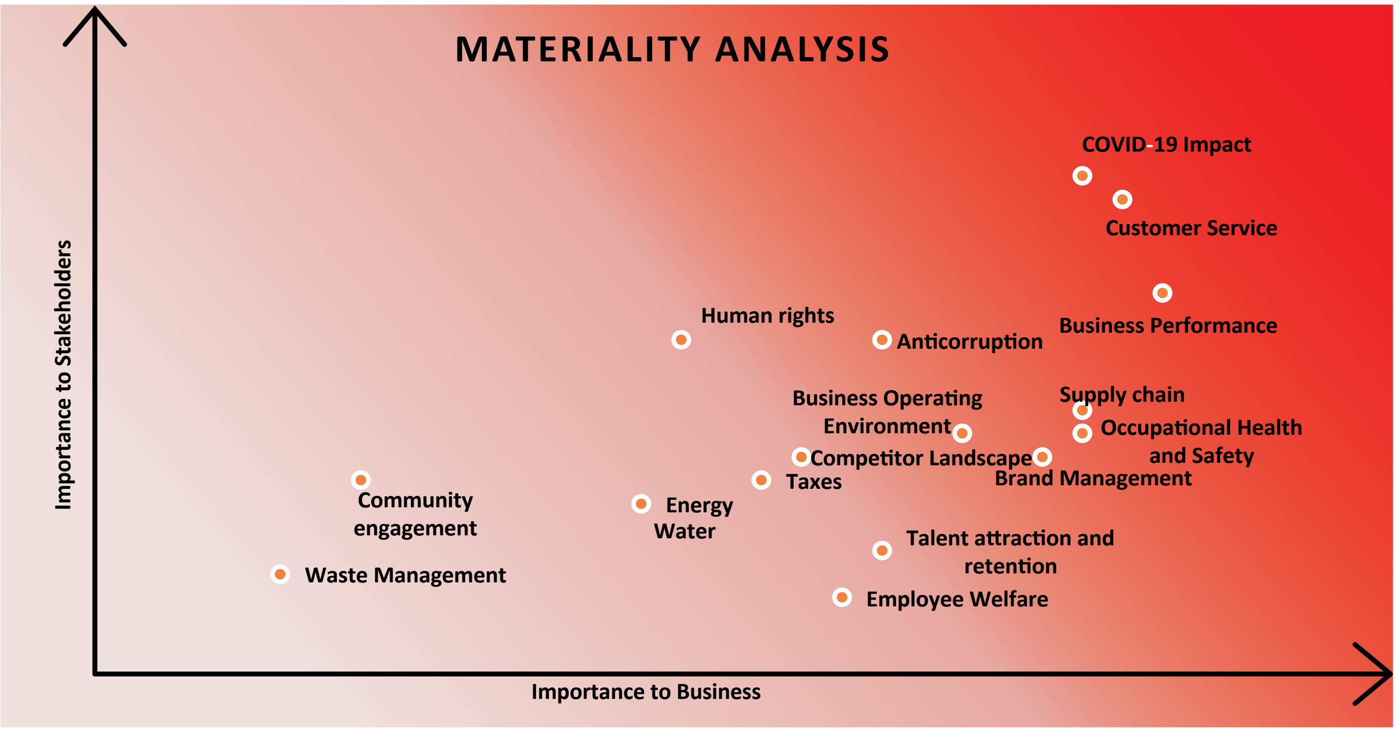
MANAGING MATERIAL ISSUES

We applied the principle of materiality to assess the critical areas which directly relate to our business model and those that significantly affect the decisions of our stakeholders. This report, therefore, focuses on the issues, opportunities and challenges that are material to the business and stakeholders. Material topics are those that can reasonably be considered important to reflect the Group's economic, social and environmental impacts and the influence they have on the decisions of stakeholders.

Materiality process

Identifying material issues is a Group-wide process which requires input from business unit representatives on the issues acknowledged as critical to the business. The materiality process was conducted through a survey of business leaders across the Group. The topics presented in this report were identified as material topics relevant to the Group, based on an assessment of similar topics reported by businesses in the retail sector, a contextual assessment of global and local issues affecting both businesses and society and issues raised by stakeholders.

The identified topics were prioritised based on how the respondents ranked them on their relative impact or importance to the Group and how the topics significantly influence the decisions of stakeholders.



REPORTING PRACTICE

The reporting practice of the Group is driven by the desire to provide stakeholders with holistic information to enable a broad understanding of our performance during the period. As such, the Group elected to prepare this annual report presenting both financial and non-financial information in an integrated format. The sustainability information was prepared using the Global Reporting Initiative (GRI) standards as adopted by the Group.

Report boundary

The report covers information for all our operations in Zimbabwe.

Report data

The report used qualitative, quantitative data and information to explain how the Group performed on material topics considered important to our stakeholders. Information used for this report was extracted from company records, policies, and the respective management in charge of the topic areas.

Report period

The reporting period for the Group spans over 12 months from 1 April to 31 March each year. There were no changes to the reporting period.

Report declaration

The Group management takes responsibility to confirm that this report was prepared in accordance with applicable GRI Standards – 'Core' option. A GRI Content Index is contained on page 101.

Assurance

The Group utilises a coordinated assurance model to assess and assure various aspects of our external reporting and internal operations. This is provided by management, internal audit, the Board, external consultants and service providers. For this report, Deloitte & Touche Chartered Accountants Zimbabwe assured the financial statement and the Institute for Sustainability Africa (INSAF) validated compliance with GRI Standards.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement enables us to better communicate how our strategies, activities and performance are likely to affect the decisions of those with keen interest and influence in our business. This provides us with the opportunity to co-develop solutions in partnership with our stakeholders.

Stakeholder identification

The business defines its stakeholders by identifying any persons, natural or judicial who are affected or impacted by the business operations. The identified stakeholders were ranked and prioritised using the Mendelow Power/Interest grid for stakeholder prioritisation.

Engagement approach

Our engagement approach process was informed by the Mendelow Power/Interest prioritisation process. The system provides us with a strategy of how to effectively engage and manage our stakeholders. We have systems that allow us to profile our stakeholders and rank their power and influence on the company. Our responsive strategy was designed to ensure we manage stakeholders with high impact while ensuring we keep the majority well informed and satisfied.

Outcomes of our stakeholder engagement process

Stakeholder	Material issues raised by the stakeholder	Mitigation measures	Engagement
1 **Employees**	• Employee welfare, wellness and wellbeing. • Safety in the workplace and protection from occupational hazards. • Reward and recognition.	• Staff wellness programs. • Adoption of safe work practices. • Review of employee reward programs.	• Internal Staff Memoranda, staff meetings. • Frequency: Ongoing.
2 **Customers**	• Value, quality and low prices. • Loyalty programs.	• Competitive sourcing of products and continuous quality improvement.	• Advertorial flyers and in-store communication. • Frequency: Ongoing
3 **Suppliers**	• Fair trading practices. • New business opportunities.	• Fair and equitable contract negotiation.	• Formal correspondence to suppliers. • Frequency: Ongoing.
4 **Government and Regulators**	• Compliance with law and regulation.	• Review of laws and regulations to ensure ongoing compliance.	• Formal correspondence to the Government and Regulators. • Frequency: Adhoc.
5 **Shareholders and Potential Investors**	• Return on investment. • Ongoing business sustainability.	• Value preservation through risk management and sustainable business practices.	• Annual Report, Analyst Briefings, Trading Updates, Press advertorials, website and electronic communications. • Frequency: Quarterly, Biannually and Annually.
6 **Local Communities**	• Corporate social responsibility programs.	• Engaging in CSR programs in the communities we do business in.	• Radio programs and in-store communication. • Frequency: Ongoing.


FRUIT & VEG

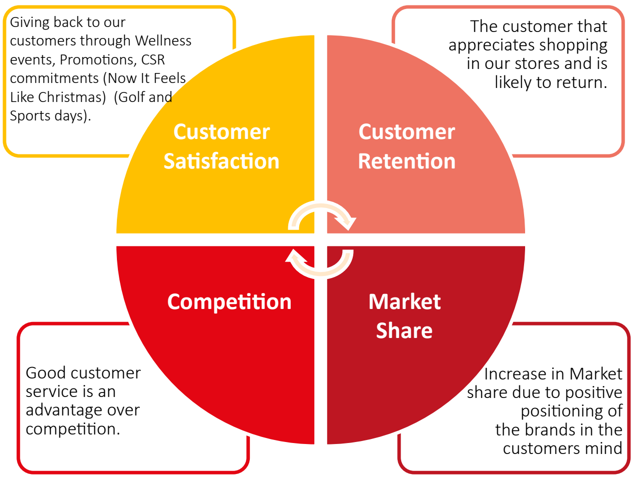
CUSTOMERS

The business operations of the Group revolve around customers. Our ability to meet the needs of our customers often translates into improved business growth and performance thereby assisting us to create value. The Group seeks to increase its market share while remaining the dominant retailer in Zimbabwe. We believe this goal can only be sustained through an excellent customer experience benchmarked to leading international standards and retailers.

Management approach

The management of customer relations and experience is a critical business indicator. As we always allude in our conversations at OK, 'the customer is King'. The business makes it clear why we need to prioritise enhancing the experience of customers to all business unit leaders and employees. This is instrumental in our ability to retain and grow the customer base through the provision of a satisfying customer shopping experience. Customer service, employees training and store ambience are significant factors that influence the shopping experience for our customers. This augments the customers' satisfaction and brand loyalty which results in a greater likelihood that the customer will return to the store again. This in turn helps drive our strategy to increase market share while setting a positive reputation among other customers. We anticipate that through this process the Group becomes the first choice for customer shopping.

How we think about customer experience:



The business maintained excellent customer service in branches through the following initiatives:

- Employee training and meetings;
- Complaints handling;
- Mystery shopper;
- Responsible marketing practices, and
- Customer feedback systems (Facebook, Email, WhatsApp, Voice Calls, Directory).

Brand management

Managing our brand as a leading retailer is a key performance criterion. It is a mark of the pride associated with quality of our stores, service to our customers and other stakeholders. With the sprouting out of competitor retailers, it is imperative for our business to continue to reinvent itself so we remain relevant to our customers.

During the year, the business refreshed all three (3) store brands with new logos and taglines. We continuously put effort into understanding our customer desires, aspirations and needs in order to ensure that our offering and marketing thrust can achieve customer satisfaction and loyalty. This way we ensure that our brands keep evolving in a way that deliver promises that are meaningful, unique and compelling.

We had a detailed Brand Calendar for each store brand. However, the Covid-19 pandemic disrupted execution of some of the planned initiatives. We executed the following during the period:

Reward based promotions:

- 7th OK Shop Easy Club (July – September 2020).

Annual promotions:

- 10th Bon Marché Liv it Up Fiesta (Aug – Nov 2020); and
- 6th OKmart Mega Money Maker (Sept – Oct 2020).

Seasonal & tactical campaigns:

- Ad hoc: #JerusalemaDanceChallenge (October 2020); and
- WhatsApp, Shop & Win Promotion (February – March 2021).

Our focus was on ensuring that we respect the Covid-19 guidelines so our promotions were executed digitally. The only major activations we did not execute were The OK Grand Challenge and Bon Marché Health & Wellness events. However, we continued to communicate with customers about the importance of maintaining a healthy lifestyle through regular exercise and eating well.

Our communication plan made use of holistic 360-degree Marketing; TV/Radio/Billboards/Influencers & Brand Advocates/Digital Media/ Branded Novelties/Press/Instore Posters.

Net Promoter Score (NPS)

The Net Promoter Score measures the willingness of customers to recommend a company's products or services to others. During the year, we conducted two NPS focus group researches which were influential in some branches being prioritised for renovations. The outcome of the survey shows OK Zimbabwe performing better than the competition.

Customer health and safety

Our products if expired or contaminated can also be a health hazard to our customers. As such, we have systems for monitoring product shelf life and removal of any contaminated or spoiled products. This therefore requires continuous monitoring of products on shelf and timely management action.

Evaluation of our customer service performance

The evaluations of customers service initiatives conducted during the year indicate that the Group was rated above the competition. The strongest points for the Group remain cleanliness of the shops, friendly staff, and convenient operating hours, shops being situated in good locations, having a wide range of products and having fresh products. In line with Covid-19 safety measures, the Group scored higher than the competition in the theme "protects my health while shopping & adhering to in-store social distancing'.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More Smiles
WHATSAPP
SHOP & WIN
Shop from the comfort of your home
Order Now!
SHOP & WIN
SHOP & WIN
OKZIMBABWE

EMPLOYEES

The Group seeks to attract and retain the most talented and skilled employees. We believe this is important as it enhances the Group's brand and business performance. Managing human capital in an appropriate manner curbs high turnover and strengthen our relations with our employees. We also recognise that employee retention and good staff welfare initiatives translates into high morale among employees which they pass to customers by providing excellent service.

Human capital management

The business has various strategies for employee attraction and retention. One of the strategies is career development. The Group through Mandel Training Centre offers Management Development Programmes (MDP) and Executive Development Programmes (EDP) as well as paying for professional membership subscriptions for managers. We engage independent consultants to conduct salary surveys in our market. This is done to ensure the Group remuneration strategies remain competitive. The Board and the Human Resources Committee are responsible for the employee issues. Management is responsible for talent management and ensures that appropriate incentive schemes are implemented. Branch incentive scheme and the Manager of the year award are examples of performance reward and recognition schemes.

Grievance mechanisms for employees

The business recognises the need to create a conducive work environment for employees. We use varied channels to assess and remedy challenges our employees face through the platforms below:

- Workers Committee meetings;
- Works Council meetings;
- Grievance procedure using the NEC code and
- OK Zimbabwe Employment Code of Conduct.

These platforms have been effective in resolving employee challenges and retaining staff.

Employee relations management initiatives

- Remuneration review exercise;
- Employee Satisfaction and Engagement Survey;
- Continual review of Salary Scales and
- Branch monthly liason meetings.

Evaluating our management approach

An employee satisfaction survey was conducted to gain a deeper understanding of issues raised by employees. The challenge observed was that economic conditions and Covid-19 were distressing employees. The erosion of salaries was affecting the employees and as such, continual review of salary scales remains a priority. The business also recognises that retention may become a challenge since it is paying salaries in local currency (ZWL), whilst some companies are paying in USD, and talented employees could potentially be lost. However, regular salary reviews are in place, with the latest review having been processed in April 2021. The business will continue to benchmark salaries with current market rates in order to remain competitive.

Employment

The business creates employment through direct recruitment of staff members who work in our retail outlets, head office and distribution centres. We also create employment through third party service suppliers such as those involved in housekeeping and security among others.

SUSTAINABILITY IMPACTS

Staff complement by contract type

Contract Type (Count)	2021	2020
Permanent	2 591	2 750
Contract	2 309	2 463
Total	**4 900**	**5 213**

Staff complement by gender

Gender (Count)	2021	2020
Male	2 839	3 050
Female	2 061	2 163
Total	**4 900**	**5 213**

During the year, our employee base decreased by 6% as a result of our responsiveness to business trends due to the Covid-19 national lockdown restrictions.

Recruitment

Gender (Count)	2021	2020
Male	497	757
Female	516	626
Total	**1 013**	**1 383**

Recruitment by age

Age (Count)	2021	2020
Under 30 years old	659	934
30 – 50 years old	351	442
Over 50 years	3	7
Total	**1 013**	**1 383**

Turnover

Gender (Count)	2021	2020
Male	708	616
Female	618	294
Total	**1 326**	**910**

Turnover by age

Age (Count)	2021	2020
Under 30 years old	753	469
30 – 50 years old	556	406
Over 50 years	17	35
Total	**1 326**	**910**

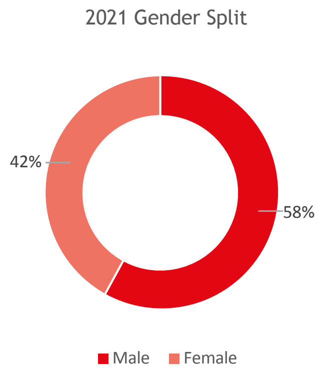
Seasonal employees

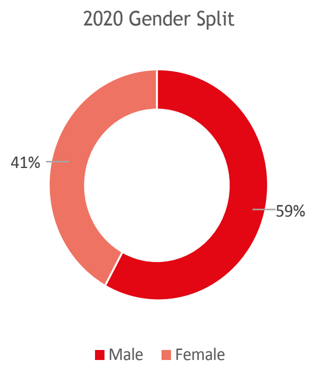
The business recruits seasonal employees to meet the demand created by festive seasons and promotions. These figures are not included in the overall workforce numbers due to the short-term nature of the employment contracts.

Seasonal Employees by gender (Count)	2021	2020
Male	12	1
Female	4	-
Total	**16**	**1**

Gender and diversity

Given the size and footprint of the Group, we seek to make positive contributions to gender and diversity. Our recruitment process is designed to eliminate any forms of discrimination. Management is aware of the importance of achieving gender equity within the organisation. The organisation makes every effort to eliminate segregation and enhances equal access to opportunities irrespective of gender and race. Below is our gender and diversity perspective:





Employees training and capacity development

Average training hours per employee by Gender

Gender	Unit	2021	2020
Male	Hours	4.94	7.36
Female	Hours	4.93	6.96
Overall Average	**Hours**	**4.94**	**7.20**

Training hours were affected by the inter-city travel bans due to the global pandemic, though some training was conducted virtually. However, when the restrictions were relaxed, we managed to conduct training.

The Group is an accredited office for the training of Chartered Accountants under the Training Outside Public Practice (TOPP) programme. We also have training and development programmes for executives, managerial and supervisory staff to ensure that there is a pool of talent in the Group to fit into the Group's succession plan. The Group's Graduate Trainee programme has been particularly prominent over the years in this regard. The Group also engages attachment students and thereby contributing to the national manpower development.

Category	Unit	2021	2020
Graduate Trainees	Count	63	27
TOPP Trainees	Count	4	4
Attachees	Count	1	20
Total		**68**	**51**

SUSTAINABILITY IMPACTS

Key skills base

Our employees subscribe to the following professional bodies:

- Institute of Chartered Accountants Zimbabwe (ICAZ);
- Institute of Chartered Secretaries and Administrators (ICSAZ);
- Association of Chartered Certified Accountants (ACCA);
- Southern Africa Association of Accountants (SAAA);
- Chartered Institute of Procurement & Supply (CIPS);
- Marketers Association of Zimbabwe (MAZ);
- Zimbabwe Institute of Engineers (ZIE) and
- Institute of People Management in Zimbabwe (IPMZ).

Occupational health and safety

The Group is committed to nurturing a healthy and safe working environment for its employees and other stakeholders. This is important as it directly affects our productivity, our brand and relations with our various stakeholders. Our business is committed on its pledge to ensure a healthy and safe working environment.

Managing safety and health risks

The business has several tools it relies on to minimise the development of health and safety risks. A key tool is the induction of new employees and routine training to educate employees on occupational health and safety best practices. The procedures for managing health and safety are contained in the Health and Safety Policy which is consistent with Industry and National Policies. The policy provides the tools for the identification of health and safety risks, opportunities and impacts. It also lays out requirements and frequency for training. We rely on audit and safety inspection carried out on an ongoing basis by internal and external resources. In the event of an injury, the business has a staff clinic that attends to illnesses and injuries. This is supported by medical aid schemes which the business contributes to.

Safety and health targets

- Below 0.9 Lost Time Injury Rates (LTIFR).
- 100% Behaviour Based Intervention awareness and training of staff

Occupational health and safety

The business has three clinic nurses and a Sister-In-Charge who provide curative and counselling services to employees and their dependants. Some cases are referred to a medical doctor where necessary.

Incidences	Unit	2021	2020
Total number of work-related injuries	Count	57	67
Lost Time Injury Frequency rate (LTIFR)	Rate	3.0	3.2
Number of lost days as a result of the injuries	Count	131	231
Number of lost days due to absenteeism	Days	134	234

The LTIFR for F20 was 3.2 and slightly lowered to 3.0 in F21. Training and awareness was conducted and that aided towards the lowering of the LTIFR though the target is 0.9.

Safety initiatives

The activities earmarked for FY2021 were mainly affected by Covid-19. Management selected safety champions for branches and business partners were engaged to ensure compliance with health and safety requirements.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More Smiles!
ENJOY
The Savings Experience
OKZimbabwe

Evaluating our health and safety performance

Health and safety issues are assessed through our internal Continuous Process Improvement (CPI) program, internal and external audits. These evaluations were largely affected by lockdowns imposed to curb the spread of Covid-19.

COVID-19 RESPONSE

The Covid-19 pandemic affected our usual way of doing business, threatening the survival of people and businesses worldwide. As a business that was classified as an essential service, we also faced significant challenges in our quest to maintain operational normalcy while protecting our stakeholders from exposure to the virus.

Impacts of the Pandemic on the Group

Customers

We experienced reduction in business particularly due to the temporary closure of non-essential manufacturing suppliers. This affected product range and availability in our stores for instance clothing, housewares and house and home lines. The closure of hot deli sit-in areas impacted revenue inflows. Company closures and job losses significantly impacted on customer priorities and spending during the pandemic. We also noted that customers' concerns shifted to health, safety and convenience thereby creating a new value equation.

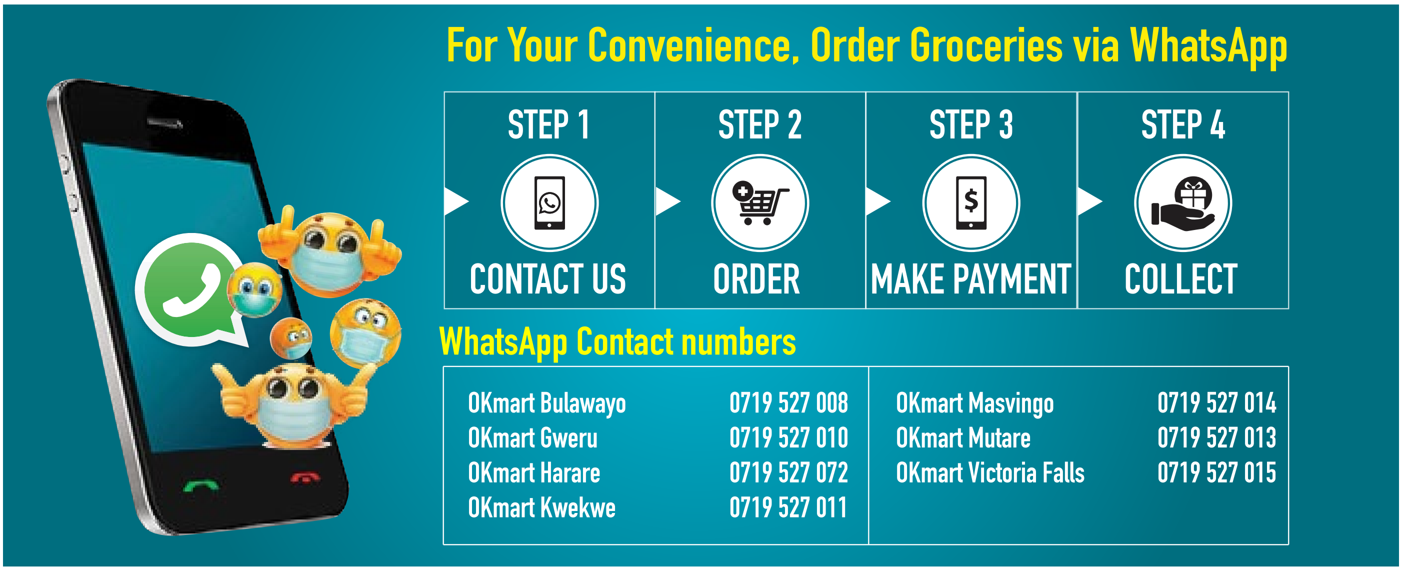
Regulatory impacts

The government imposed several regulations which affected the business as follows:

- The social distancing regulation reduced customer count in-store;
- Restricted use of public transport system during national lockdown affected employee productivity time as well as customer reach to stores;
- Restrictions on social gatherings affected sales for corporate business;
- Reduced trading hours affected sales and volume growth;
- Phasing off of production on non-essential products and closure of borders affected product offering;
- The business also faced temporary store closures for Bon Marché Mt Pleasant, OK Mbuya Nehanda and OK Norton, and
- Increased staff absenteeism.

Opportunities created by the pandemic

Outside the risks created by the pandemic, a window of opportunity was created for the business. Consumers became more digital savvy as there was a notable increase in the use of virtual shopping platforms as a way of avoiding crowding. There was a phenomenal increase in the demand for health products, PPE, detergents, and sanitisers emerged as customers sought to manage exposure to the virus.



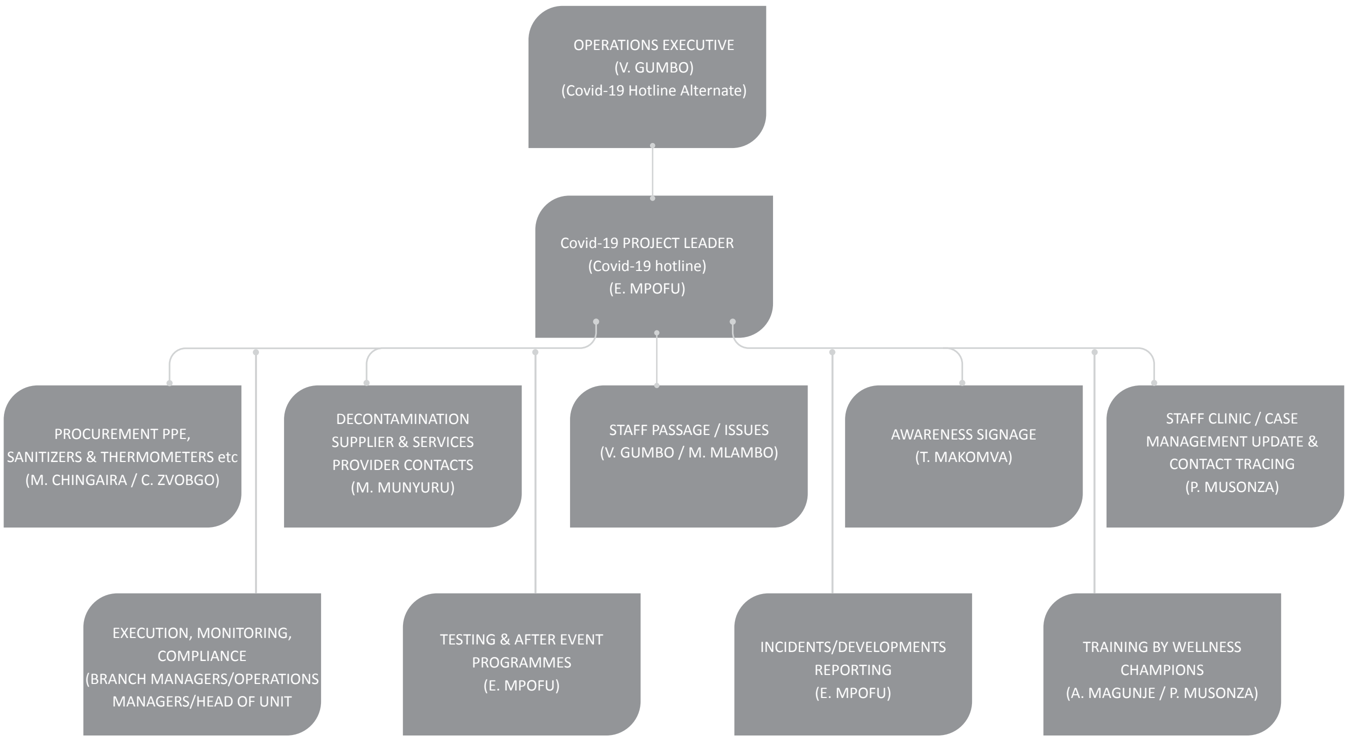
SUSTAINABILITY IMPACTS

Managing the impacts of Covid-19

The business adopted measures guided by the World Health Organisation (WHO) and the Government of Zimbabwe. Our theme for managing the pandemic was "It's OK to defeat Covid-19". This approach was aimed to provide safety from exposure to the virus for staff, communities and customers. The theme is also supported by the Group's Covid-19 Response Policy Procedure Manual. The manual detailed the standard operating procedures for logging in Covid-19 Cases – Helpdesk Process, Premises Decontamination Procedure Guideline, PCR Decision-Making Process, Antibody Testing Procedure, PPE Procurement Process, Supplier and Merchandiser Policy, Staff Passage procedure, Distribution Centre Covid-19 Measures, Working from Home Policy, Manufacturing Departments Covid-19 Measures and personnel Management.

Covid-19 committee

The Group's Covid-19 Response Policy Procedure Manual established responsibility for the management of the pandemic by delegating overall responsibility for Covid-19 management to the Operations Executive- OK Stores, Mr. V. Gumbo.



Covid-19 management goals and commitments

Goals	Targets	Timeline
Minimal business disruptions	Smooth flow of product supply & services	Ongoing
Curb Infections	0% infection rate	Ongoing
Control store closures	Nil store closures	Ongoing
Control mortality rate	0% mortality rate	Ongoing
Knowledgeable staff on Covid-19 in every workstation.	Training of wellness champions	Ongoing

Commitment made by OK Zimbabwe Limited to manage impacts of the pandemic.

- Test all employees;
- Maintain a safe shopping experience;
- Medical and counselling support from staff clinic;
- Isolation leave support;
- Provision of information awareness on Covid-19 to employees and all stakeholders;
- Staff transportation and
- Store and work stations monthly decongestion programs.

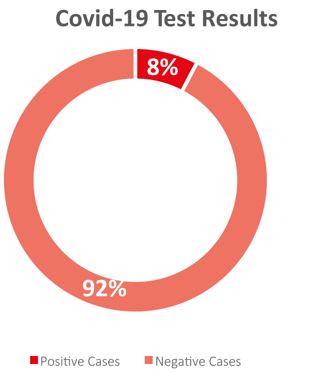
Activities conducted

Covid-19 awareness coverage:- Awareness signage produced and distributed to all workstations, awareness flyers, in-store, and national Radio and TV Programs, Joint awareness sessions with local health authorities. Other activities included:

- Covid-19 Test screening, done on all employees in phase one and temperature checks at all entry points and recorded on the daily testing tracker record;
- Covid-19 Hotline and Staff logging case reporting systems;
- Provision of staff transport done in phase one;
- Setting up wash and sanitizing stations at point of entry and scheduled store & workplace monthly decontamination program;
- Provision of disposable surgical masks and sanitisers to employees;
- Implementation of Covid-19 policy procedure document;
- Walkthrough risk assessments with consulting doctor;
- Implementation of the Covid-19 risk directory with all critical medical contacts in various store locations and
- Introduction of Branch wellness champions to spearhead compliance and awareness of Covid-19.
- Facilitating and encouraging employees to be vaccinated against Covid-19 voluntarily.

The Group's Covid-19 testing statistics during the year are as follows:-

Number of people tested	Positive cases	Negative cases
10 032*	770	9 262



* The number tested includes employees for service providers who work from our facilities including security guards and cleaners. Unfortunately the business lost one employee due to the pandemic.

Financial investments to Covid-19 management

Financial resources were set aside for procurement of PPE, temperature check equipment, testing costs, medication, and sanitisation of stores and workstations. The following were put in place:

- Covid-19 coordinating team consisting of senior management, a consulting medical doctor and Internal clinic staff – to provide leadership that guides the Group's team to create new norms and purpose during the pandemic, making critical decisions, management of employee wellness, ensuring a safe working and trading environment and business continuity.
- Equipment for the Covid-19 Hotline- To create communication and reporting efficiencies on arising cases of infections and provide counselling and information on Covid-19.
- Standard wash and sanitizing stations - To curb the spread of the infections whilst complying with World Health Organisation (WHO) guidelines, Government & Internal regulatory requirements.

Evaluating our Covid-19 response performance

The business engaged an external consulting company, Quest Research Services (QRS), to independently assess the performance of the Group on Covid-19 compliance in general, cleanliness of checkouts areas, the presence and use of visible distancing markers, customer compliance with social distancing markers, chit-chatting in queues, sanitizing of swipe cards by till operators, and the encouragement of customers to properly wear facemasks. All branches were given feedback and corrective action on the areas that needed improvement. As a result of the feedback, some adjustments were made to enhance our Covid-19 management system.

ENVIRONMENTAL RESPONSIBILITY

The Group aspires to be a retail leader in the effective management of its environmental footprint and risks. This stems from our policies of minimising negative impacts on our ecosystems and society. The areas in which the Group can make a significant environmental difference are: improving energy and water efficiency, reducing carbon footprint; tackling waste by minimising the amount we produce and recycling more; and embedding sustainability in our supply chain.

Energy

Energy is critical in our supply chain, logistics, store operations, lighting, refrigeration and operating equipment. We sell perishable products that require reliable energy to preserve. This ensures safety for consumers, builds brand trust and enhances customer loyalty. Energy usage also directly impacts the cost of doing business, hence has a bearing on profitability. Energy management is strategic in reducing our carbon footprint, meeting profit targets, prolonged equipment life and reduce perishable loss.

Managing energy impacts

The Group seeks to benchmark with world class retailers. As such we promote the use of the cheapest form of energy, solar. Currently, we have 2 solar plants at Bon Marché Chisipite and OKmart Harare. The success of these pilot projects will determine the pace of the roll out of solar plant across the group. The business also significantly relies on diesel generators during blackouts. Other key initiatives to manage energy include the use of night blinds to preserve cooling capacity in fridges during the night. We use liquefied petroleum gas to cook in take-aways. We utilise load shifting by running bakeries during the night when electricity will be more affordable and available.

The following initiatives were put in place to manage energy consumption during the year:-

- Installation of LED lights in 12 stores;
- Installation of 2 solar plants;
- Upgrading of generators;
- Installation of energy efficient refrigeration plant in 12 stores and
- Installation of battery banks in 10 stores.

Goals and targets

Goals	Target completion date	Benefits
To measure energy costs per square metre and benchmark against world best practices hence lowering operating costs.	Ongoing.	This will strengthen measurement systems for energy consumption standards, help reduce costs and increase profit
To install smart meters to track energy usage in real-time.	March 2022.	This will curb energy leaks and improve profitability.
To roll out the solar project.	On a pilot basis.	Limit the carbon footprint of our operations and reduce energy costs.
To track our energy carbon footprint.	Ongoing.	Reduce emissions and energy costs.
Employ green technology in designs skylights, passive cooling, natural refrigerants consuming less energy, energy star rated equipment.	Ongoing.	Reduce energy costs and emissions.

Financial investments in energy management

Activity	Costs (ZWL 000's)
2 Solar plants	42 200
Replacement of fluorescent lights with LED in 12 refurbished shops	33 760
Installation of battery banks in 10 stores	21 100
Generator upgrade	42 200
Total energy management investments upgrade	**139 260**

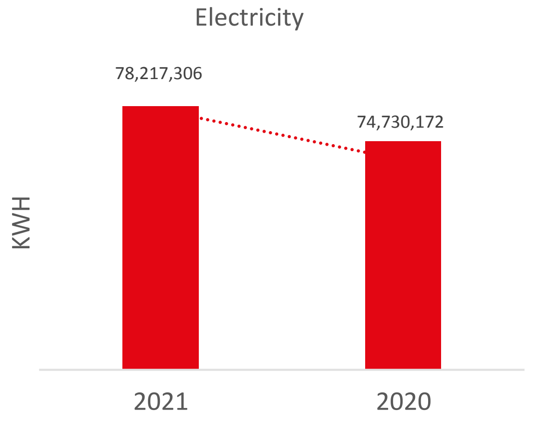
Energy service charter

Store management log faults that are attended to within the time stated in our Service Charter. Energy issues take precedence over any other fault and are fixed immediately. This is a key performance indicator for the Technical and Properties Manager. The mechanism is to avoid loss of business through store closures. Furthermore, it reduces loss of product due to functional stoppage of refrigeration facilities as a result of power failure. Store managers are the key users of the mechanism. WhatsApp platforms are used to broadcast and escalate any problem.

Energy consumption inside the organisation

Electricity

Energy Type	2021	2020
Electricity (KWH)	78 217 306	74 730 172



Liquid fuels

Energy Type	2021 (Litres)	2020 (Litres)
Diesel	175 632	160 292
Petrol	192 699	176 061
Generators- Diesel	309 921	2 838 691
Total Diesel	**678 252**	**3 175 044**

The huge decline in diesel generator usage in our store was attributed to availability of electricity during Covid-19 induced national lockdowns.

Energy consumption outside the organisation

Energy Type	2021 (Litres)	2020 (Litres)
Diesel	372 105	327 328

The increase in diesel consumption outside the organization by 14% was attributed to opening of new outlets - OK Sanganayi and OKmart in Victoria Falls. This meant more deliveries had to be done especially given that one of the new outlet is located far away from the head office.

Evaluating our energy management performance

We continuously review our management approaches to assess if we are effectively managing our energy impacts. This is done through internal audits which identify outliers rerquiring for further investigation. Utility costs are often a significant indicator of energy challenges and this is identified through internal benchmarking and comparison with other branches across the Group. Customer survey feedback helps to evaluate our energy management as concerns can be traced back to a particular store. The outcomes of these evaluation methods influenced the decision to install solar power and other measures taken during the year.

Climate change

Our dependence on grid electricity and fuels in our operations has a direct impact on greenhouse gas emissions which lead to climate change. The business recognises threats of climate change on the business and stakeholders, and is committed to reducing emissions to the best of its ability.

The management of emissions and our contribution to climate change is closely linked to energy usage, as such our endeavours to manage energy usage also assist us in reducing our contribution to climate change. As part of our efforts to manage emissions we will be tracking our scope 1 and scope 2 emissions to assess the impact, we are making. Our carbon emission equivalency was computed as below using internationally accepted conversion indicators due to unavailability of nationally adopted standard conversion factors.

Scope 1:

Emission factors obtained from UK Government GHG Conversion Factors for Company Reporting for 2020. All fuels were considered average fuel blends.

Energy Type	Unit	2021	2020
Diesel	Kg CO2e/Litre	2 183 624	8 468 888
Petrol	Kg CO2e/Litre	417 776	381 703
Total Scope1		**2 601 400**	**8 850 591**

Scope 2

Emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors which are aligned to the Global Warming potential from the IPCC.

Energy Type	Unit	2021	2020
Electricity	Kg CO2e/MWh	80 267	76 688

Water

Water is a significant resource required in our production systems and maintaining a hygienic environment in our operations. Several key stakeholders such as shareholders, employees, society and government among others have significant interest in how we use and manage water. The business plans to manage water usage through tracking consumption and benchmarking performance internally and externally. The main sources of water for the business are the municipality and underground water sources. However, flow meters will be installed to measure borehole water. Most of the stores have water storage tanks and water treatment plants for storage and treatment of water. The business targets benchmarking water quality with the guidelines provided by the World Health Organisation within the next reporting period.

Initiatives put in place during the reporting period

- Upgrading storage facilities to 20 000 litres per site space permitting.
- Installation of boreholes as a standard for new shops. This is subject to approvals by water and local authorities.

We plan to track the volume of water consumption in order to reduce wastage. The business installed storage facilities at all sites, however, we faced challenges where some sites do not have sufficient space to carry the required number of tanks and some local authorities do not allow sinking of boreholes.

Waste management

Our business creates significant amounts of waste from product packaging and internal production processes. This waste if not managed well can create an unsanitary environment at our operating sites, increase the costs for legal disposal among other environmental impacts. This directly affects our brand and profitability.

The Group manages waste through awareness programs for its employees and stakeholders, deployment of rubbish bins and designating garbage collection points. The business also outsources waste management services to private companies and municipalities. The Group's overall goal is to reduce waste through measuring waste, reducing waste from non-food items and packaging, and reducing food waste in its operations. The Corporate Services Unit has the overall responsibility for waste management. Despite a few missed collections due to transportation and fuel challenges during fuel shortages times, our waste management systems have been effective. The business urgently rectifies the situation where contractors fail to pick up garbage on time due to resource constraints.

ECONOMIC IMPACTS

The Group generates value which supports several stakeholders who depend on our business. Enhanced business growth often implies that there is more to share with our varied stakeholders such as communities, employees, government and suppliers. The business recognises the importance of creating economic value not only for the shareholders but for all our stakeholders. Our stakeholders want great quality, fresh, affordable food that is produced with respect for farmers and suppliers, and for us to ensure all our colleagues are treated fairly.

To manage our performance, we use formal performance reviews against daily targets at the branch unit level, formal weekly performance reviews by the Management Committee, formal quarterly performance reviews by the Board, benchmarking with industry best practices. Variance and root cause analysis are conducted to assess and rectify any deviations from set targets. These systems enable us to create and sustain a strong financial performance that drives economic value creation for stakeholders. To enhance the performance of the business we renovated nine stores and opened two new ones.

Economic value generated and key distributions

Financial figures provided below represent the actual historical amounts as required by the GRI standards. The figures reflect actual accrued value generated and distributed:

Economic Value Generated and Distributed

	Historical	
	2021 ZWL 000	2020 ZWL 000
Revenue	26 831 040	4 522 107
Other income and interest	31 079	3 457
Economic value generated	**26 862 119**	**4 525 564**
Economic value distribution		
Inventory and merchandise	(20 718 072)	(3 161 680)
Operating costs	(1 793 898)	(363 212)
Staff costs and benefits	(1 680 997)	(171 065)
Depreciation and amortisation	(190 611)	(30 887)
Payments to providers of capital	(114 367)	(10 158)
Tax expenses and provisions	(371 921)	(222 373)
Economic value retained	**1 992 253**	**566 189**

Tax management

The Group acknowledges that taxes are key to national development and governance systems which shape the business environment we operate in. Consequently, the Group takes a responsible approach to the management of taxes, working in a collaborative, and proactive way with tax authorities, endearing the principles of transparency to deliver long term sustainable value. The Group has an established Tax Strategy that is aligned with the long-term business strategy and the vision is to be a responsible corporate citizen in our sphere of influence. The strategy is premised on principles of compliance, risk management and transparency. Irresponsible tax practices could result in significant penalties which erode shareholder value or negatively impact business viability and survival. The Group structures commercial transactions in a tax efficient manner to maximise shareholder value. Also, the Group optimises its commercial position by claiming tax reliefs and incentives in line with the spirit of Zimbabwean tax law.

We seek to ensure we are:-

- transparent about the Group's tax practices and how we arrive at our tax bill.
- contributing to political and public policy debate on the level of taxation through our industrial body.

Tax governance

The Board has overall responsibility for our tax affairs, and has delegated oversight of tax management to the Audit, Finance and Strategy Committee. The implementation of and adherence to the Group's tax policy is delegated to the Finance Executive.

Approach to tax compliance

The Group's approach is to maintain compliance with all tax statutes including meeting the following minimum objectives:

- Complying with all returns and other local tax filings deadlines;
- Making payments of taxes ahead of due dates and in line with Zimbabwean tax law;
- Monitor changes in relevant tax law and practice and undertake regular consulting on complex issues and
- Implement appropriate administrative safeguards concerning documentation and record keeping.

Embedding the tax strategy within the group

Our tax strategy is communicated to all the relevant stakeholders within the Group from the Senior Executives who make regular commercial decisions to those individuals who are involved in the daily tax processes/procedures that are operated so that it is firmly embedded in the culture adopted. The Group makes use of standard operating procedures to ensure tax compliance at the transaction processing level. The strategy is subject to continuous review by stakeholders to ensure the Group continues to adhere to its strategic aims and objectives.

Tax risk

The Group applies a prudent approach to tax risk when evaluating transactions, consistent with its vision and values. This is achieved through a constant review of the tax policy, training employees and seeking the assistance of consultants regularly on any tax related exposures. The Group hires skilled personnel who identify and monitor tax risks continuously. Internal audit and external audit reviews also play a part in tax risk assessment. The company has a risk management committee that meets regularly to deliberate on all risks the company faces, including tax risks. The company regularly engages tax experts to perform tax health checks for tax compliance and tax efficiency risks. The Group does not knowingly engage in or promote any tax planning that aims to achieve a result contrary to the intentions of the law and seeks to comply fully with all tax obligations. The organisation is committed to investing in appropriately skilled staff and, where appropriate, investment in software solutions and automation processes that further reduce the tax risk profile for example ZIMRA fiscal machines for transparency in Value Added Tax (VAT) accounting.

Evaluation of our tax strategy

We evaluate our tax strategy through periodic audits for all taxes subject to risk assessment and discussions to assess compliance. The Audit, Finance and Strategy Committee is responsible for monitoring compliance levels. The business also subscribes to an independent Tip Off Anonymous platform that allows the reporting of any unlawful or unethical activities. The Group participates in active real-time engagement with tax authorities on issues requiring clarity. The Group's Finance Executive is regularly in communication with the Commissioner General of Tax's office regarding tax matters. When government/ tax regulator looks to develop or change tax policy, they invariably seek input from a wide range of interested stakeholders, including business advocacy groups and individual companies. OK Zimbabwe, through its retail association and its tax consultants, engages with the government of Zimbabwe to provide our perspective on how best to balance the need for government revenues against the need to ensure sustainable business continuity.

Assessment of tax management

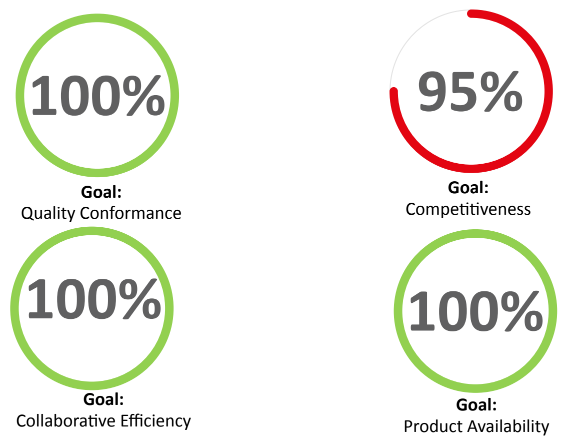
The internal audit department periodically reviews tax expenses, payments and computations. The Group uses the services of tax consultants to review its tax position and policies and get advice on all issues on industry best practice. The Group has largely managed to maintain tax compliance levels at optimal levels and has avoided any significant tax penalties. During the year, our tax payments in Zimbabwe were as follows:

	2021 ZWL 000	2020 ZWL 000
Corporate Tax – Company	734 446	154 825
Corporate Tax – Subsidiaries	471	170
Value Added Tax (VAT)	183 598	43 721
Import Duty	98 921	7 841
PAYE	232 406	18 266
Withholding Tax on Tenders	15 916	3 090
Withholding Tax on VAT	1 211	39
Aids Levy	29 019	5 198
IMT Tax	290 087	51 482
Total	**1 586 075**	**284 632**

The Group managed to submit all tax returns on time during the year.

Supply chain

The Group seeks to build a sustainable and resilient supply chain which is integral to establishing sustainable competitiveness in the environment. The procurement strategy focus is aligned to overall organizational objectives, for example, cost reduction, risk reduction and improved sustainability and resiliency. The commitment to manage the supply chain is driven by the strategic intent to create shareholder value and compliance with regulatory requirements.



Supply chain management

The following have been put in place to manage supply chain risks and opportunities:

- Quality Policy - Covers considerations on the quality of merchandise for resale and procurement team on sourcing products;
- Legislation compliance policy - The policy covers suppliers on product for resale and procurement personnel and
- Professional Code of Ethics - The code sets out values and guidance of expected behaviour of all buyers.

Procurement spending

During the year, our procurement spending was as follows:

	2021 ZWL 000	2020 ZWL 000
Spending on local suppliers	26 299 852	4 453 454
Spending on foreign suppliers	800 159	54 957
Total Procurement Spend	**27 100 011**	**4 508 411**

OUR COMMUNITY RESPONSIBILITY

The Group acknowledges the tremendous support availed by the communities among which it operates. Over the years, the business has consistently demonstrated its untiring support for the communities within our areas of operations. Our approach to corporate responsibility supports the goals we have set in order to achieve top financial results relative to industry peers. We coined the hashtag #OK ZimbabweIntheCommunity which we have successfully used when conducting significant outreach projects. By pledging support for, and to the communities in which we operate, we create a mutually beneficial relationship built on trust and this is achieved through interfacing with society through various charitable initiatives and our extensive network of branches. The Group has reliably supported initiatives to promote:

- Health and wellness;
- Education;
- Support for the disadvantaged and
- Environmental initiatives.

Through these initiatives the business has been able to make significant contributions to society, fostering goodwill and relations with communities. When we execute annual promotions such as the OK Grand Challenge, we always pledge sizeably valued shopping vouchers to ten (10) Charities – One (1) in each of the provinces in the country.

Key beneficiaries and partners

Annual Mayor's christmas cheer fund.

The Annual Mayor's Christmas Cheer Fund is a consistent beneficiary as donations are made to Provinces through our branches. We donated ZWL 1.6 million to 23 Mayor's Cheer Funds.

Friends of The Environment (FOTE) Partnership

Our partnership with Friends of The Environment (FOTE) and Nyaradzo Funeral Services through the annual celebration of World Tree Planting Day is one of our flagship Community Social Responsibility Initiative. The initiative is coupled with a Walkathon which normally takes place over 3 to 4 days, covering on average 100km. Our target is to establish 8 Nurseries across the country; one in each province excluding Harare and Bulawayo. We currently have six (6) Tree Nurseries established in the following provinces:

- Mashonaland East (Mutoko) – 2012

SUSTAINABILITY IMPACTS

- Masvingo (Chivi) – 2013
- Manicaland (Marange) – 2014
- Midlands (Mberengwa) – 2014
- Matebeleland South (Gwanda) – 2014
- Mashonaland West (Hurungwe) – 2019

Health & wellness: triathlon & walk-a-robix

The business seeks to entrench an association of the Bon Marché brand with health and wellness. This being underscored by activations such as the PowerWalks, Aerobathons, and Walk-A-Robix. Our vision for the brand involves the total association of Bon Marché with “Living Well Every day” and being the advocate for a healthy lifestyle.

Globally, and particularly during the current Covid-19 crisis, there was keen interest and awareness of the need to adopt and maintain a healthy lifestyle. Our brand is top of mind in customer’s minds with respect to being an advocate of this.

Covid-19 initiative: PPE donations

As a brand, OK Zimbabwe partnered the Ministry of Health on matters associated with providing Personal Protective Equipment (PPE) to medical institutions' frontline workers. In May 2020 we donated PPE through the President of Zimbabwe valued at
ZWL 5 million.

Our own staff members across the 67 stores are also well geared on a daily basis to protect their health, that of our customers and their families at home. When our staff are well protected, so is the community since our staff are a constant source of contact with multitudes of our stakeholders.

Our CSR Activities during the year were as follows:

2 ZERO HUNGER

To the value of

ZWL 2 286 000

Orphanages, old people’s homes and special needs goal:
Supporting the less privileged in society
Items donated:
Grocery vouchers
Annual Mayor’s Christmas Cheer Fund
Donated to:

- Old people’s Homes
- Children’s home

3 GOOD HEALTH AND WELL-BEING

To the value of

ZWL 5 000 000

Health and wellness goal:
Preservation of life
Items donated:
Personal Protective Equipment
Donated to:

- Wilkins Hospital
- Parirenyatwa Hospital
- United Bulawayo Hospitals

4 QUALITY EDUCATION

To the value of

ZWL 190 000

Education goal:
Assisting with closing the knowledge and literacy gaps.
Items donated:
Consultus Publication Services books covering Maths and English across the grades.
Donations through our “Now it feels like Christmas Campaign”
Donated to:

- 16 Primary and Secondary Schools.
- Orphanages and special needs institutions.

11 SUSTAINABLE CITIES AND COMMUNITIES

To the value of

ZWL 1 890 000

Environment goal:
Supporting reforestation and the clean city initiatives.
Items donated:
Tree Seedlings & Regalia for the Annual Walkathon. 290 Branded Bins
Donated to:

- Friends of the Environment
- Various City Council and Institutions across the country.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Twentieth Annual Report and the Audited Inflation Adjusted Financial Statements of the Group for the year ended 31 March 2021.

FINANCIAL YEAR RESULTS

Total comprehensive income for the year attributable to shareholders amounted to ZWL 1.2 billion (2020: ZWL 2.1 billion). In historical terms the amount was ZWL 3 billion (2020: ZWL 891 million).

PROPERTY AND EQUIPMENT

Capital expenditure for the year ended 31 March 2021 amounted to ZWL 1.2 billion (2020: ZWL 1.5 billion). In historical terms the amount was ZWL 1 billion (2020: ZWL 236.4 million).

SHARE CAPITAL

The authorised share capital of the Group was ZWL 200 000 made up of 2 000 000 000 ordinary shares of ZWL 0.0001 each while the issued share capital was ZWL 4.5 million (historical: ZWL 125 thousand) made up of 1 251 700 961 ordinary shares of ZWL 0.0001 each. There was no change in the authorised share capital from prior year. In the prior year the issued share capital was ZWL 4.5 million (historical: ZWL 123 thousand) made up of 1 234 884 484 ordinary shares of ZWL 0.0001 each.

RESERVES

The movements in the Reserves of the Group are shown in the Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements.

DIRECTORS

Mr. Alex Edgar Siyavora retired as Chief Executive Officer and Director of the Group with effect from 31 March 2021.

Mr. Maxen Phillip Karombo was appointed the Chief Executive Officer and Director of the Group with effect from 1 April 2021.

Mr. Bruce Armstrong Carter resigned from the Board with effect from 1 December 2020.

Mr. Simon Masanga was appointed to the Board with effect from 1 April 2021. In terms of Article 107 of the Articles of Association of the company, Mr Masanga is required to retire from the Board at his first Annual General Meeting. Being eligible, he offers himself for reelection.

In terms of the Company's Articles of Association, Mrs. Lyndsay Webster-Rozon, Mrs. Rose Mavima and Ms. Rufaro Audrey Maunze are scheduled to retire by rotation at the conclusion of the meeting. Being eligible, they offer themselves for re-election.

INDEPENDENT AUDITOR

Members will be requested to consider and, if deemed fit to approve the independent auditor's fees for the past financial year and to appoint independent auditor of the Group for the ensuing year. Messrs Deloitte & Touche offer themselves for re-appointment.

ANNUAL GENERAL MEETING

The twentieth Annual General Meeting of the Group will be held virtually at 1500 hours on Thursday the 29th of July 2021.

BY ORDER OF THE BOARD

H. Nkala
Chairman

M. P. Karombo
Chief Executive Officer

3 June 2021

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors of OK Zimbabwe Limited ("the Group") are responsible for the maintenance of adequate accounting records, the preparation, integrity and fair presentation of the Group's inflation adjusted consolidated financial statements and related information. OK Zimbabwe Limited's independent external auditors, Messrs Deloitte & Touche, have audited the inflation adjusted consolidated financial statements and their report appears on pages 50 to 54 of this annual report. The inflation adjusted consolidated financial statements for the year ended 31 March 2021 presented from pages 55 to 87 have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The inflation adjusted consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities ("COBE") Act (Chapter 24:31), Companies (Financial Statements) Regulations, 1996 and the Zimbabwe Stock Exchange Listing Requirements.

The inflation adjusted consolidated financial statements are based on appropriate accounting policies which have been consistently applied, and modified, where necessary, by the impact of new and revised standards. The application of accounting policies is supported by reasonable and prudent judgments and estimates.

The Directors are responsible for the systems of internal control. The systems are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets and to prevent material misstatements and losses. Suitably trained and qualified personnel within the Group staff implement and monitor the systems. Nothing has been brought to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the course of the year.

The Directors have reviewed the performance and financial position of the Group up to the date of signing of these financial statements. The Covid-19 pandemic continues to impact on the operations of the Group. However, the Directors are satisfied with the measures they have put in place to ensure viability of the Group's operations beyond the next 12 months period. They also reviewed the prospects of the Group, including its budgets, and are satisfied that the Group is a going concern and therefore continue to apply the going concern assumption in the preparation of these inflation adjusted financial statements.

The inflation adjusted consolidated financial statements and other related information set out on pages 55 to 87 were approved by the Board of Directors on 3 June 2021 and signed on its behalf by:

H. Nkala
Chairman

M. P. Karombo
Chief Executive Officer

PREPARER OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared under the supervision of Mr. Brian Muradzikwa, CA (Z).

B. Muradzikwa
Finance Executive
PAAB Registration Number 03004

3 June 2021

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TO THE MEMBERS OF OK ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the inflation adjusted consolidated financial statements of OK Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 55 to 87, 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, inflation adjusted consolidated statement of changes in equity, and inflation adjusted consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the inflation adjusted consolidated financial statements present fairly, in all material respects, the financial position of OK Zimbabwe Limited and its subsidiaries as at 31 March 2021, and its financial performance and 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) and relevant statutory instruments.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

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
1. Completeness and valuation of, and obligations on trade payables	
As set out in note 19 to the inflation adjusted consolidated financial statements, the Group had trade payables amounting to ZWL3.0 billion (2020: ZWL1.5 billion) as at year end. Trade payables arise in the normal course of business; the Group sources retail merchandise from a number of local and foreign suppliers. Considering the high volumes of procurement transactions across the Group, the reconciliation processes over trade payables are therefore a critical control in ensuring that trade creditors' balances are complete and valued correctly. Accordingly, we assessed the completeness and valuation of, and obligations of trade payables to be a key audit matter.	In addressing this matter, we performed the following procedures: • On a sample basis, we confirmed the payable balances at year end with suppliers. • We tested reconciliations, assessing the rationale and reasonableness of reconciling items. • We tested the completeness of trade payables by evaluating the reasonableness of explanations for significant changes in the profile and mix of the entity's key trade creditors and by performing tests of detail to ensure procurement transactions were correctly recorded in the ledger. We are satisfied that trade payables are complete and fairly valued as at the end of the reporting period.
2. Existence and valuation of inventories	
As shown in note 3.8, inventory is valued at the lower of cost and net realizable value and as at 31 March 2021, the Group held inventories valued at ZWL 3.6 billion (2020: ZWL 3.2 billion). The valuation and existence of inventory were of significant audit focus due to the following reasons; • The multiple locations at which inventory was held at year-end. • The ever-changing prices of retail merchandise as a result of inflation. • The judgement applied in the determination of inventory mark downs and inventory shrinkage provisions which are incorporated in the valuation of inventory. The balance is also of significance to the operations of the Group, with inventories constituting 28% (2020: 32 %) of total assets of the Group.	Our procedures included but were not limited to: • We observed the year-end inventory count at selected store locations with specific consideration over those locations with high likelihood of slow moving items, high shrinkage values & new branches. • We evaluated the design and implementation of controls around inventory management. • We assessed the reasonableness of the assumptions made in determining the inventory mark downs and shrinkage provision recognised in current year. • We performed pricing and net realisable value tests for a sample of inventory items. We found the valuation and existence of inventories for the year to be fair.

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
3. Valuation of freehold land and buildings	
As set out in note 9 to the inflation adjusted consolidated financial statements, the Group has freehold land and buildings amounting to ZWL 1.6 billion (2020: ZWL 1.6 billion). The Management make use of independent external valuers in determining the fair values of freehold land and buildings. Valuations by their nature require the use of judgment and estimates which involve significant unobservable inputs such as - Occupancy rates - Market rentals - Risk yields - Market values The complexity and subjectivity of these estimates may result in material misstatement. The current economic environment is extremely volatile given the valuation intricacies impacting property in the Zimbabwean market. We identified the valuation of freehold land and buildings as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgement associated with determining the fair values.	To assess the valuation of freehold land and buildings, we performed procedures that included but were not limited to: We assessed the competence, capabilities, objectivity and independence of the management's independent valuers, and assessed their qualifications. We made enquiries of the management's independent external valuers to obtain an understanding of the valuation techniques and judgements adopted. We assessed the work performed by the independent external valuers in valuing of freehold land and buildings by performing the following: • Reviewed the work performed by management's expert in valuing land and buildings at year end; • Assessed the reasonableness and rationale of the key assumptions made and inputs applied; • Evaluated the valuation methods used and assessed them for consistency with the reporting requirements; • Reviewed the financial statement disclosures for appropriateness and adequacy. . We found management's assumptions to be reasonable and the valuation of the freehold land and buildings to be reasonable.

Report On The Audit Of The Inflation Adjusted Consolidated Financial Statements *(...continued)*

Other Information

Management is responsible for the other information. The other information comprises of Historical information, Report of the Directors, Directors' Responsibility Statement and statements contained under the Perfomance highlights, Strategic performance overview, Governance, Business ethics and compliance, Risk management, Sustainable business practices, Sustainability impacts and Annexures contained in the Annual report. 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 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, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these inflation adjusted consolidated financial statements in accordance with IFRSs and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Companies (Financial Statements) Regulations, 1996, the Zimbabwe Stock Exchange Listing Requirements and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 as a whole 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's 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 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.

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)*

- 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 those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the inflation adjusted consolidated financial statements of the Group have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Companies (Financial Statements) Regulations, 1996 and the Zimbabwe Stock Exchange Listing Requirements.

Deloitte & Touche

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

Date: 3 June 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Notes	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical* 2021 ZWL 000	Historical* 2020 ZWL 000
Revenue	5	34 301 072	35 029 072	26 862 119	4 525 564
Changes in trade inventories		(375 361)	311 633	(2 630 730)	(672 527)
Merchandise and consumables used		(29 262 633)	(28 539 636)	(18 087 342)	(2 489 153)
Employee benefits expense		(2 045 777)	(1 367 164)	(1 680 997)	(171 065)
Depreciation and amortisation expense	6.2	(634 561)	(491 292)	(190 611)	(30 887)
Share based payment expense	8.6	(10 279)	(16 719)	(6 990)	(2 551)
Net operating costs		(2 282 155)	(2 807 126)	(1 786 908)	(360 661)
Net finance costs		(135 684)	(117 481)	(114 367)	(10 158)
Net monetary gain		2 447 838	1 447 761	-	-
Profit before income tax	6	2 002 460	3 449 048	2 364 174	788 562
Income tax expense	7.1	(923 699)	(1 448 660)	(371 921)	(222 373)
Profit for the year		**1 078 761**	**2 000 388**	**1 992 253**	**566 189**
Other comprehensive income (OCI)					
Items that will not be reclassified subsequently to profit or loss:					
Gains on revaluation of property	9	106 200	95 814	1 174 924	408 679
Income tax expense		(18 625)	(19 802)	(206 057)	(84 466)
Items that may be reclassified subsequently to profit or loss					
Fair value gains on financial assets measured at FVTOCI		884	(1 575)	3 516	593
Income tax expense		(9)	17	(35)	(6)
Other comprehensive income for the year net of tax		**88 450**	**74 454**	**972 348**	**324 800**
Total comprehensive income for the year		**1 167 211**	**2 074 842**	**2 964 601**	**890 989**
Share performance : ZWL Cents					
Attributable earnings per share		86.45	163.29	159.66	46.22
Diluted earnings per share		82.87	155.83	153.04	44.11

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

Consolidated Statement of Financial Position

As at 31 March

	Notes	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Assets					
Non-current assets					
Property and equipment	9	5 924 593	5 015 517	2 851 939	750 186
Financial assets held at amortised cost	10	46	525	46	115
Goodwill	11	14 813	14 813	400	400
Right of use asset	12	1 664 774	730 292	846 965	96 084
Financial assets held at FVTOCI	13	6 947	3 520	6 947	1 032
Deferred tax asset	17	-	-	40 090	-
Total non-current assets		**7 611 173**	**5 764 667**	**3 746 387**	**847 817**
Current assets					
Inventories	14	3 554 296	3 179 480	3 512 135	822 265
Trade and other receivables	15	16 341	56 357	16 341	16 527
Prepaid expenses and merchandise supplies		600 103	381 146	356 535	73 833
Short-term loans receivable	16	509	95	509	28
Cash and cash equivalents		739 260	615 290	739 260	180 437
Total current assets		**4 910 509**	**4 232 368**	**4 624 780**	**1 093 090**
Total assets		**12 521 682**	**9 997 035**	**8 371 167**	**1 940 907**
Equity and Liabilities					
Equity					
Share capital	8.4	4 502	4 498	126	123
Share premium	8.5	1 398 195	1 288 366	147 555	38 575
Share based payments reserve	8.6	62 667	52 388	10 516	3 526
Mark-to-market reserve	8.7	2 488	1 613	4 222	741
Revaluation reserve	8.8	163 587	76 012	1 332 227	363 360
Non-distributable reserves		363 677	363 677	9 820	9 820
Retained earnings	8.9	5 070 865	4 517 923	2 132 239	580 053
Total equity		**7 065 981**	**6 304 477**	**3 636 705**	**996 198**
Non-current liabilities					
Deferred tax liabilities	17	721 239	746 131	-	80 654
Lease liability	18	744 540	267 160	744 540	78 346
Total non-current liabilities		**1 465 779**	**1 013 291**	**744 540**	**159 000**
Current liabilities					
Trade and other payables	19	3 542 848	2 315 267	3 542 848	678 964
Lease liability	18	136 416	71 838	136 416	21 067
Borrowings	20	283 187	-	283 187	-
Current tax liabilities	21.4	27 471	292 162	27 471	85 678
Total current liabilities		**3 989 922**	**2 679 267**	**3 989 922**	**785 709**
Total equity and liabilities		**12 521 682**	**9 997 035**	**8 371 167**	**1 940 907**

For and on behalf of the Board:

H. Nkala
Chairman
3 June 2021

M. P. Karombo
Chief Executive Office

Consolidated Statement of Changes in Equity

For the year ended 31 March

	Inflation Adjusted		Historical *	
	2021 ZWL 000	**2020 ZWL 000**	**2021 ZWL 000**	**2020 ZWL 000**
Shareholders’ equity at the beginning of the year	6 304 477	4 742 625	996 198	168 004
Changes in share capital				
Arising from issue of shares	4	41	3	3
Changes in share premium				
Arising from issue of shares	109 829	54 860	108 980	5 164
Changes in share options				
Arising from recognition of share based payments	10 279	16 719	6 990	2 551
Changes in equity reserves				
Arising from revaluation of property	87 575	76 012	968 867	324 213
Mark-to-market reserve	875	(1 558)	3 481	587
Changes in distributable reserves				
Dividends paid	(525 819)	(584 610)	(440 067)	(70 513)
Profit for the year	1 078 761	2 000 388	1 992 253	566 189
Shareholders' equity at the end of the year	**7 065 981**	**6 304 477**	**3 636 705**	**996 198**
Comprising:				
Share capital	4 502	4 498	126	123
Share premium	1 398 195	1 288 366	147 555	38 575
Share based payments reserve	62 667	52 388	10 516	3 526
Mark-to-market reserve	2 488	1 613	4 222	741
Revaluation reserve	163 587	76 012	1 332 227	363 360
Non-distributable reserve	363 677	363 677	9 820	9 820
Retained earnings	5 070 865	4 517 923	2 132 239	580 053
Total shareholders' equity	**7 065 981**	**6 304 477**	**3 636 705**	**996 198**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

Consolidated Statement of Cash Flows

For the year ended 31 March

	Notes	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical * 2021 ZWL 000	Historical * 2020 ZWL 000
Cash flows from operating activities					
Cash generated from trading	21.1	2 373 775	3 649 379	2 778 431	832 281
Working capital changes	21.2	673 824	(552 587)	(108 502)	(205 352)
Cash generated from operations		3 047 599	3 096 792	2 669 929	626 929
Net finance costs	21.3	(135 684)	(103 081)	(114 367)	(8 906)
Tax paid	21.4	(1 231 916)	(1 199 820)	(756 964)	(159 645)
Net cash generated from operating activities		**1 679 999**	**1 793 891**	**1 798 598**	**458 378**
Cash flows from investing activities					
Investments to maintain operations:					
Replacement of property and equipment		(964 263)	(1 017 367)	(794 492)	(183 256)
Proceeds from disposal of property and equipment		6 216	2 503	5 553	301
Additions to financial assets held at FVTOCI		(2 543)	-	(2 399)	-
		(960 590)	(1 014 864)	(791 338)	(182 955)
Investments to expand operations:					
Additions to property and equipment		(262 638)	(493 744)	(216 397)	(53 187)
Proceeds from financial assets held at amortised cost		479	71 821	69	2 619
		(262 159)	(421 923)	(216 328)	(50 568)
Net cash used in investing activities		**(1 222 749)**	**(1 436 787)**	**(1 007 666)**	**(233 523)**
Cash flows from financing activities					
Dividends paid		(525 819)	(584 610)	(440 067)	(70 513)
Proceeds from share options exercised		2 139	45 807	1 289	3 626
(Increase)/decrease in short-term loans receivable		(414)	1 095	(481)	17
Repayment of lease liabilities	21.5	(92 373)	(39 447)	(76 037)	(9 116)
Proceeds from borrowings		283 187	-	283 187	-
Net cash used in financing activities		**(333 280)**	**(577 155)**	**(232 109)**	**(75 986)**
Net increase/(decrease) in cash and cash equivalents		123 970	(220 051)	558 823	148 869
Cash and cash equivalents at the beginning of year		615 290	835 341	180 437	31 568
Cash and cash equivalents at the end of year		**739 260**	**615 290**	**739 260**	**180 437**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

1. General information

The Group is a leading supermarket retailer incorporated in Zimbabwe 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 seven shops countrywide and had three wholly owned subsidiaries. Its registered office is disclosed on page 100 of the annual report.

These financial statements are presented in Zimbabwean Dollar (ZWL) which is the functional currency of the Group.

2. Adoption of new and revised standards

The following new and revised IFRSs have been applied in the current year and have affected the amounts reported in these financial statements. Details of other new and revised IFRSs applied in these financial statements that have had no material effect on the financial statements are set out in section 2.2.

2.1 New and amended IFRS Standards that are effective for the current year

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 1 and IAS 8 Definition of material	1 January 2020	The Group has adopted the amendments to International Accounting Standards ("IAS") 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the Intenaltional Accounting Standards Board ("IASB") amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency. The change did not have any material impact on the Group financial statements.
Amendments to IFRS 3 Definition of a business	1 January 2020	The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. The Group did not acquire any new sets of activities or assets that are identifiable as a business in the current year.

2. Adoption of new and revised standards *(...continued)*

2.1 New and amended IFRSs Standards that are effective for the current year *(...continued)*

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IFRS 9 and IFRS 7.	1 January 2020	In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments permit continuation of hedge accounting even though there is uncertainty about the timing and amount of the hedged cash flows due to the interest rate benchmark reforms. However, this relief does not extend to the requirement that the designated interest rate risk component must continue to be reliably measureable. If the risk component is no longer reliably measurable, the hedging relationship is discontinued. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9. The Group does not hold any hedged instruments therefore the amendments have no impact on the reported financial statements.

2.2 New and revised IFRSs applied with no material effect on the consolidated financial statements

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Covid-19 Related Rent Concessions Amendment to IFRS 16	1 June 2020	In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all of the following conditions are met: a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and c) There is no substantive change to other terms and conditions of the lease. The Group elected to account for any change in lease payments resulting from the Covid-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The amendments do not have any material impact on the reported financial statements.

2. Adoption of new and revised standards *(...continued)*

2.2 New and revised IFRSs applied with no material effect on the consolidated financial statements *(...continued)*

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020	The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. The amendments do not have any material impact on the reported financial statements.

2.3 New and revised IFRS standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of the amendments has yet to be set by the IASB	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise. The Group does not at the moment have associates or joint venture arrangements.

For the year ended 31 March 2021

2. Adoption of new and revised standards *(...continued)*

2.3 New and revised IFRS Standards in issue but not yet effective *(...continued)*

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
Amendments to IAS 16 – Property, Plant and Equipment— Proceeds before Intended Use	1 January 2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

For the year ended 31 March 2021

2. Adoption of new and revised Standards and interpretations *(...continued)*

2.3 New and revised IFRS Standards in issue but not yet effective *(...continued)*

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
Annual Improvements to IFRS 9, Financial Instruments	1 January 2022	The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.
Annual improvements to IFRS 16 Leases	1 January 2022	The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

3. Significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies (Financial Statements) Regulations, 1996, and the Zimbabwe Stock Exchange Listing Requirements.

3.2 Basis of accounting

The consolidated financial statements have been prepared from statutory records that are maintained under the historical cost convention except for the revaluation of certain land and buildings and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The underlying figures were adjusted for the effects of hyperinflation in compliance with IAS 29 (Financial Reporting in Hyperinflationary Economies).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies of the financial statements, set out below, have been consistently followed in all material respects.

IAS 29 Financial Reporting in Hyperinflationary Economies

The Group applied the Financial Reporting in Hyperinflationary Economies Standard (IAS 29) in compliance with the guidance provided by the Public Accountants and Auditors Board through its pronouncement 01/2019. The financial statements and the corresponding amounts for previous periods have been restated for the changes in the general purchasing power of the ZWL. Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 compliant.

IAS 29 restatement methodology

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the statement of financial position date.

Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders' equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the statement of financial position date that is at fair value are not restated.

Deferred tax is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the reporting date.

All items in the statement of profit or loss are restated by applying the relevant monthly, yearly average or year-end conversion factors. The effect of inflation on the net monetary position of the Group is included in the statement of profit or loss as a monetary loss adjustment.

The historical cost financial statements have been provided as supplementary information and as a result the independent auditor has not expressed an opinion on them.

Source of Consumer Price Indices ("CPI")

Indices used were obtained from the Zimbabwe Statistical Office for the period from April 2019 to March 2021.

	Indices	Conversion Factor
CPI as at 31 March 2021	2,759.8	1.0
CPI as at 31 March 2020	810.4	3.4
Average CPI for the 12 months to:		
31 March 2021		2, 083.5
31 March 2020		382.9

3. Significant accounting policies *(...continued)*

3.3 Basis of consolidation

The consolidated inflation adjusted financial statements incorporate the financial statements of the Group and its subsidiaries.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Investments in subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has control. The existence and effect of potential voting rights that are currently exercised or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

3.5 Goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date. Subsequently goodwill is measured at cost less accumulated impairment losses, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income.

3.6 Foreign currency transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transaction and translation gains or losses arising on conversion or settlement are dealt with in the statement of profit or loss and other comprehensive income in the determination of the operating income.

3.7 Property and equipment

Property and equipment are stated in the statement of financial position at cost or revalued amount less any subsequent accumulated depreciation and impairment. Methods of valuation used are as follows:

Industrial land and buildings	Open market value
Residential land and buildings	Open market value
Other property and equipment	Cost

Revaluations are performed frequently enough to ensure that the carrying amounts do not differ materially from those that would be determined using fair values. Any surplus arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in the statement of profit or loss and other comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

Motor vehicles, fixtures and equipment are stated at cost or Directors' valuation less accumulated depreciation and accumulated impairment.

The assets are depreciated over their estimated useful lives which are as follows:

Freehold property	20 years
Motor vehicles	5 years
Leasehold improvements	20 years

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

3. Significant accounting policies *(...continued)*

3.7 Property and equipment *(...continued)*

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

3.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Merchandise and consumable stores are valued at the landed cost on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3.9 Financial instruments

Financial assets and financial liabilities are initially recognized at fair value in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss which are immediately recognized in profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The classification of financial assets is based on the contractual cash flow characteristics and the entity's business model for managing the financial asset. The categories used for these reflect their measurement, that is, amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Financial assets held at amortised cost

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss.

Financial assets held at FVTOCI

Debt instruments that fall into this category are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held at FVTPL

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Designation election

The Group may make the following irrevocable election at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.
- The Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences arising from translation are recognized in the same manner as the recognition of interest on the respective financial asset based on its category.

Impairment of financial assets

The Group recognizes a loss allowance for Expected Credit Losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

3. Significant accounting policies *(...continued)*

3.9 Financial instruments *(...continued)*

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the mark to market reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the mark to market reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the mark to market reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either a contingent consideration of an acquirer in a business combination, held for trading or it is designated as at FVTPL. Any gains or losses arising on changes in fair value are recognized in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

All other financial liabilities are measured subsequently at amortised cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

3. Significant accounting policies(...continued)

3.9 Financial instruments (...continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Compound instruments

The component parts of convertible loan notes are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

3.10 Related parties

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all executive and non-executive Directors. An entity is related to a reporting entity if any of the following conditions applies:

- The same entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third party and the other entity is an associate of the third entity.

A related party transaction is a transfer of resources, services, or obligations between reporting entity and a related party, regardless of whether a price is charged.

3.11 Revenue recognition

The revenue for the Group comprises sales of general merchandise to the local markets. The Group recognizes revenue based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods and services sold in the normal course of business, net of discounts and value added taxes. The Group recognises revenue when it transfers control of a product to a customer.

Revenue is recognised when a performance obligation has been satisfied fully, when control of the goods has transferred, being when the goods have been collected or delivered to the customer's specific location. Following collection or delivery, the customer has full discretion over the manner in which they handle the goods, and also bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are collected by or delivered to the customer as appropriate, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. A sale of goods is recognised when goods are delivered, and title has passed to the buyer. Revenue from sales comprises the invoiced value of sales in respect of the Group's activities outlined.

3.12 Tax

Income tax expense represents the current income tax and deferred tax.

Current income tax

Current income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised

3. Significant accounting policies *(...continued)*

3.12 Tax *(...continued)*

for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current income and deferred tax for the period

Current income and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

3.13 Employee benefits

Defined contribution plans

The entity operates pension schemes in terms of the Pension and Provident Funds Act (Chapter 24:09) and current contributions to defined contribution schemes are charged against income as incurred. The entity also participates in the National Social Security Authority scheme. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

Short term employee benefits

Wages, salaries, paid annual leave; bonuses and non-monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees of the entity.

Termination benefits

Termination benefits are payable when employment is terminated by the entity before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Retirement benefits are provided for Group employees through the OK Zimbabwe Pension Fund, which is a defined contribution fund, and through the National Social Security Authority ("NSSA") which is also a defined contribution scheme. Contributions to both are charged to the statement of profit or loss and other comprehensive income.

The NSSA scheme is a defined contribution scheme promulgated under the National Social Security Authority Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

3.14 Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivables can be measured reliably.

3. Significant accounting policies *(...continued)*

3.14 Provisions and contingents liabilities *(...continued)*

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity, or a present obligation that arises from past events but it is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group.

In the ordinary course of business, the Group may pursue a claim against a subcontractor or client. Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the flow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised on the statement of financial position.

3.15 Leases

The Group operates in leased premises in most of the locations. The Group applied the definition of a lease and related guidance set out in IFRS 16 to all contracts as at 1 April 2019.

The Group's leasing activities and how these are accounted for

The Group leases various properties for warehouses and shop space. Rental contracts are typically made for fixed periods of 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of initial application since the leases were in effect as of that date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease term was used as it is lower than the useful life of the properties.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the outstanding lease payments at date of initial application for already existing leases. The lease payments are discounted using the company's incremental borrowing rate. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability in accordance with IFRS 16 para C8 (b) (ii). Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension Options

Extension options are included in the property leases within the Group. These terms are used to maximise operational flexibility in terms of managing the contracts. The extension is exercisable by the Group and by the respective Lessor.

3.16 Share based payments

Senior management of the entity receive remuneration in the form of share-based payments, whereby they receive equity instruments as consideration for rendering services. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than linked to the price of the shares of the Group. The cost of equity settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

Fair value is measured using the Black-Scholes pricing model.

The expected life in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercised restrictions and behavioral considerations.

3.17 Impairment of tangible and intangible assets other than goodwill

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets suffered an impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount.

An impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease. Where an impairment subsequently reverses, the carrying amount of

3. Significant accounting policies *(...continued)*

the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairments been recognised for the asset in prior years. A reversal of an impairment is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case reversal of the impairments is treated as a revaluation increase.

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

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the Directors and management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

4. Key sources of uncertainty and critical judgements

4.1 Key sources of uncertainty

4.1.1 Assessment of impairment of property, equipment and right of use asset

Determining whether property and equipment is impaired requires an estimation of the value in use. The value in use calculation requires the Directors to estimate the future cash flows expected and a suitable discount rate in order to calculate present value. The Directors believe that there is no evidence of impairment of property, equipment and the right of asset at the end of the reporting period.

4.1.2 Useful lives and residual values of property, equipment and right of use asset

The residual values were assessed through comparison of prices of new and aged assets, on a sample basis for each asset category to give an indicative recovery rate. The useful lives are set out in note 3.7 and no changes to these useful lives have been considered necessary during the year.

4.1.3 Valuation of share options

The method of determining the intrinsic value of the shares by using the relationship between the strike price and the share price of the option on grant date, based on similar listed entities in the retail industry in neighbouring countries which have a more stable currency, has been assessed as inappropriate since market conditions are different in the respective countries. The amount charged to the statement of profit or loss and other

4. Key sources of uncertainty and critical judgements *(...continued)*

comprehensive income is therefore the Group's best estimate. Refer to note 8.3 for the assumptions applied in the model.

4.1.4 Impairment of goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date less accumulated impairment, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment may arise.

4.1.5 Valuation of land and buildings

The fair value of financial and non-financial assets where no active market exists or where quoted prices are not otherwise available, are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar assets or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, the Group may rely on independent experts in the related fields.

The fair value of the Group's land and buildings is determined through valuations performed by external independent valuers. Methodologies include the market comparable approach that reflects recent transaction prices for similar properties, discounted cash flows and income capitalisation methodologies. In estimating the fair value of the properties, the highest and best use of the properties is taken into account. A sensitivity analysis has been disclosed in note 9.

The valuers have stated that as valuations rely on historic market evidence for calculation of inputs such as transaction process for comparable properties rentals and capitalization rates, there was insufficient market evidence at present to compute values in the functional and presentation currency and hence they relied on foreign currency inputs translated to ZWL using the RBZ auction rate. The valuation uncertainties highlighted include market uncertainty, model uncertainty and input uncertainty. The independent external valuers also indicated that the property values in ZWL will not hold on for the long term and that values will not strictly track the movement in the interbank foreign exchange rate. Consequently, the independent valuers recommended that valuations be reviewed periodically as a result of the volatility in the exchange rates in the Zimbabwean economy.

4.1.6 Shrinkage provision

Provision for inventory shrinkage was determined by taking into account the actual shrinkage results for the current year inventory count as a percentage of the actual sales for the period between count date and year end.

4. Key sources of uncertainty and critical judgements *(...continued)*

4.1.7 Expected loss allowance

Expected loss allowance on trade and other receivables was estimated using a provision matrix taking into account past default rates, debtor specific circumstances, general industry conditions and forecast conditions as at the reporting date. The Group advances relief short term loans to staff members, mainly for urgent medical expenses and these are recovered from payroll. No write offs are therefore expected from such short term loans.

4.2 Critical Judgements

4.2.1 Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest ("SPPI") test and the business model. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI test).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset managements), and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

4.2.2 Significant increase of credit risk:

As explained in note 3.9, Expected Credit Losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

4.2.3 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

To that end, the Group assessed that, in terms of the business model in effect, no stores would be closed and as such the entity is likely to exercise every renewal option. Pursuant to the assessment, the renewal options were considered for each lease.

4.2.4 Use of the RBZ auction rate

The Group transacts in foreign currency when paying for imports as well as for some revenue and expenses following the liberalisation on the use of foreign currency for domestic transactions through Statutory Instrument 85 of 2020. For the conversion of the foreign currency transactions to ZWL, management determined the Reserve Bank of Zimbabwe ("RBZ") official auction rate as the applicable rate for the Group.

For the year ended 31 March	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
5. Revenue				
Sales of merchandise	34 261 213	34 999 538	26 831 040	4 522 107
Lease and sub-lease income	39 859	15 134	31 079	2 205
Interest income	-	14 400	-	1 252
	34 301 072	**35 029 072**	**26 862 119**	**4 525 564**
6. Profit before income tax				
Profit before income tax takes into account the following:				
6.1 Other operating expenses				
Utilities and backup power expenses	401 387	895 474	314 283	115 051
Marketing and promotion expenses	260 372	230 681	203 869	29 638
Security expenses	182 537	119 458	142 925	15 348
Maintenance expenses	177 933	271 582	139 320	34 893
Cleaning expenses	165 711	119 971	129 750	15 414
Bank charges	141 560	147 524	110 840	18 954
(Profit)/loss on sale of property and equipment	(1 311)	2 486	(5 405)	(166)
Foreign currency exchange gains	(84 516)	(193 749)	(66 175)	(24 893)
6.2 Depreciation and amortisation expense				
Property	185 655	85 100	37 170	6 745
Equipment	233 465	335 697	46 742	11 698
Right of use asset	215 441	70 495	106 699	12 444
	634 561	**491 292**	**190 611**	**30 887**
6.3 Independent auditor's remuneration				
Audit fees and expenses	**17 514**	**24 237**	**14 267**	**3 250**
6.4 Retirement benefit costs				
OK Zimbabwe Pension Fund:				
- Defined contribution scheme	56 026	48 128	46 036	6 022
- National Social Security Authority Scheme	8 158	9 375	6 703	1 173
	64 184	**57 503**	**52 739**	**7 195**

For the year ended 31 March	Inflation Adjusted		Historical	
	2021	2020	2021	2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000

7. Income taxes

7.1 Tax charge

	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
Income tax				
Current income tax :	**967 225**	**1 389 627**	**698 757**	**241 455**
Standard	938 630	1 348 201	678 108	234 301
Aids Levy	28 159	40 446	20 343	7 029
Withholding tax on interest earned	436	980	306	125
Deferred tax :				
(Credit)/charge to statement of profit or loss	(43 526)	59 033	(326 836)	(19 082)
Total income tax expense	**923 699**	**1 448 660**	**371 921**	**222 373**

7.2 Reconciliation of tax charge

	2021	2020	2021	2020
	%	%	%	%
Standard rate	24.72	25.75	24.72	25.75
Adjusted for :				
- Effect of net expenses not deductible for tax	38.73	16.26	5.68	2.46
- Effect of rebasing of income tax values	(17.31)	-	(14.66)	-
- Interest taxed at special rates	(0.01)	(0.01)	(0.01)	(0.01)
	21.41	**16.25**	**(8.99)**	**2.45**
Effective rate of tax	**46.13**	**42.00**	**15.73**	**28.20**

8. Share capital

8.1 Share capital

	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
Authorised: 2 000 000 000 ordinary shares of ZWL $0.0001 each	200	200	200	200
Issued and fully paid: 1 251 700 961 (2020: 1 234 884 484)	4 502	4 498	126	123

Reconciliation of issued share capital

	2021	2020
At the beginning of the year	1 234 884 484	1 204 301 242
Shares issued during the year	16 816 477	30 583 242
At the end of the year	**1 251 700 961**	**1 234 884 484**

The difference between the number of issued shares supporting the issued share capital balance at the end of the year as above and the total number of issued shares per the shareholders' analysis on page 95 relates to 11 928 328 shares which are under the control of Directors.

8.2 Shares under option

The number of shares subject to options is approved by the shareholders in Annual General Meetings. The Directors in turn are empowered to grant share options to certain employees of the Group. These options are granted at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the date of grant and have a vesting period of three years . Each employee share option converts into one ordinary share of OK Zimbabwe Limited.

For the year ended 31 March 2021

8. Share capital *(...continued)*

8.2 Shares under option (continued)

These shares were under option at beginning of the year:

	Subscription Price	Number of Shares
2013 Scheme		
Granted 6 June 2013	ZWL 0.260	17 441 480
Granted 5 June 2014	ZWL 0.181	14 766 680
Granted 21 May 2015	ZWL 0.100	14 894 000
Total granted at 31 March 2020		**47 102 160**
Movements for the year under the 2013 scheme:-		
Balance at 1 April 2020		2 497 620
Options exercised		(671 240)
Balance at 31 March 2021		**1 826 380**
2016 Scheme		
Granted 2 June 2016	ZWL 0.043	17 943 380
Granted 23 May 2017	ZWL 0.066	14 766 680
Granted 23 May 2018	ZWL 0.210	18 900 000
Total granted at 31 March 2020		**51 610 060**
Movements for the year under the 2016 scheme:-		
Balance at 1 April 2020		32 185 380
Options exercised		(15 900 868)
Options forfeited		(2 900 292)
Balance at 31 March 2021		**13 384 220**
2019 Scheme		
Granted 5 June 2019	ZWL 0.4982	23 903 518
Granted 18 June 2020	ZWL 5.025	18 129 916
Options exercised		(244 369)
Forfeited		(2 971 347)
Balance at 31 March 2021		**38 817 718**
Total share options granted yet to be exercised		**54 028 318**

For the year ended 31 March 2021

8. Share capital *(...continued)*

8.3 Share-based payments computation

The options outstanding at 31 March 2021 had a weighted average exercise price of ZWL 1.88 and a weighted average remaining contractual life of fifteen months.

The inputs into the Black-Scholes model in respect of the options granted during the current and prior years were as follows:

Share price at grant (2013 scheme)	ZWL 0.181
Share price at grant (2013 scheme)	ZWL 0.100
Share price at grant (2016 scheme)	ZWL 0.043
Share price at grant (2016 scheme)	ZWL 0.066
Share price at grant (2016 scheme)	ZWL 0.210
Share price at grant (2019 scheme)	ZWL 0.4982
Share price at grant (2019 scheme)	ZWL 5.0250
Expected volatility	68.5%
Weighted average grant price	ZWL 1.880
Expected life	13.5 months
Average risk free rate	0.5%
Dividend yield	2%

Valuation inputs:

Exercise price- The Scheme rules state that the price for the shares comprised in an option shall be the market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. The share price for options granted on 18 June 2020 was ZWL 5.025.

Expected volatility- Expected volatility is a measure of the amount by which the price is expected to fluctuate during a period, for example between grant date and the exercise date. Volatility was calculated as the standard deviation of log-normal daily returns for the period starting 6 June 2013 to 31 March 2021.

Expected dividend - When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting period. This is because the payment of dividends reduces the value of the Group.

Risk-free rate of return- A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a government issued security. It is the interest rate earned on a risk-free security over a specified time horizon.

All options expire 6 years after the date of grant, if not exercised.

The fair value determined at the grant date of the equity settled Share-based Payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group's original estimates, if any, are recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share-based Payment reserve.

For the year ended 31 March

		Inflation Adjusted		Historical	
		2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
8.4	**Share capital**				
	At the beginning of the year	4 498	4 457	123	120
	Share options exercised	4	41	3	3
	At the end of the year	**4 502**	**4 498**	**126**	**123**
8.5	**Share premium**				
	At the beginning of the year	1 288 366	1 233 506	38 575	33 411
	Share options exercised	109 829	54 860	108 980	5 164
	At the end of the year	**1 398 195**	**1 288 366**	**147 555**	**38 575**
8.6	**Share based payments reserve**				
	At the beginning of the year	52 388	35 669	3 526	975
	Recognition of share based payments	10 279	16 719	6 990	2 551
	At the end of the year	**62 667**	**52 388**	**10 516**	**3 526**
8.7	**Mark-to-market reserve**				
	At the beginning of the year	1 613	3 171	741	154
	Other comprehensive income for the year	875	(1 558)	3 481	587
	At the end of the year	**2 488**	**1 613**	**4 222**	**741**
8.8	**Revaluation reserve**				
	At the beginning of the year	76 012	-	363 360	39 147
	Other comprehensive income for the year	87 575	76 012	968 867	324 213
	At the end of the year	**163 587**	**76 012**	**1 332 227**	**363 360**

Revaluations of freehold land and buildings are conducted frequently to ensure that carrying amounts do not differ materially from those that would be determined using fair values. The Directors made a decision to have the freehold property revalued in the current year in order to ensure that the carrying amounts do not differ materially from the fair values as at the reporting date. The next revaluation is due in the financial year ending 31 March 2022.

		2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
8.9	**Retained earnings**				
	At the beginning of the year	4 517 923	3 102 145	580 053	84 377
	Profit for the year	1 078 761	2 000 388	1 992 253	566 189
	Dividends paid	(525 819)	(584 610)	(440 067)	(70 513)
	At the end of the year	**5 070 865**	**4 517 923**	**2 132 239**	**580 053**

For the year ended 31 March

9. Property and equipment

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Freehold property				
Revalued amount	1 606 977	1 575 475	1 606 977	462 016
Accumulated depreciation	-	-	-	-
	1 606 977	**1 575 475**	**1 606 977**	**462 016**
Leasehold improvements				
Cost	824 914	676 251	159 326	30 616
Accumulated depreciation	(279 080)	(251 211)	(10 350)	(6 950)
	545 834	**425 040**	**148 976**	**23 666**
Equipment				
Cost	4 723 584	3 995 691	835 754	186 460
Accumulated depreciation	(2 409 835)	(2 160 371)	(100 837)	(60 404)
	2 313 749	**1 835 320**	**734 917**	**126 056**
Vehicles				
Cost	487 972	440 183	94 681	24 488
Accumulated depreciation	(213 215)	(212 999)	(10 942)	(6 336)
	274 757	**227 184**	**83 739**	**18 152**
Work in progress	1 183 276	952 498	277 330	120 296
Total	**5 924 593**	**5 015 517**	**2 851 939**	**750 186**
Group movement in net book amount for the year:				
At the beginning of the year	5 015 517	3 834 378	750 186	123 641
Capital expenditure	1 226 901	1 511 111	1 010 889	236 443
Revaluation	106 200	95 814	1 174 924	408 679
Disposals	(4 905)	(4 989)	(148)	(135)
Depreciation	(419 120)	(420 797)	(83 912)	(18 442)
At the end of the year	**5 924 593**	**5 015 517**	**2 851 939**	**750 186**

Fair value measurement of the Group's freehold land and buildings

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment. The fair value measurements of the Group's freehold land and buildings were performed by Homelux Real Estate (Private) Limited, independent valuers not related to the Group, as at 31 March 2021. Homelux is a member of the Valuers Council of Zimbabwe, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 March 2021 are as follows:

	Level 1 ZWL 000	Level 2 ZWL 000	Level 3 ZWL 000	Fair value ZWL 000
				as at 31/03/2021
Freehold land	-	-	503 360	503 360
Buildings	-	-	1 103 617	1 103 617
				as at 31/03/2020
Freehold land	-	-	322 044	322 044
Buildings	-	-	1 253 431	1 253 431

If freehold land and buildings were stated at cost less accumulated depreciation the values at reporting period would have been ZWL 322.6 million (2020: ZWL 331.5 million).

9. Property and equipment *(...continued)*

Sensitivity analysis

The fair value of land and buildings was based on USD values converted to ZWL using an exchange rate of USD1: ZWL 84.4. The impact of variations in the exchange rate used is shown below:

Land and buildings	**ZWL 000**	**ZWL 000**	**ZWL 000**
Exchange Rates - USD/ZWL	60	84.4	100
Revalued amount	1 141 200	1 606 977	1 902 000
Impact on Statement of Financial Position			
(Decrease)/increase in value	(465 777)		295 023
Impact on Statement of Comprehensive Income			
(Decrease)/increase in value	(378 341)		239 641

	Inflation Adjusted		Historical	
	2021 ZWL 000	**2020 ZWL 000**	**2021 ZWL 000**	**2020 ZWL 000**
Capital expenditure comprised:				
Freehold property	3 943	15 511	3 806	2 427
Leasehold improvements	148 949	94 523	128 721	14 790
Equipment	760 443	613 052	650 190	95 924
Motor vehicles	82 788	101 687	71 138	15 911
Work in progress	230 778	686 338	157 034	107 391
	1 226 901	**1 511 111**	**1 010 889**	**236 443**
Disposals :				
Equipment	**(4 905)**	**(4 989)**	**(148)**	**(135)**

Assets pledged as security

The Group did not have any of its assets pledged as security for borrowings.

10. Financial assets held at amortised cost

Long term receivable	**46**	**525**	**46**	**115**

The Group funded property structural adjustments on OK Third Street to suit its requirements which is being recovered through future rentals and the outstanding balance is charged interest at a rate of 7% per annum.

11. Goodwill

Arising on acquisition of business interests	**14 813**	**14 813**	**400**	**400**

Goodwill arose when the Group acquired the assets of Makro Zimbabwe at a premium. Goodwill is assessed for impairment on an annual basis and at the reporting date there was no impairment.

12. Right of use asset

	Inflation Adjusted		Historical	
	2021 ZWL 000	**2020 ZWL 000**	**2021 ZWL 000**	**2020 ZWL 000**
Cost	800 787	430 901	108 528	17 169
Additions	185 928	-	138 660	-
Remeasurement	963 995	369 886	718 920	91 359
Accumulated amortisation of right of use asset	(285 936)	(70 495)	(119 143)	(12 444)
At the end of the year	**1 664 774**	**730 292**	**846 965**	**96 084**

The Group leases several properties. The average lease term is 5 years. The maturity analysis of lease liabilities is presented in note 18.

For the year ended 31 March 2021

12. Right of use asset *(...continued)*

	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
Amounts recognised in profit or loss				
Amortisation expense on right-of-use assets	215 441	70 495	106 699	12 444
Interest expense on lease liabilities	108 798	115 343	88 614	9 973
Expense relating to leases of low value assets	27 492	14 516	21 526	1 865
Expense relating to variable lease payments not included in the measurement of the lease liability	315 768	383 420	259 464	47 975
Total	**667 499**	**583 774**	**476 303**	**72 257**

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows.

Fixed payments	228 663	169 306	186 177	20 954
Variable payments	315 768	383 420	259 464	47 975
Total payments	**544 431**	**552 726**	**445 641**	**68 929**

Overall, the variable payments constitute up to fifty-eight per cent of the Group's entire lease payments. The Group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next five years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

The total cash outflow for leases amount to ZWL 544.4 million (2020: ZWL 552.7 million).

13. Financial assets held at FVTOCI

	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
At the beginning of the year	3 520	5 095	1 032	439
Additions	2 543	-	2 399	-
Fair value adjustment	884	(1 575)	3 516	593
At the end of the year	**6 947**	**3 520**	**6 947**	**1 032**

The financial assets held at fair value through other comprehensive income relate to investment in shares in various companies.

14. Inventories

Consumable stocks	80 091	80 636	79 994	20 854
Merchandise for trade	3 474 205	3 098 844	3 432 141	801 411
	3 554 296	**3 179 480**	**3 512 135**	**822 265**

The cost of merchandise inventories recognised as an expense during the year was ZWL 29.6 billion (2020: ZWL 28.2 billion). The cost of inventories recognised as an expense includes ZWL 607.5 million (2020: ZWL 1.1 billion) in respect of write downs and ZWL 205.2 million (2020: ZWL 164.7 million) in respect of shrinkage.

For the year ended 31 March

	Inflation Adjusted		Historical	
	2021	2020	2021	2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000

15. Trade and other receivables

	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
Trade and other receivables	18 727	58 597	18 727	17 184
Expected credit losses	(2 386)	(2 240)	(2 386)	(657)
	16 341	**56 357**	**16 341**	**16 527**

The Group always measures the ECL for trade and other receivables at an amount equal to lifetime ECL. The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast direction of conditions at the reporting date. Nonetheless, the Group has no significant trade receivables as merchandise is sold mainly on cash basis. The impact of the outbreak of Covid-19 on the recoverability of the Group's receivables is minimal.

The Group writes off a trade and other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are a year older. There has been no change in the estimation technics or significant assumptions during the reporting period. The movement of the expected credit loss balance during the year was as follows:

Expected credit losses movement				
At the beginning of the year	2 240	14 475	657	547
Movement to profit or loss	146	(12 235)	1 729	110
At the end of the year	**2 386**	**2 240**	**2 386**	**657**

Credit risk exposure

Set out below is the credit risk exposure on the Group's trade and other receivables. Refer to note 26.5 for the Group's credit risk management disclosure.

	Gross receivables ZWL 000's	Within payment terms ZWL 000's	Exceeding payment terms by less than 30 days ZWL 000's	Exceeding payment terms by over 30 days ZWL 000's
2021				
Trade and other receivables	18 727	12 173	5 618	936
% expected credit losses		3%	20%	100%
Expected credit losses	2 386	327	1 123	936
2020				
Trade and other receivables	58 597	56 606	1 170	821
% expected credit losses		2%	20%	100%
Expected credit losses	2 240	1 187	232	821

16. Short-term loans receivable

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Unsecured	**509**	**95**	**509**	**28**

Short-term loans held at amortised cost are made up of loans given to staff. These are recovered over periods determined by management following the issue of the loan and attract interest at a rate of 15% per annum. Management has classified the loans receivable as low credit risk and has determined that there is no expected credit losses as at the reporting date.

For the year ended 31 March	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000

17. Deferred tax

Deferred tax liability movements:				
At the beginning of the year	746 131	667 313	80 654	15 264
(Credit)/charge to statement of profit or loss	(43 526)	59 033	(326 836)	(19 082)
Income tax relating to components of other comprehensive income	18 634	19 785	206 092	84 472
At the end of the year	**721 239**	**746 131**	**(40 090)**	**80 654**

The deferred tax liability/(asset) comprises of the effects of temporary differences arising from:

Property	192 047	887 848	69 646	96 024
Inventories	17 669	471	-	-
Equipment	361 388	110 828	(58 484)	11 980
Quoted investments	34	65	42	7
Right of use asset	411 532	219 730	209 371	23 752
Lease liability	(217 772)	(227 345)	(217 773)	(24 575)
Provisions	(43 659)	(245 466)	(42 892)	(26 534)
	721 239	**746 131**	**(40 090)**	**80 654**

18. Lease liabilities

Non-current lease liability	744 540	267 160	744 540	78 346
Current lease liability	136 416	71 838	136 416	21 067
	880 956	**338 998**	**880 956**	**99 413**
Maturity analysis				
0 – 12 months	268 475	122 794	268 475	36 010
Between 2 & 5 years	863 913	282 723	863 913	82 910
Over 5 years	121 659	183 376	121 659	53 776
Total contractual cash flows	**1 254 047**	**588 893**	**1 254 047**	**172 696**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

19. Trade and other payables

Trade payables	3 045 805	1 528 610	3 045 805	448 273
Provisions	144 911	139 245	144 911	40 834
Accruals and other payables	352 132	647 412	352 132	189 857
	3 542 848	**2 315 267**	**3 542 848**	**678 964**

The average credit period on purchases is 30 days. The Group manages its financial risk by ensuring that all payables are paid within pre-agreed credit terms. The Directors believe that the carrying amounts represent the fair value.

19.1 Provisions

The movement in provisions during the year was as follows:

At the beginning of the year	139 245	333 232	40 834	12 593
Movement during the year	514 414	(70 716)	514 414	38 960
Utilised during the year	(508 748)	(123 271)	(410 337)	(10 719)
At the end of the year	**144 911**	**139 245**	**144 911**	**40 834**

20. Borrowings

Unsecured borrowings at amortised cost				
Short term loan	161 363	-	161 363	-
Bank overdraft	121 824	-	121 824	-
	283 187	**-**	**283 187**	**-**

For the year ended 31 March

20. Borrowings *(...continued)*

20.1 Bank overdraft

Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts is approximately 42.7% per annum.

20.2 The Group's two unsecured principal bank loans:

a. A loan of ZWL 100 million. The loan was taken out on 25 January 2021 with a maturity date of 25 April 2021. The loan carries interest at 42% per annum.

b. A loan of ZWL 60 million. The loan was taken out on 19 November 2020 with a maturity date of 8 May 2021. The loan carries an interest rate of 45% per annum.

	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
21. Cash flow information				
21.1 Cash generated from trading	**2 373 775**	**3 649 379**	**2 778 431**	**832 281**
Profit before income tax	2 002 460	3 449 048	2 364 174	788 562
Adjust for:				
Finance costs	139 982	117 481	117 544	10 158
Depreciation and amortisation	634 561	491 292	190 611	30 887
Share based payments expense	10 279	16 719	6 990	2 551
Employee share participation costs	-	9 094	-	1 541
Interest income	(4 298)	(14 400)	(3 177)	(1 252)
(Profit)/loss on sale of property and equipment	(1 311)	2 486	(5 405)	(166)
Re-organisation costs	107 694	-	107 694	-
Effects of inflation adjustments	(515 592)	(422 341)	-	-
21.2 Working capital changes	**673 824**	**(552 587)**	**(108 502)**	**(205 352)**
(Increase)/decrease in inventories	(374 816)	339 384	(2 689 870)	(689 285)
Decrease/(increase) in trade and other receivables	40 016	3 843	186	(14 252)
Increase in prepaid expenses and merchandise supplies	(218 957)	(95 995)	(282 702)	(63 057)
Increase/(decrease) in trade and other payables	1 227 581	(799 819)	2 863 884	561 242
21.3 Net finance costs	**(135 684)**	**(103 081)**	**(114 367)**	**(8 906)**
Finance costs	(31 184)	(2 138)	(28 930)	(185)
Interest on lease liabilities	(108 798)	(115 343)	(88 614)	(9 973)
Interest income	4 298	14 400	3 177	1 252
21.4 Tax paid	**(1 231 916)**	**(1 199 820)**	**(756 964)**	**(159 645)**
Liability at beginning of the year	(292 162)	(102 355)	(85 678)	(3 868)
Current income tax charge for the year	(967 225)	(1 389 627)	(698 757)	(241 455)
Liability at end of the year	27 471	292 162	27 471	85 678
21.5 Lease payments	**(92 373)**	**(39 447)**	**(76 037)**	**(9 116)**
Gross payments	(201 171)	(154 790)	(164 651)	(19 089)
Interest on lease liabilities	108 798	115 343	88 614	9 973

22. Directors

22.1 Directors' emoluments

Re-organisation costs	107 694	-	107 694	-
For fees as Directors	10 912	4 634	8 896	580
For managerial services	69 512	31 393	59 362	3 928
	188 118	**36 027**	**175 952**	**4 508**

22.2 Directors' shareholding

At 31 March 2021, the Directors held directly and indirectly the following number of shares in the Group:

	2021	2020
A. E. Siyavora	3 260 000	3 260 000
A. R. Katsande	12 703 252	16 351 768
R. Mavima	600	600
R. J. Moyo	40 161 585	40 161 585
	56 125 437	**59 773 953**

For the year ended 31 March	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000

23. Related party transactions and balances

Balances and tractions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

23.1 Compensation of key management personnel

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Short-term employment benefits	183 176	130 527	143 425	16 332
Post-employment benefits	14 978	10 861	11 728	1 359
Share-based payments	10 279	16 719	6 990	2 551
	208 433	**158 107**	**162 143**	**20 242**

23.2 Consultancy services

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Consultancy services	**2 344**	**3 267**	**1 570**	**597**

The Group contracted Webster-Rozon (Proprietary) Limited to provide consulting services on strategy. The company is controlled and directed by the Group's non-executive director Mrs. Lindsay Webster-Rozon. At the end of the reporting period no balances were owed to Webster-Rozon (Proprietary) Limited.

24. Commitments for capital expenditure

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Authorised but not contracted for	**1 685 890**	**2 538 319**	**1 685 890**	**744 375**

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

25. Earnings per share

	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Earnings attributable to shareholders	1 078 761	2 000 388	1 992 253	566 189
(Profit)/loss on sale of property and equipment	(1 311)	2 486	(5 405)	(166)
Headline earnings	**1 077 450**	**2 002 874**	**1 986 848**	**566 023**

Basic earnings

The calculations are based on the earnings attributable to ordinary shareholders. Account is taken of the weighted number of shares in issue for the period during which they have participated in the income of the Group and these amount to 1 247 778 289 (2020 : 1 225 085 647) at reporting date.

Headline earnings

Headline earnings per share are calculated by dividing the headline earnings by the same divisor used in the attributable earnings basis.

Diluted earnings

The calculation is based on the earnings attributable to ordinary shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised. Dilution arising in respect of share options granted amounted to 54 028 318 shares (2020: 58 586 518).

26. Financial risk management

26.1 Treasury risk management

Senior executives of the Group meet on a regular basis to analyse, amongst other matters, interest rate exposures and report positions to the Board. The Group's exposure at the reporting period is as detailed below.

26.2 Foreign exchange risk management

The Group conducts business predominantly in ZWL. Some exchange risk occurs when the Group incurs liabilities in foreign currency as the ZWL has been depreciating against the hard currencies. The risk is managed by settling the foreign denominated liabilities as soon as the foreign currency is available to minimise the exchange losses.

The following ZWL cross rates with major transacting currencies for the Group were applied at:

	31 March 2021	31 March 2020
ZWL/USD	0.01	0.04
ZWL/ZAR	0.18	0.74
ZWL/BWP	0.14	0.49
ZWL/GBP	0.01	0.03
ZWL/EURO	0.01	0.04

For the year ended 31 March 2021

26.2 Foreign exchange risk management *(...continued)*

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the end of the year are as follows:

	Liabilities		Assets	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Currency of South Africa (ZAR)	21 052	21 029	16 389	2 435
Currency of Botswana (BWP	24	-	2 573	3
Currency of United Kingdom (GBP)	-	-	1 813	65
Currency of European Union (EURO)	-	3	757	3
Currency of the United States of America (USD)	1 481	15 618	436 849	15 672
	22 557	**36 650**	**458 381**	**18 178**

Sensitivity analysis

Changes in exchange rates have an impact on the Group's foreign currency denominated net monetary position. An appreciation of ZWL by 10% will result in foreign exchange loss of ZWL 43.6 million. A 10% depreciation of the ZWL will result in an exchange gain of ZWL 43.6 million.

26.3 Interest rate risk management

Group policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts, commercial paper and long-term loans. Approved investment instruments include term and call deposits, which are placed with reputable financial institutions.

26.4 Liquidity risk management

The Group has no significant liquidity risk exposure as it has unutilised banking facilities of ZWL 517 million. The Directors of the Group may, at their discretion, borrow money and secure repayment thereof provided that the aggregate amount owing at any one time shall not exceed twice the total equity reserves. Borrowings in excess of the specified limit require prior sanction of shareholders in a general meeting. The following table details the Group's remaining contractual maturity for its financial assets and liabilities. The table has been compiled based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to repay the liability.

	Less than 12 months	1 to 5 years	+5 years	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
2021				
Liabilities				
Trade and other payables	3 542 848	-	-	3 542 848
Current income tax liabilities	27 471	-	-	27 471
Lease liabilities	268 475	863 913	121 659	1 254 047
Borrowings	283 187	-	-	283 187
	4 121 981	**863 913**	**121 659**	**5 107 553**
Assets				
Trade and other receivables	16 341	-	-	16 341
Short-term loans receivable	509	-	-	509
Cash and cash equivalents	739 260	-	-	739 260
	756 110	**-**	**-**	**756 110**
Liquidity gap				**4 351 443**

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For the year ended 31 March 2021

26.4 Liquidity risk management *(...continued)*

	Less than 12 months ZWL 000	to 5 years ZWL 000	+5 years ZWL 000	Total ZWL 000
2020				
Liabilities				
Trade and other payables	2 315 267	-	-	2 315 267
Current income tax liabilities	292 162	-	-	292 162
Lease Liabilities	71 838	267 160	-	338 998
	2 679 267	**267 160**	-	**2 946 427**
Assets				
Trade and other receivables	56 357	-	-	56 357
Short-term loans receivable	95	-	-	95
Cash and cash equivalents	615 290	-	-	615 290
	671 742	**-**	**-**	**671 742**
Liquidity gap				**2 274 685**

The Group settles its obligations to suppliers in accordance with agreed terms although payments to some foreign creditors were delayed as a result of foreign currency shortages. As disclosed in note 14 the Group holds enough inventory to cover the gap between trade payables and cash balances.

26.5 Credit risk management

Credit risk arises mainly from trade and other receivables. The Group uses publicly available financial information and its own trading records to rate its customers. Customer banking records are also reviewed. Credit exposure is controlled by counterpart limits that are reviewed and approved by management.

26.6 Capital risk management

The Group's primary objectives in managing capital are:

- To guarantee the ability of the Group to continue as a going concern whilst providing an equitable return to the shareholders and benefit to customers and other stakeholders.
- To maintain a strong fall back position which is commensurate with the level of risk undertaken by the Group in the normal course of its business.

The Group's capital consists of equity attributable to the shareholders, comprising the issued share capital, reserves and retained income as disclosed in the statement of changes in shareholders' equity. The Group's operating target is to maintain operating assets at a level that is higher than the available operating funds at all times in order to restrict recourse on shareholders' equity for operational funding.

The objectives were met at all times during the course of the year under review.

The gearing ratio for the Group is 16% (2020:5%).

27. Fair value of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

28. Insurance cover

The Group's assets are adequately insured at full replacement cost

29. Segment information

IFRS 8, Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. For the purpose of decision making, allocation of resources and assessment of performance, senior management consider the Group to be a single operating unit. Consequently no segment information is presented.

For the year ended 31 March 2021

30. Subsidiaries

Details of the Group's operating subsidiaries at the end of the year are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent company	
			31/03/21	31/03/20
Eriswell (Private) Limited	Leasing of property	Harare, Zimbabwe	100%	100%
Swan Technologies (Private) Limited	Dormant	Harare, Zimbabwe	100%	100%
Winterwest (Private) Limited	House Boat Owning Company	Harare, Zimbabwe	100%	100%

All subsidiaries are wholly owned and insignificant to the Group hence no further disclosures are required.

31. Subsequent events

Dividend

On the 3rd of June 2021 the Directors declared a final dividend of 54 ZWL cents per share following an interim dividend of 26 ZWL cents declared earlier in the financial year. This brings the total dividend declared based on the results for the year ended 31 March 2021 to 80 ZWL cents per share.

32. Going concern

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. The Covid-19 pandemic will continue to impact the operations of the Group mainly due to the restrictions in economic and social activities and the resultant impact on the demand patterns. However, management are satisfied with the measures implemented to mitigate the impact of the pandemic and ensure the Group will remain a going concern beyond the next twelve month period.

33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on the 3rd of June 2021.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OK ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED COMPANY STATEMENT OF FINANCIAL POSITION

OPINION

We have audited the inflation adjusted statement of financial position of OK Zimbabwe Limited ("the Company") as at 31 March 2021 and the related notes (together "the financial statement") set out on pages 93 to 94.

In our opinion, the inflation adjusted financial statement has been prepared, in all material respects, and in compliance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs) to give a true and fair view of the financial position of the Company as required by section 190 (1) of the Companies and Other Business Entities Act (Chapter 24:31) and Statutory Instrument (SI33/19).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statement section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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.

OTHER MATTERS

The inflation adjusted financial statement has been prepared for inclusion in the Company's annual report, wherein the Company's inflation adjusted consolidated financial statements have been presented, in order that it may be presented together with those inflation adjusted consolidated financial statements at the Company's annual general meeting as required by Section 190 (1) of the Companies and Other Business Entities Act (Chapter 24:31). As a result, the financial statement may not be suitable for any other purpose if read in isolation.

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 financial statement of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statement, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report On The Audit Of The Inflation Adjusted Company Statement of Financial Position *(...continued)*

Key Audit Matters *(...continued)*

Key audit matter	How the matter was addressed in the audit
1. Completeness and valuation of, and obligations on trade payables	
As set out in the financial statement, the Company had trade payables amounting to ZWL 3.0 billion (2020: ZWL 1.5 billion) as at year end. Trade payables arise in the normal course of business; the Company sources retail merchandise from a number of local and foreign suppliers. Considering the high volumes of procurement transactions that the Company enters into, the reconciliation processes over trade payables are a critical control in ensuring that trade creditors' balances are complete and valued correctly. Accordingly, we assessed the completeness and valuation of, and obligations of trade payables to be a key audit matter.	In addressing this matter, we performed the following procedures: • On a sample basis, we confirmed the payable balances at year end with suppliers. • We tested reconciliations, assessing the rationale and reasonableness of reconciling items. • We tested the completeness of trade payables by evaluating the reasonableness of explanations for significant changes in the profile and mix of the Company's key trade creditors and by performing tests of detail to ensure procurement transactions were correctly recorded in the ledger. We are satisfied that trade payables are complete and fairly valued as at the end of the reporting period.
2. Existence and valuation of inventories	
As shown in note 3.8 of the inflation adjusted consolidated financial statements, inventory is valued at the lower of cost and net realizable value. As at 31 March 2021, the Company held inventories valued at ZWL 3.5 billion (2020: ZWL 3.2 billion). The valuation and existence of inventory were of significant audit focus due to the following reasons; • The multiple locations at which inventory was held at year-end. • The ever-changing prices of retail merchandise as a result of inflation. • The judgement applied in the determination of inventory mark downs and inventory shrinkage provisions which are incorporated in the valuation of inventory. The balance is also of significance to the operations of the Company, with inventories constituting 28% (2020:32%) of the Company's total assets.	Our procedures included but were not limited to: • We observed the year-end inventory count at selected store locations with specific consideration over those locations with high likelihood of slow moving items, high shrinkage values and new branches. • We evaluated the design and implementation of controls around inventory management. • We assessed the reasonableness of the assumptions made in determining the inventory mark downs and shrinkage provision recognised in current year. • We performed pricing and net realisable value tests for a sample of inventory items. We found the valuation and existence of inventories as at year end to be fair.

Report On The Audit Of The Inflation Adjusted Company Statement of Financial Position *(...continued)*

Key Audit Matters *(...continued)*

Key audit matter	How the matter was addressed in the audit
3. Valuation of freehold land and buildings	
As set out in note A to the inflation adjusted financial statement, the Company has freehold land and buildings amounting to ZWL 1.3 billion (2020: ZWL 1.3 billion) The Directors make use of independent external valuers in determining the fair values of freehold land and buildings. Valuations by their nature require the use of judgment and estimates which involve significant unobservable inputs such as; - Occupancy rates - Market rentals - Risk yields - Market values The complexity and subjectivity of these estimates may result in material misstatement. The current economic environment is extremely volatile given the valuation intricacies impacting property in the Zimbabwean market. We identified the valuation of freehold land and buildings as representing a key audit matter due to the significance of the balance to the financial statement combined with the level of judgement associated with determining the fair values.	To assess the valuation of freehold land and buildings, we performed procedures that included but were not limited to: • We assessed the competence, capabilities, objectivity and independence of the directors' independent valuers, and assessed their qualifications. • We made enquiries of the directors' independent external valuers to obtain an understanding of the valuation techniques and judgements adopted. • We assessed the work performed by the independent external valuers in valuing of freehold land and buildings by performing the following: - Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements; - Assessed the reasonableness of occupancy rates, expected rentals and risk yields by comparing to historic trends; - Assessed the market rentals by comparing with rentals from other property companies through publications;. - We performed physical verification of a sample of assets to determine whether the conclusion reached by the expert were consistent with the physical condition of the asset; and - Evaluated the financial statement disclosures for appropriateness and adequacy. We found management's assumptions to be reasonable and the valuation of the freehold land and buildings to be reasonable

Report On The Audit Of The Inflation Adjusted Company Statement of Financial Position *(...continued)*

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the inflation adjusted financial statement in accordance with IFRSs and in the manner required by Section 190 (1) of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as management determines is necessary to enable the preparation of an inflation adjusted financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statement, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 financial statement is 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 the inflation adjusted financial statement.

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

- Identify and assess the risks of material misstatement of the inflation adjusted financial statement, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 financial statement 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statement, including the disclosures, and whether the inflation adjusted financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the inflation adjusted financial statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards

Report On The Audit Of The Inflation Adjusted Company Statement of Financial Position *(...continued)*

Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statement *(... continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the inflation adjusted financial statement 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.

Deloitte & Touche

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

Date: 3 June 2021

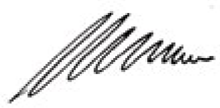
Company Statement Of Financial Position

As at 31 March

	Notes	Inflation Adjusted 2021 ZWL 000	Inflation Adjusted 2020 ZWL 000	Historical 2021 ZWL 000	Historical 2020 ZWL 000
Assets					
Non-current assets					
Property and equipment	A	5 654 531	4 767 927	2 581 859	671 435
Financial assets held at FVTOCI	B	4 264	2 551	4 264	748
Investment in subsidiaries	C	273 591	269 506	272 763	79 034
Financial assets held at amortised cost		46	525	46	115
Goodwill		14 813	14 813	400	400
Right of use asset		1 664 774	730 292	846 965	96 084
Deferred tax asset		-	-	77 767	-
Total non-current assets		**7 612 019**	**5 785 614**	**3 784 064**	**847 816**
Current assets					
Inventories		3 554 296	3 179 477	3 512 135	822 268
Trade and other receivables		13 787	55 150	13 787	16 173
Prepaid expenses and merchandise supplies		600 103	381 146	356 535	73 833
Short-term loans		509	95	509	28
Cash and cash equivalents		739 260	615 287	739 260	180 436
Total current assets		**4 907 955**	**4 231 155**	**4 622 226**	**1 092 738**
Total assets		**12 519 974**	**10 016 769**	**8 406 290**	**1 940 554**
Equity and liabilities					
Equity					
Share capital		4 502	4 498	126	123
Share premium		1 398 195	1 288 366	147 554	38 575
Share based payments reserve		62 667	52 388	10 516	3 526
Mark-to-market reserve		237 440	235 744	274 302	79 491
Revaluation reserve		147 634	72 230	1 107 765	299 416
Non-distributable reserve		363 677	363 677	9 820	9 820
Retained earnings		4 891 746	4 351 197	2 122 023	580 956
		7 105 861	**6 368 100**	**3 672 106**	**1 011 907**
Non-current liabilities					
Deferred tax liabilities		679 929	702 474	-	64 660
Lease liability		744 540	267 160	744 540	78 346
Total non-current liabilities		**1 424 469**	**969 634**	**744 540**	**143 006**
Current liabilities					
Trade and other payables		3 542 794	2 315 209	3 542 794	678 947
Lease liability		136 416	71 838	136 416	21 067
Borrowings		283 187	-	283 187	-
Current income tax liabilities		27 247	291 988	27 247	85 627
Total current liabilities		**3 989 644**	**2 679 035**	**3 989 644**	**785 641**
Total equity and liabilities		**12 519 974**	**10 016 769**	**8 406 290**	**1 940 554**

The Company's operations form a significant portion of the Group's results hence no separate company statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity are disclosed.

For and on behalf of the Board:



H. Nkala
Chairman

M. P. Karombo
Chief Executive Officer

3 June 2021

Notes to the Company Statement of Financial Position

For the year ended 31 March

	Inflation Adjusted		Historical	
	2021 ZWL 000	2020 ZWL 000	2021 ZWL 000	2020 ZWL 000
A Property and equipment				
Freehold property				
Revalued amount	1 336 897	1 306 937	1 336 897	383 266
Accumulated depreciation	-	-	-	-
	1 336 897	**1 306 937**	**1 336 897**	**383 266**
Leasehold improvements				
Cost	824 914	676 251	159 326	30 616
Accumulated depreciation	(279 080)	(251 211)	(10 350)	(6 950)
	545 834	**425 040**	**148 976**	**23 666**
Equipment				
Cost	4 723 578	3 990 546	835 753	186 459
Accumulated depreciation	(2 409 811)	(2 160 351)	(100 836)	(60 404)
	2 313 767	**1 830 195**	**734 917**	**126 055**
Vehicles				
Cost	487 972	440 183	94 681	24 488
Accumulated depreciation	(213 215)	(212 999)	(10 942)	(6 336)
	274 757	**227 184**	**83 739**	**18 152**
Work in progress	**1 183 276**	**978 571**	**277 330**	**120 296**
Total property and equipment	**5 654 531**	**4 767 927**	**2 581 859**	**671 435**
B Financial Assets held at FVTOCI				
Other Equities				
At the beginning of the year	2 551	4 126	748	155
Fair value adjustment	1 713	(1 575)	3 516	593
At the end of the year	**4 264**	**2 551**	**4 264**	**748**
Total FVTOCI	**4 264**	**2 551**	**4 264**	**748**

Other equities are minority shareholdings in various listed companies.

C Investment in subsidiaries				
Investment in Eriswell (Private) Limited				
At the beginning of the year	268 538	266 996	78 750	10 090
Fair value adjustments	1 542	1 542	191 330	68 660
At the end of the year	**270 080**	**268 538**	**270 080**	**78 750**
Investment in Winterwest (Private) Limited				
At the beginning of the year	968	968	284	284
Additional purchase	2 543	-	2 399	-
At the end of the year	**3 511**	**968**	**2 683**	**284**
Total Investment in subsidiaries	**273 591**	**269 506**	**272 763**	**79 034**

The investments represent the Group's 100% shareholding in Eriswell (Private) Ltd, a property owning company and the company's 100% shareholding in Winterwest (Private) Limited, a boat owning company.

Shareholders' Analysis

SHAREHOLDER DISTRIBUTION

	Number of shareholders	%	Issued shares	%
1 - 5,000	26,483	95.20	17,923,423	1.42
5,001 - 10,000	356	1.28	2,553,179	0.20
10,001 - 25,000	287	1.03	4,610,918	0.36
25,001 - 50,000	173	0.62	6,442,040	0.51
50,001 - 100,000	145	0.52	10,648,148	0.84
100,001 - 200,000	113	0.41	16,001,699	1.27
200,001 - 500,000	97	0.35	31,428,606	2.49
500,001 - 1,000,000	67	0.24	49,115,219	3.89
1,000,001 and Above	97	0.35	1,124,906,057	89.02
Totals	**27,818**	**100.00**	**1,263,629,289**	**100.00**

SHAREHOLDER ANALYSIS BY INDUSTRY

	Number of shareholders	%	Issued shares	%
PENSION FUNDS	308	1.11	473,054,040	37.42
FOREIGN NOMINEE	15	0.05	289,190,173	22.89
INSURANCE COMPANIES	18	0.06	196,194,635	15.53
LOCAL COMPANIES	389	1.40	106,552,800	8.43
LOCAL INDIVIDUAL RESIDENT	26,220	94.27	89,304,302	7.07
LOCAL NOMINEE	121	0.43	86,540,648	6.85
TRUSTS	34	0.12	11,909,100	0.94
DECEASED ESTATES	414	1.49	3,470,245	0.27
FUND MANAGERS	17	0.06	2,510,648	0.20
OTHER INVESTMENTS & TRUST	76	0.27	2,016,913	0.16
NEW NON RESIDENT	164	0.59	957,115	0.08
GOVERNMENT/QUASI	2	0.01	871,500	0.07
CHARITABLE	16	0.06	472,388	0.04
FOREIGN INDIVIDUAL RESIDENT	19	0.07	459,340	0.04
FOREIGN COMPANIES	4	0.01	124,842	0.01
BANKS	1	-	600	-
Totals	**27,818**	**100.00**	**1,263,629,289**	**100.00**

TOP TEN SHAREHOLDERS

Shareholder	Issued shares	%
DATVEST NOMINEES FOREIGN	258,208,872	20.43
NSSA- NATIONAL PENSION SCHEME	207,772,917	16.44
OLD MUTUAL LIFE ASS CO ZIM LTD	185,921,865	14.71
STANBIC NOMINEES (PVT) LTD	144,847,697	11.46
NSSA- WORKERS COMPENSATION IF	48,318,896	3.82
MINING INDUSTRY PENSION FUND	31,208,174	2.47
GROUP FIVE COMPANIES (PVT) LTD	28,282,739	2.24
OK EMPLOYEE SHARE PARTICIPATION TRUST	24,936,301	1.97
SCB NOMINEES 033663900002	13,943,641	1.10
ALBERT KATSANDE	12,703,252	1.01
OTHER	307,484,935	24.35
	1,263,629,289	**100.00**

Notice to Shareholders

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Shareholders of OK Zimbabwe Limited will be held at the registered Company office at 7 Ramon Road, Graniteside, Harare on Thursday 29 July 2021 at 15:00 hours for the purposes of transacting the business detailed below.

Shareholders will be requested to connect and attend the meeting virtually by logging onto https://escrowagm.com/eagmZim/Login.aspx#.

ORDINARY BUSINESS

1. CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 March 2021, together with the Report of the Directors and Auditors thereon.

2. DIVIDEND

To confirm the payment of a final dividend of 54 ZWL cents per share following an interim dividend of 26 ZWL cents giving a total dividend of 80 ZWL cents per share for the year ended 31 March 2021.

3. DIRECTORATE

3.1. To note the resignation of Mr. Bruce Armstrong Carter from the Board of Directors with effect from 1 December 2020.

3.2. To note the retirement of Mr. Alex Edgar Siyavora as Group Chief Executive Officer with effect from 31 March 2021. With his retirement, Mr. Siyavora steps down from the Board of Directors with effect from the same date.

3.3. To confirm the appointment of Mr. Maxen Phillip Karombo as Chief Executive Officer and Director of the Company with effect from 1 April 2021.

3.4. To confirm the appointment of Mr. Simon Masanga to the Board of Directors with effect from 1 April 2021. In terms of Article 107 of the Articles of Association of the Company, Mr. Masanga is required to retire from the Board at his first Annual General Meeting. Being eligible, he offers himself for re-election.

3.5. In terms of the Company's Articles of Association, Mrs. Lyndsay Webster-Rozon, Mrs. Rose Mavima and Ms. Rufaro Audrey Maunze are scheduled to retire by rotation at the conclusion of the meeting. Being eligible, they offer themselves for re-election.

NOTE: Each Director will be appointed through a separate resolution.

3.6. To approve the fees paid to the Directors during the financial year ended 31 March 2021.

NOTE: The consolidated Directors' emoluments are included in the annual report.

4. AUDITORS' FEES AND APPOINTMENT OF AUDITORS

4.1. To approve the auditors' fees for the past financial year.

4.2. To reappoint Messrs. Deloitte & Touche Chartered Accountants (Zimbabwe) as Auditors of the Company for the ensuing year.

NOTE: The Group has adopted the requirements of the Companies and Other Business Entities Act [Chapter 24:31]: Section 191 (11) and the ZSE Listing Requirements (SI 134/2019): Section 69 (6) from the date of enactment. Messrs. Deloitte and Touche have been auditors to the Group in excess of 10 years. The External Auditors shall serve for the final year paving way for appointment of a new audit firm.

5 SPECIAL BUSINESS

5.1 SHARE OPTION SCHEME - 2022

To consider, and if deemed fit, pass with or without modification, the following resolution:

As an Ordinary Resolution

5.1.1 THAT the Directors be and are hereby authorized to establish a share option scheme effective from the 1st of April 2022 to be called "Share Option Scheme – 2022" and to grant options in respect of the rules of the Scheme, such options in aggregate not exceeding sixty three million one hundred and eighty one thousand four hundred and sixty four (63,181,464) ordinary shares, being 5% of the one billion two hundred and sixty three million six hundred and twenty nine thousand two hundred and eighty nine (1,263,629,289) ordinary shares in issue as at 31 May 2021.

5.1.2 THAT the Share Option Scheme – 2019 be withdrawn with effect from the date of commencement of Share Option Scheme – 2022;

5.1.3 THAT, with effect from the date of commencement of Share Option Scheme - 2022, no further options shall be granted under the Share Option Scheme – 2019 but without prejudice to the subsisting rights of any participants already granted Options prior to the termination of the 2019 Scheme.

5.2 ALLOTMENT OF SHARES TO THE OK EMPLOYEES SHARE PARTICIPATION TRUST

To consider and, if deemed fit, pass, with or without modification, the following resolution:

As an Ordinary Resolution

5.2.1 THAT the Directors be and they are hereby authorized to allocate twenty five million two hundred and seventy two thousand five hundred and eighty six (25,272,586) ordinary shares to the OK Employees Share Participation Trust through an allotment from the Company's unissued shares held under the control of the Directors in terms of a Shareholders' Resolution dated 23 August 2001.

5.2.2 THAT the Directors be and they are hereby authorized to allocate, at the end of each financial year, to the OK Employee Share Participation Trust through an allotment from the Company's unissued shares such shares as may be required should the Trust's shareholding in the Company be below 2% of the issued share capital of the Company at the end of each financial year.

5.3 AMENDMENT OF ARTICLES OF ASSOCIATION

5.3.1 Adoption of Substituted Memorandum and Articles of Association of the Company.

To resolve as a special resolution, the adoption and substitution of a new Memorandum and Articles of Association for the Company compliant with the requirements of the new Companies and Other Business Entities Act [Chapter 24:31] and the new ZSE Listing Requirements (Statutory Instrument 134/2019).

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Share Option Scheme - 2022

Article 3 of the Company's Articles of Association stipulates that the allotment or disposal of any unissued shares in the existing capital of the Company and any new shares in any increased capital, or in the terms upon which such shares may be issued or disposed of, shall be decided by the Company in general meeting, provided that the Company in general meeting may empower the Directors to allot or dispose of the same upon such terms and conditions as the Directors in their discretion think fit.

At the Annual General Meeting held on 23 July 2019 Shareholders authorized the Directors to establish a share option scheme and to grant options in aggregate not exceeding 59,870,297 (Fifty nine million eight hundred and seventy thousand two hundred and ninety seven) ordinary shares, being 5% of the 1,197,405,994 (one billion one hundred and ninety seven million four hundred and five thousand nine hundred and ninety four) ordinary shares in issue as at 31 May 2018 in terms of the rules of that scheme.

The Company has to continue to offer meaningful incentives to both existing and new executives and senior management. Accordingly, the Directors hereby propose that a new Share Option Scheme be established with effect from the 1st of April 2022. Any shares not yet granted to employees in terms of the Share Option Scheme – 2019, will be withdrawn immediately upon the establishment of the proposed new scheme.

2. Allotment of shares to the OK Employees Share Participation Trust

In terms of the Deed of the OK Employee Share Participation Trust, 2% of the issued share capital of the Company should be held by the Trust for the benefit of employees of OK Zimbabwe Limited. As at 31 May 2021, the Trust held twenty four million nine hundred and thirty six thousand three hundred and one (24,936,301) ordinary shares, representing 1.97% of the issued share capital of the Company. Accordingly, the Directors hereby propose the allocation of three hundred and thirty six thousand two hundred and eighty five (336,285) additional ordinary shares in OK Zimbabwe Limited to the Trust. The effect of this additional donation will be to increase the Trust's shareholding in the Company to twenty five million two hundred and seventy two thousand five hundred and eighty six (25,272,586) ordinary shares, thus enabling it to retain its 2% shareholding.

In terms of a resolution of shareholders dated 23 August 2001 the entire authorized but unissued shares in the Share Capital of the Company were placed under the control of the Directors. Subject to approval by shareholders, Directors are therefore authorized to allot unissued shares as proposed in Resolutions 6 and 7.

3. Substitution of Memorandum and Articles of Association

The Directors recommend the substitution and adoption of a new Memorandum and Articles of Association for the Company which are compliant with the requirements of the new Companies and Other Business Entities Act [Chapter 24:31] and the new ZSE Listing Requirements (Statutory Instrument 134/2019).

ANY OTHER BUSINESS

6. To transact all such other business as may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

____

Margaret Munyuru (Mrs.)
Group Secretary

1 July 2021

NOTE 1: In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more proxies to attend, vote and speak in his or her stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

NOTE 2: ELECTRONIC ANNUAL REPORT

The Company's 2021 Annual Report will be made available on the Company's website http://www.okziminvestor.com/. Electronic copies of the Annual Report will also be emailed to those shareholders whose e-mail addresses are on record.

Shareholders' Calendar

Twentieth Annual General Meeting	29 July 2021
Next financial year end	31 March 2022

ANTICIPATED DATES

Interim reports for financial year ending 31 March 2022	6 November 2021
Annual report published for financial year ending 31 March 2022	June 2022
Twenty-first Annual General Meeting	July 2022

REGISTERED OFFICE:
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E-mail:mmunyuru@okzim.co.zw

TRANSFER SECRETARIES:
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ZB Centre
Cnr Kwame Nkrumah Avenue/First Street
Harare
Zimbabwe
Telephone: 263- 242 751559/61
e-mail:collen@corperserve.co.zw

INVITATION TO REGISTER ON OK ZIMBABWE INTERACTIVE INVESTOR WEBSITE

We encourage you to register on our website ***www.okziminvestor.com*** to enable you to access updates and all information you need to make informed investment decisions and monitor management's efforts to create shareholder value. We value your feedback.

CORPORATE INFORMATION

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Wintertons Legal Practitioners
Beverley Corner
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P.O Box 452
Harare, Zimbabwe

Auditors
Deloitte and Touché Chartered Accountants
West Block, Borrowdale Office Park
Borrowdale Road, Borrowdale
P.O Box 267
Harare, Zimbabwe

Transfer Secretaries
Corpserve (Private) Limited
2nd Floor, ZB Centre
Corner First Street / Kwame Nkrumah Avenue
P.O Box 2208
Harare, Zimbabwe

Principal Bankers
Standard Chartered Bank Zimbabwe Limited
Africa Unity Square Branch
Corner Nelson Mandela / Sam Nujoma Street
P.O Box 2472
Harare, Zimbabwe

CABS
3 Northend Close
Northridge Park, Highlands
P.O Box 2798
Harare, Zimbabwe

Nedbank Zimbabwe Limited
Old Mutual Centre
Corner 3rd Street / Jason Moyo Avenue
P.O Box 3200
Harare, Zimbabwe

CBZ
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7 Selous Avenue
P.O Box 5468
Harare, Zimbabwe

Sustainability Advisors
Institute for Sustainability Africa
22 Walter Hill Ave
Eastlea
Harare, Zimbabwe

GRI Content Index

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General Disclosures					
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	102-3 Location of headquarters	100			
	102-4 Location of operations	8, 100			
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	102-16 Values, principles, standards, and norms of behaviour	6			
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	102-40 List of stakeholder groups	30			
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OK ZIMBABWE LIMITED