MEIKLES LIMITED

ANNUAL REPORT 2021

INTRODUCING A ZIMBABWEAN ICON

Full of natural flavour and sweet aroma

Your immune system is the
first line of defense against diseases.
Always drink healthy and be rejuvenated.

TANGANDA tea

Company Limited

ABOUT OUR REPORT

Meikles Limited, a public company listed on the Zimbabwe Stock Exchange (ZSE) and London Stock Exchange (LSE), is pleased to present the annual report for the year ended 31 March 2021. This report integrates both financial and non financial information.

REPORTING SCOPE AND BOUNDARY

This report contains information for Meikles Limited which is incorporated and domiciled in Zimbabwe and with an investment in South Africa held through a British Virgin Islands (BVI) domiciled subsidiary. In this report, unless otherwise stated, references to "our", "we", "us", "the Group", "Meikles Ltd" refers to Meikles Limited and its subsidiaries. For this report, operations in Zimbabwe: TM Supermarkets; Tanganda Tea Company; Meikles Guard Services; Thomas Meikles Properties and Meikles Hospitality defined the report boundary.

REPORTING FRAMEWORKS

This report was prepared with due consideration of the following reporting requirements:

- The Companies and Other Business Entities Act [Chapter 24:31].
- Statutory Instrument("SI") 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative (GRI) Standards (The "Core" Option).

SUSTAINABILITY DATA

This report was prepared using both quantitative and qualitative data extracted from company records, policies and persons responsible in the Key Results Area (KRA) of sustainability impacts for the Group. In some cases, assumptions are made and confirmed for consistency with business activities. The Group continues to review its measurement systems on sustainability data and ensure consistency across subsidiary operations.

ASSURANCE

The consolidated financial statements were audited by Deloitte & Touche (Zimbabwe) in accordance with the International Standards of Auditing (ISA). The independent auditor's report is found on pages 39 to 42. Non-financial information and data used for sustainability reporting were internally validated by the Group Internal Audit Department. The report was verified for compliance with GRI Standards by the Institute for Sustainability Africa (INSAF) as subject matter experts. Management validated the report for consistency with business operations before publication.

REINSTATEMENTS

Meikles Ltd made restatements of previously published financial data. During the prior year ended 31 March 2020, the inflation adjusted work in progress balance under property, plant and equipment for the Supermarkets segment was misstated due to an arithmetical error. The error only affected the inflation adjusted financial statements. The financial statements have been restated to correct this error. Further details on the restatement are provided under note 37 of the financial statements.

BOARD APPROVAL

The Board recognises its accountability for ensuring the integrity of this annual report. In the Board's opinion, the annual report fairly presents the overall performance of the Group and therefore approved it.

FORWARD LOOKING STATEMENTS

This report may contain forward looking statements. These statements are estimates and projections by Meikles Limited based on current available information. Forward looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Forward looking statements are not guarantees of future developments and results outlined therein. These are dependent on several factors which may involve various risks and uncertainties, and they are based on assumptions beyond our control. Readers are cautioned not to place undue reliance on forward looking statements.

FEEDBACK ON THE REPORT

The Group values opinions and comments from all stakeholders which may assist in improving our reporting. We welcome your feedback on this report and any suggestions you may have. For feedback, please contact Tabani Mpofu (Mr), Company Secretary, email: investorrelations@meikles.com.

J.R.T. Moxon
Chairman
29 June 2021

CONTENTS

MEIKLES LTD AT A GLANCE

OUR JOURNEY OF OVER 100 YEARS

1892	John, Stewart and Thomas Meikle, brothers who migrated from Scotland to Southern Africa, opening trading business in Fort Victoria (now Masvingo) in now Zimbabwe
	Business spread to Bulawayo, Umtali (Mutare) and Salisbury (Harare)
1915	Thomas Meikle opens hotel business in now present day Harare
1920s	Tanganda Tea Estate established
1978	TM Supermarkets ('TMSM") established
1996	Meikle's family businesses are listed on the Zimbabwe Stock Exchange and London Stock Exchange under Meikles Africa Limited
	Pick n Pay South Africa acquires 25% of TM Supermarkets.
1998	Meikles Africa Limited purchases 50% of The Victoria Falls Hotel lease and operations
1999	Meikles Africa Limited purchases 50% of the Cape Grace Hotel business and property
2001	Meikles Africa Limited purchases the remaining 50% of the Cape Grace Hotel business and property
2007	Merger of Meikles Africa Limited, Tanganda Tea Company Limited, Cotton Printers (Private) Limited, and Kingdom Financial Holdings Limited to become Kingdom Meikles Limted
2010	Demerger of Kingdom Financial Holdings Limited from Kingdom Meikles Limited and the name changed to Meikles Limited
2013	Pick n Pay South Africa increases shareholding in TMSM to 49%
2014	Meikles Guard Services (Private) Limited formed as a wholly owned subsidiary company
2019	Closure of Departmental Stores trading as Meikles Stores, Barbours and Greatermans
2020	Meikles Limited disposes Meikles Hotel in Harare as part of strategic realignment
2021	Meikles Limited tables a plan to unbundle Tanganda Tea Company Limited

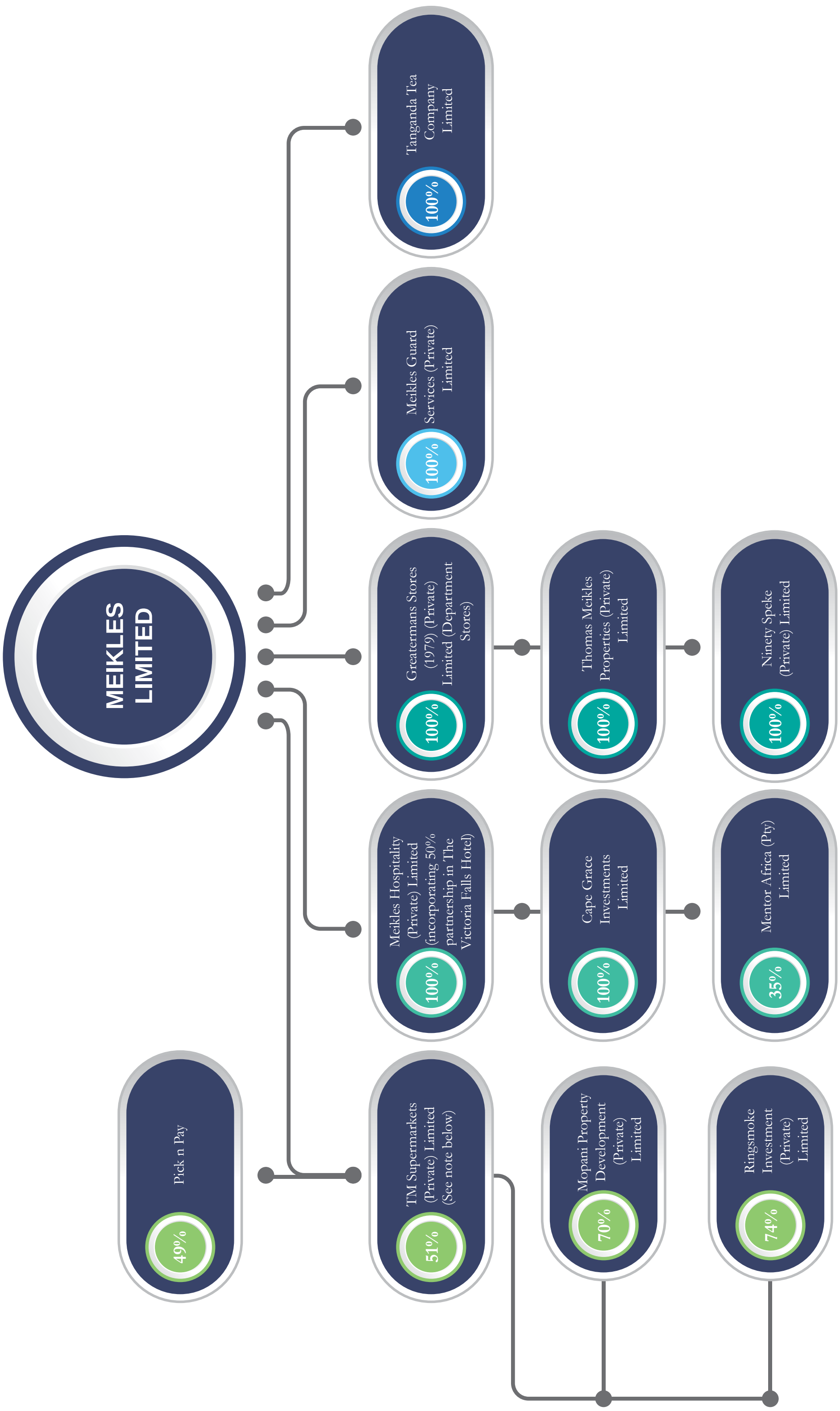
Over the 100 years, Meikles Limited has continued to grow and evolve through building strong brands like Meikles Hotel, Tanganda Tea, Greatermans, Barbours and TM supermarkets.

To date, the Group still operates businesses in the following sectors:

1.	**Agriculture and Beverages**	Tanganda Tea Company
2.	**Retail**	TM Supermarkets trading as TM Pick n Pay
3.	**Hospitality**	The Victoria Falls Hotel (Operated in partnership with African Sun Limited)
4.	**Real Estate and Property**	Thomas Meikle Properties
5.	**Security Services**	Meikles Guard Services

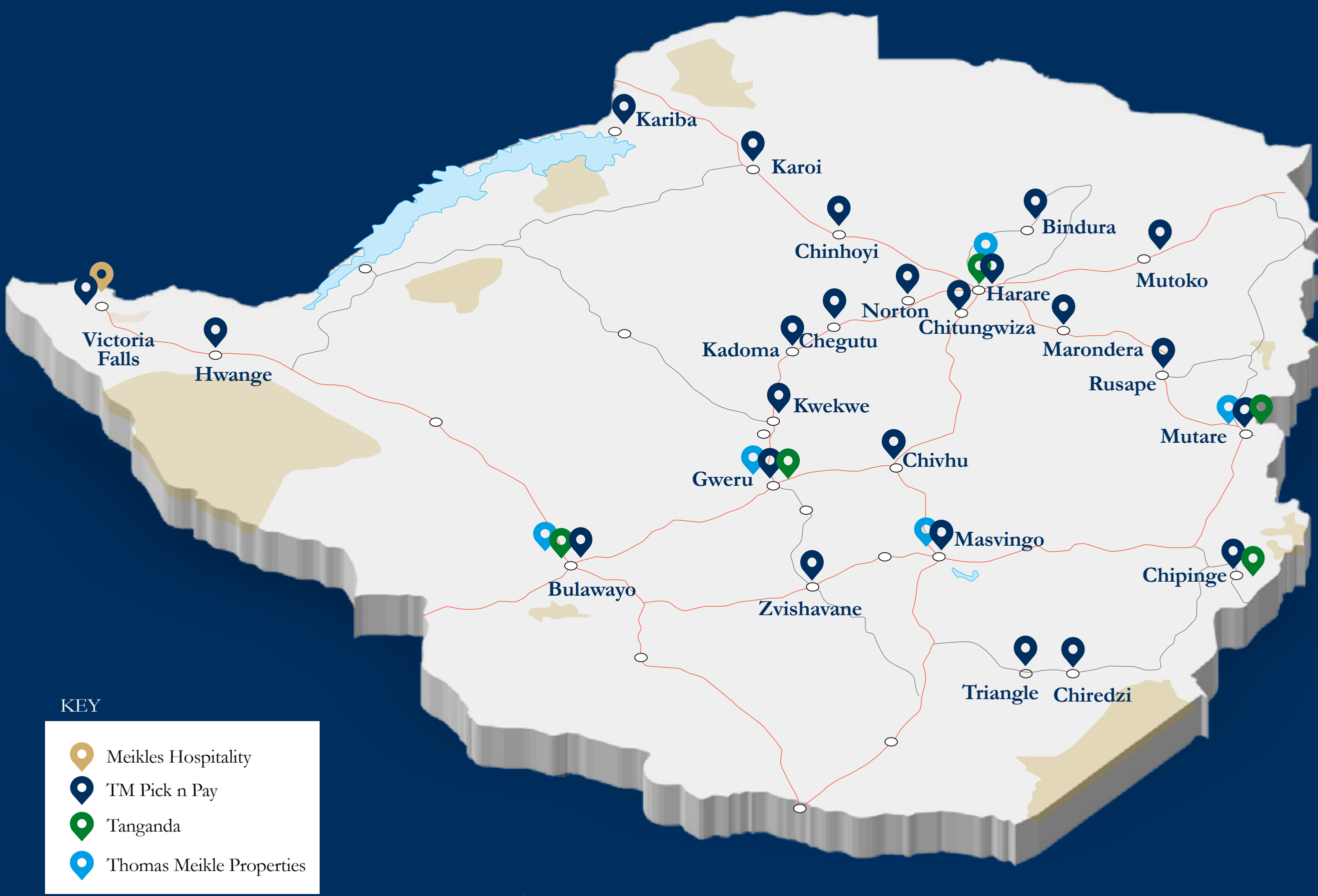
MEIKLES LTD AT A GLANCE (continued)

GROUP STRUCTURE



Note: TM Supermarkets (Private) Limited has the following 100% owned subsidiaries: Ebony Properties (Private) Limited, Osterland Investments (Private) Limited and Petria Properties (Private) Limited. Dormant companies have been excluded.

Meikles Group Footprint in Zimbabwe



TM Pick n Pay Branches:

Harare: Budiriro, Chadcombe, Harare Street, Kenneth Kaunda, Machipisa, PnP Newlands, Orr Street, PnP Arundel, PnP Avondale, PnP Borrowdale, PnP Joina City, PnP Kamfinsa, PnP Msasa, PnP SamNujoma, PnP Westgate, Ruwa, Strathaven, PnP Aspindale, PnP Chiremba | **Bulawayo:** Cowdray Park, Fife Street, Jason Moyo, Lobengula, Northend, PnP Ascot, PnP Bradfield, PnP Hyper, Southwold | **Chitungwiza:** Makoni, Zengeza | **Gweru:** PnP Gweru, PnP Gweru Megawatt | **Mutare:** Chikanga, Dangamvura, PnP Mutare, PnP Sakubva | Bindura, Chegutu, Chinhoyi, Chinhoyi South, Chipinge, Chiredzi, PnP Hwange, Kadoma, Kariba, Karoi, Mutoko, Norton, PnP Chivhu, PnP Kwekwe, PnP Marondera, PnP Masvingo, PnP Victoria Falls, Rusape, Triangle, Zvishavane

- Meikles Hospitality has the Victoria Falls Hotel in Victoria Falls
- Thomas Meikle Properties has properties in Harare, Gweru, Masvingo, Mutare and Bulawayo
- Tanganda has operations in Chipinge, Mutare, Harare, Bulawayo and Gweru

MEIKLES
LIMITED

(Incorporated in Zimbabwe under company registration number 1/37)

MEIKLES LTD AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS

BUSINESS ASSOCIATIONS MEMBERSHIP

Our subsidiaries are members of the following associations:

Tanganda Tea Company	TM Pick n Pay Supermarkets	Meikles Hospitality	Meikles Guard Services
• Confederation of Zimbabwe Industries (CZI) • Zimbabwe National Chamber of Commerce (ZNCC) • Buy Zimbabwe • ZimTrade • Marketers Association of Zimbabwe (MAZ) • Zimbabwe Tea Growers Association (ZTGA) • National Employment Council for Agriculture • National Employment Council for Food Processing Employers' Association	• Confederation of Zimbabwe Industries (CZI) • Employers Confederation of Zimbabwe (EMCOZ) • Retailers Association of Zimbabwe (RAZ) • National Employment Council for Commercial Sector of Zimbabwe.	• Tourism Business Council of Zimbabwe (TBCZ) • Hospitality Association of Zimbabwe (HAZ) • Leading Hotels of the World (LHW) • Africa Travel and Tourism Association (ATTA) • National Employment Council for Hotel and Catering Industry • Zimbabwe National Chamber of Commerce (ZNCC)	• Security Association of Zimbabwe (SAZ) • National Employment Council for the Security Industry.

STANDARDS

Our subsidiaries subscribe to the following standards:

Tanganda Tea Company	TM Pick n Pay Supermarkets	Meikles Hospitality	Meikles Guard Services
• ISO9001: 2015 – **Quality Management Systems - Standards Association of Zimbabwe (SAZ)** • ISO/IEC: 17065:2012 – **Rainforest Alliance Certification** • Global Good Agriculture Practices (GAP) Certification – **SANAS South Africa** • HACCP05: Grading and Packaging Avocados for Expert Certification – **Standards Association of Zimbabwe (SAZ)** • Tesco Minimum Packing Standards **(TMPS) Certification** • Albert Heijns (Certification) • ISO 22000 - Food Security and Safety	• Health Registration Certificate – **Ministry of Health Zimbabwe** • Factory Registration Certificate/ – **Local Authorities** • Air Emission Licence – **Environmental Management Agency (EMA) Zimbabwe** • Liquor Licence – **Local Authorities Zimbabwe** • Music Licence – **Zimbabwe Music Rights Association (ZIMURA)** • Seller of Seeds, Pesticides Retailers, Radio, and Municipal licences. • Agricultural inputs and livestock products retail registration – **Agricultural Marketing Authority (AMA)**	• Leading Quality Assurance – **Leading Hotels of the World (Global)** • Five Star Hotel Grading – **Zimbabwe Tourism Authority (ZTA)** • Tourism Licence – **Ministry of Environment, Tourism and Hospitality Zimbabwe** • Designated Tourist Facility – **Zimbabwe Tourism Authority (ZTA)**	• Guard Securities Licence – **Ministry of Home Affairs (Zimbabwe)**

AWARDS & RECOGNITIONS

Received during FY2021:

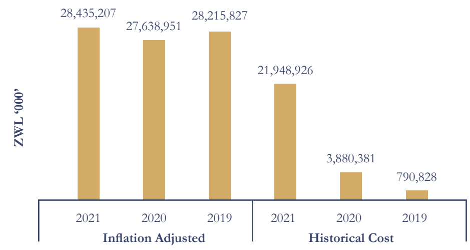
TM Pick n Pay Supermarkets - Superbrand (brand of the year retail supermarkets sector) 2020.

MEIKLES LTD AT A GLANCE (continued)

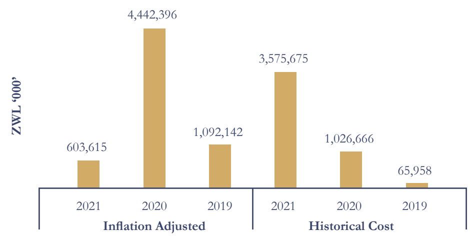
GROUP PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

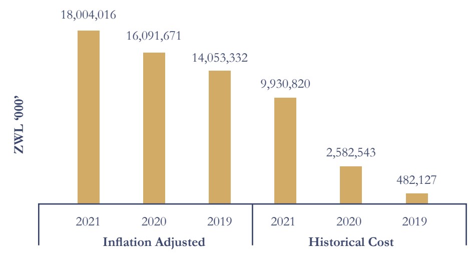
REVENUE



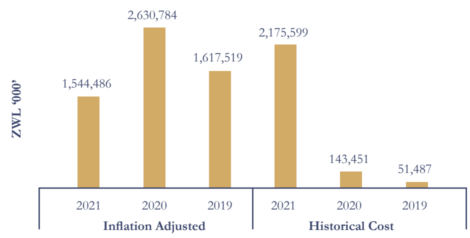
PROFIT FOR THE YEAR



TOTAL ASSETS



NET CASH FLOW FROM OPERATING ACTIVITIES



SHARE PERFORMANCE

	INFLATION ADJUSTED			HISTORICAL COST		
	31 Mar 2021 ZWL cents	31 Mar 2020 ZWL cents	31 Mar 2019 ZWL cents	31 Mar 2021 ZWL cents	31 Mar 2020 ZWL cents	31 Mar 2019 ZWL cents
Share Price	4,500.94	2,758.47	1,242.68	4,500.94	810.00	47.00
Basic Earnings Per Share from continuing operations	18.47	954.59	266.69	547.83	81.55	22.57
Diluted Earnings Per Share from continuing operations	18.47	954.59	249.90	547.83	81.55	21.15
Headline (Loss) / Earnings Per Share from continuing operations	(2.71)	953.18	270.67	515.04	81.24	23.01
Diluted Headline (Loss) / Earnings Per Share from continuing operations	(2.71)	953.18	253.61	515.04	81.24	21.57

SUSTAINABILITY PERFORMANCE

Economic Impacts

	2021	2020	2019
Small Holders and Out Grower schemes (in numbers)	1,580	1,878	1,927
Community Investments (ZWL'000') – Historical cost	31,947	863	197

Environmental Impacts

	2021	2020	2019
Packaging Waste (tons)	27	18	17
Water Usage (m^3)	8,980,662	6,221,250	6,043,560

Social Impacts

	2021	2020	2019
Total Employees (head count)	10,294	10,337	10,351
Occupational Health and Safety – Fatalities	1	-	2

STRATEGIC REVIEW

CHAIRMAN'S STATEMENT

GROUP FINANCIAL PERFORMANCE

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

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

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

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

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

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

The agricultural segment, Tanganda Tea Company Limited, was classified as a discontinued operation at the reporting date and its financial results are set out in note 14 of these consolidated financial statements.

Segmental contributions to the Group's financial performance is set out in Note 6 of these consolidated financial statements.

KEY DEVELOPMENTS

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

Meikles Limited has provided additional capital to Tanganda since 2011 to support the crop diversification thrust. This capital being additional to Tanganda's normal annual capital expenditure. As at 31 March 2021, Meikles has cumulatively injected US$ 20.8 million for macadamia nuts and avocados plantations development, an avocado processing facility and recently for solar power plants. Further capital has been provided subsequent to the year-end. Tanganda is now in a strong financial position and well set to independently sustain its operations going forward.

Subject to shareholders approval, Tanganda is to be unbundled in the months before the end of the calendar year and is to be separately listed. It will cease to have any financial connection with the Group. The strategy is expected to unlock the value of the capital invested in crop diversification for the shareholders. The separate financial reporting will enhance understanding by financial markets leading to a more accurate valuation of the business.

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

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

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

REVIEW OF OPERATIONS

Supermarkets – trading as TM Pick n Pay

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

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

The Profit after Tax was ZWL 632.5 million, a reduction from the previous year of ZWL 2.0 billion (Historical cost, a growth from ZWL 240.3 million to ZWL 1.7 billion). In the previous year, the segment's monetary liabilities included US$2.3 million in legacy debts that were paid during the year under review. The legacy debt increased the previous year's monetary gain to ZWL 3.6 billion and this distorts a comparison with the current period monetary gain of ZWL 710.8 million.

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

STRATEGIC REVIEW (continued)

CHAIRMAN'S STATEMENT (continued)

investment in this segment will be implemented.

Agriculture

During the year ended 31 March 2021, strong performance came from value added packed tea products whose sales volume grew by 16% to 2,100 tonnes from 1,812 tonnes in prior year. Although adverse weather in 2019-2020 season and COVID-19 impacted negatively on crop performance in Agriculture, revenue of ZWL 2.4 billion was comparable to that of the prior year of ZWL 2.5 billion. The Company is now realising the benefits of diversified operations.

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

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

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

Hospitality

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

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

Properties

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

Security Services

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

MEIKLES FOUNDATION

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

DIVIDEND

The Board has declared a final dividend of ZWL 100 cents per share, taking the total dividend for the financial year to ZWL 185 cents per share, inclusive of two interim dividends of 42.5 cents each paid in December 2020 and May 2021. A full dividend announcement will be published in due course.

DIRECTORATE

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

OUTLOOK

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

APPRECIATION

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

J.R.T. Moxon
Chairman
29 June 2021

STRATEGIC REVIEW (continued)

OVERVIEW OF MAJOR SUBSIDIARIES

TM SUPERMARKETS trading as TM PICK N PAY

Meikles Limited owns 51% of TM Supermarkets (Private) Limited and the remaining 49% is owned by Pick n Pay South Africa. TM Supermarkets is a chain of fifty-six (56) stores across Zimbabwe of which thirty-two (32) are branded and trade as "TM" while twenty four (24) stores are branded and trade as "Pick n Pay". The supermarkets chain retails a wide range of groceries and perishables, with a limited range of general merchandise and a fresh offering that caters specifically for the communities they serve. TM Supermarkets draws its customers from all communities and income groups across Zimbabwe, while store formats range from convenient small supermarkets to larger supermarkets.

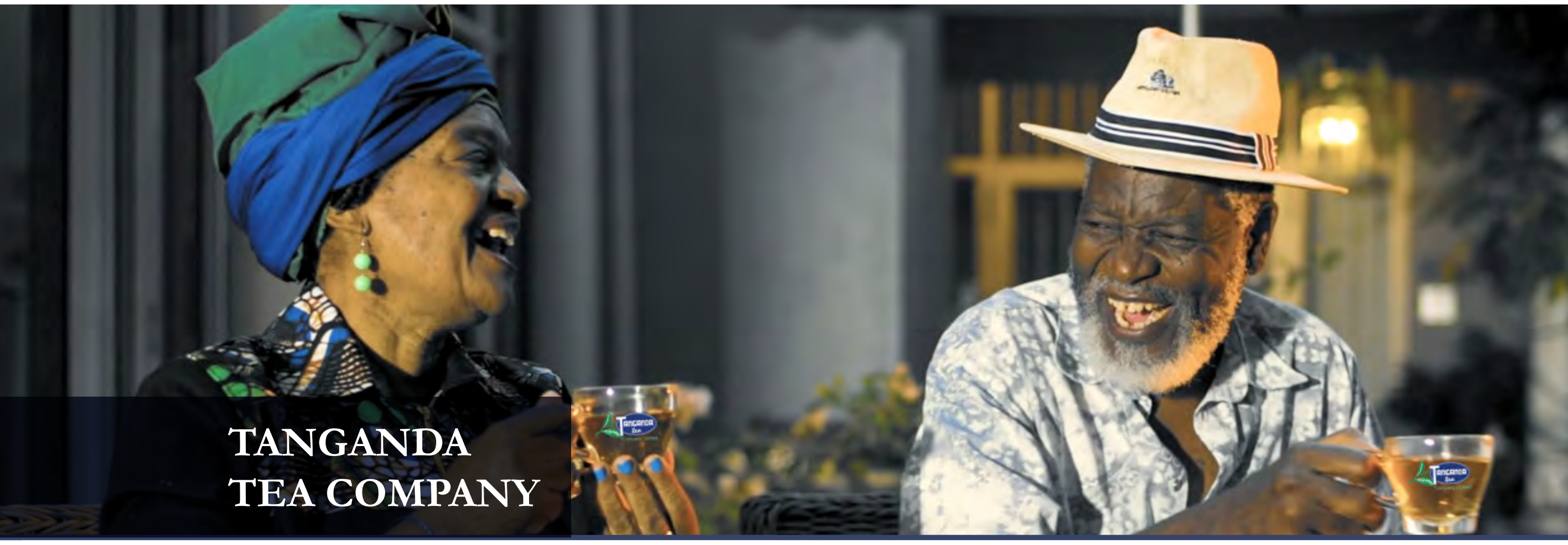
Pick n Pay Chiremba

Pick n Pay Borrowdale Village Walk

Pick n Pay Marondera Mall

STRATEGIC REVIEW (continued)

OVERVIEW OF MAJOR SUBSIDIARIES (continued)



TANGANDA TEA COMPANY

Tanganda Tea Company is a wholly owned subsidiary of Meikles Limited.

Tanganda is the largest producer, packer and distributor of tea in Zimbabwe. The first commercial tea was planted at New Year's Gift Estate in 1924. Tanganda, to date, has also developed the largest hectarage of both macadamia nuts and avocados to become the single largest producer of both crops in Zimbabwe.

The Company is divided into three operating divisions, the Agriculture, the Beverage and the Corporate and Administration Divisions. The Agricultural Division is based in Chipinge and consists of five estates inter-cropped with tea, coffee, avocados and macadamia nuts. The Division has an active out-grower scheme supporting tea farmers covering about 1,000 hectares of land. The Beverage Division is focused on creating and developing brands from the primary agricultural products and consists of a blending and packaging plant in Mutare with sales and distribution depots in Harare, Bulawayo, Gweru and Mutare. The Corporate and Administration Division is responsible for administration support services for the Agriculture and Beverage Divisions.

Products Brands

STRATEGIC REVIEW (continued)

OVERVIEW OF MAJOR SUBSIDIARIES (continued)

MEIKLES HOSPITALITY

The Group leases and operates The Victoria Falls Hotel through a joint venture arrangement with African Sun Limited and also has a 35% investment in Mentor Africa (Pty) Limited, a company which owns and operates the Cape Grace Hotel in Cape Town, South Africa.

The Victoria Falls Hotel (161 Guest rooms and four restaurants)

View of the Victoria Falls from the hotel's Terrace Restaurant

The Victoria Falls Hotel was built in 1904 and is a 5-star hotel with 161 rooms situated in a prime location overlooking the Victoria Falls in Zimbabwe. The hotel building belongs to Emerged Railways Properties (Private) Limited and operates as a shared 50/50 partnership between Meikles Limited and African Sun Limited.

The Cape Grace Hotel, Cape Town, South Africa (120 Guest rooms and two restaurants)

Cape Grace Bedroon Suite

The Cape Grace Hotel is a V&A Waterfront hotel with its own quay providing 5-Star 120 luxurious rooms for tourists visiting the Atlantic Seaboard region in Cape Town, South Africa. The V&A Waterfront is a retail complex in Cape Town with shops and other amenities and tourist attractions.

CORPORATE GOVERNANCE

Corporate governance is a critical pillar which defines how Meikles Limited remains focused on the founding history of the business. The Company is governed through its Articles of Association. The Group continues to review and realign its corporate governance practices to satisfy the requirements of the Companies and Other Business Entities Act [Chapter 24:31], SI134 of 2019 – Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, 2019 and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).

GROUP GOVERNANCE

The Group operates a decentralised subsidiary structure. Each significant subsidiary has a formal operating Board with a clear definition of responsibility and operates within well-defined policies. The Main Board works closely with directors in each subsidiary ensuring strategies are formulated and approved following laid down procedures. There is comprehensive financial reporting with actual results reported monthly against budget and prior year.

BOARD STRUCTURE

There were substantial changes to the structure of the Board of Directors during and after the current financial year. The Board now consists of nine members, a non-executive Chairman, five independent non-executive Directors, and three executive Directors. The Board is made up of eight males and one female.

Committees

COMMITTEE	MEMBERS	RESPONSIBILITY (IES)
Board	**Mr. J.R.T Moxon (Chairperson)** Mr R. Chidembo Mr. K. Ncube Mr. J.A. Mushore Mr. S.J. Hammond Ms. C.C. Chitiyo Mr. S.P. Cranswick Mr. M.R. Mycroft Mr. T. Muzvagwandoga	The Board is responsible for matters such as Group strategy, acquisition and divestment policy, approval of the Group budget and major capital projects, and general treasury and risk management policies. The Board approves all financial reports and plays a pivotal role in managing strategic stakeholder relations. In addition, the Board is responsible for all matters of corporate governance and statutory compliance adherence. The Board meets on a quarterly basis and when there are urgent matters requiring their attention and decision.
Audit	**Mr. R. Chidembo (Chairperson)** Mr. J.A. Mushore Mr. S.J. Hammond	The Audit Committee meets at least quarterly. The internal and external auditors attend these meetings by invitation. The Audit Committee reviews the Group's interim and annual financial statements before submission to the Board for approval. Its objectives are to ensure that the Board is advised on all matters relating to corporate governance and the creation and maintenance of effective internal controls, as well as advising the Board and management on measures which ensure that respect for both regulatory issues and internal controls is demonstrated and stimulated. Accordingly, it reviews the effectiveness of the internal audit function, its programmes and reports, and also reviews all reports from the external auditors on accounting and internal control matters, and monitors action taken where necessary. The Audit Committee also recommends the appointment and fees of external auditors.
Risk	**Mr. S.J. Hammond (Chairperson)** Mr. R. Chidembo Mr. J.A. Mushore Mr. K. Ncube	The Risk Committee has, responsibility for the oversight of the risk management policies and practices of the Group's operations and oversight of the risk management framework. The Risk Committee meets at least quarterly.
Remuneration	**Mr. S.P. Cranswick (Chairperson)** Mr. J.R.T. Moxon Ms. C.C. Chitiyo	The Remuneration Committee meets at least quarterly. The terms of reference of the Remuneration Committee are to determine the Group's policy on the remuneration of senior executives.
Nomination	**Ms. C.C. Chitiyo (Chairperson)** Mr. J.R.T. Moxon Mr. R. Chidembo Mr. S.P. Cranswick Mr. J.A. Mushore Mr. S.J. Hammond	The Nomination Committee meets when necessary. The committee's main mandate is to recommend candidates to serve on the Board based on legal requirements, skills, experience, and diversity required for conducting the business of the Board.

Business Ethics

Meikles Ltd believes in strong business values which demonstrate moral practices of being fair, transparent and ethical. The Group participates and encourages all employees to uphold best practices of ethics to protect its reputation and values. The Group subscribes to a whistle-blower platform, the Tip-Off Anonymous, which provides a discrete reporting channel for unethical behaviour in the workspace.

Stakeholder communication with the Board

The Group allows stakeholders to engage directly with the Board through various channels which include the Annual General Meetings (AGMs), Trading Updates and other meetings.

CORPORATE GOVERNANCE (continued)

DIRECTORATE

J.R.T. MOXON
Chairman

John is a Fellow of the Institute of Chartered Accountants England and Wales (ICAEW) and also holds a Master of Business Administration from the University of Cape Town (South Africa). He joined the Meikles Group in 1970. He was re-appointed Chairman of Meikles Limited in 2011.

R. CHIDEMBO
Independent Non-Executive Director

Rugare is an extensively experienced business leader, Non-Executive Director, Entrepreneur and Business Turnaround Strategist. He has held executive management and senior finance positions at Lonrho Zimbabwe, the Econet Group for both local as well as regional operations and First Transfer Secretaries. He is a non-executive director on the boards of TN Asset Management (Private) Limited, Citimed Chitungwiza Hospital and First Transfer Secretaries (Private) Limited. Rugare is a trustee of the Ecocash Trust.

Rugare obtained his Bachelor of Accountancy Degree in 1982 from the University of Zimbabwe. He completed his articles of clerkship with Deloitte & Touche having passed his Board examinations in 1983, and he was duly admitted as a fully qualified member of the Institute of Chartered Accountants of Zimbabwe in February 1986. Rugare holds a Master in Business Administration Degree from the University of Zimbabwe.

J.A. MUSHORE
Independent Non-Executive Director

James was instrumental in the establishment of the then National Merchant Bank of Zimbabwe as the first wholly owned indigenous merchant bank in 1993. NMB Bank is now a retail bank for corporates and high net worth individuals. He set up, and served as the Chief Executive Officer of NMB Holdings Limited, the holding company of NMB Bank Limited, from 2010 to 2014. James also played a pivotal role in the dual listing of NMB on both the London and Zimbabwe Stock Exchanges.

Prior to that James spent 6 years in the United Kingdom from 2004 to 2010, as a financial advisor to companies doing business in Southern Africa.

Prior to NMB Bank Limited, he was a partner with Coopers & Lybrand in Zimbabwe and Zambia. Whilst at Coopers and Lybrand, he served as the Managing Partner of the Zambia Practice where he had responsibility for the Corporate Finance practice.

James is a past director of the Zimbabwe Revenue Authority, past Chairman of the Zimbabwe Tourism Authority and past President of the Institute of Chartered Accountants of Zimbabwe (ICAZ).

K. NCUBE
Executive Director

Kazilek is the Managing Director of Meikles Guard Services (Private) Limited. He served in the Zimbabwe Republic Police (ZRP) for 31 years, retiring in 1999 at the rank of Assistant Commissioner. Whilst in the ZRP, he successfully completed a number of courses including Human Resources Management and Financial Management with ZIPAM. On retirement he joined MineTech Zimbabwe as Operations Manager. As Operations Manager of an International Demining and Security Company, Kazilek oversaw a number of international contracts. He joined the Meikles Board in December 2009.

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

S.P. CRANSWICK
Independent Non-Executive Director

Stewart had a distinguished career as a stockbroker in Johannesburg. He brings a wealth of business insights having significant experience in a wide range of industries from travel and tourism to property and farming in various countries over the 20 years including operating a successful hotel business in Africa and Australia.

He is a director of Tanganda and was previously a director of African Sun Limited.

C.C. CHITIYO
Independent Non-Executive Director

Cathrine is a partner with law firm Atherstone & Cook in Harare. After graduating with an LLB from University of Zimbabwe, Cathrine started her career as a Public Prosecutor before proceeding into private practice. She carved her niche in conveyancing whilst also practising commercial and corporate law. In 2009, her law firm Wickwar & Chitiyo merged with Atherstone & Cook. She has been involved in several commercial transactions, advisory mandates and legal due diligences. She is past Trustee of the Law Society Compensation Fund, and current member of the Law Society of Zimbabwe Conveyancing Committee. Cathrine is also a past board member of National Aids Council, and some commercial entities including banks.

S.J. HAMMOND
Independent Non-Executive Director

Simon is a Chartered Accountant and seasoned business leader. He joined the Old Mutual Group in 1999 and served in various positions including Group Finance Director for Zimbabwe, Chief Operating Officer for Old Mutual Africa and Managing Director for CABS, a position he held until retirement in March 2020. Prior to joining Old Mutual, Simon was a Partner at KPMG Zimbabwe from 1989 to 1999 and is a past President of the Institute of Chartered Accountants ("ICAZ").

Simon has held various positions of responsibility for ICAZ, is a past director of Delta Corporation Limited and is the chairman of the Executive Committee of Peterhouse Group of Schools. He is also a director of Tanganda, Zimswitch Holdings Limited, RMI Holdings Limited and Old Mutual Insurance Company Limited.

T. MUZVAGWANDOGA
Finance Director

Thempson is a Chartered Accountant who served his articles with Deloitte & Touche in the Harare office. He joined the Meikles Group in 1997 and has occupied roles in Finance at the Hospitality segment and at Corporate Head Office. He is a holder of a Bachelor of Accountancy Degree from University of Zimbabwe and Master of Business Leadership from University of South Africa (UNISA).

M.R. MYCROFT
Executive Director & Acting Group CEO

Malcom joined the Meikles Group in 2016 as the Managing Director of TM PnP Supermarkets. After attending University of Cape Town School of Business and completing the Executive Development Leadership Programme, his retail career spanned over forty years with Pick n Pay in South Africa across all areas of retail. He is currently the acting Chief Executive Officer of the Company.

The Pullman room at The Victoria Falls Hotel

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

MEETING ATTENDANCE: April 2020 - March 2021

DIRECTOR	Board (4 Meetings)	Audit Committee (4 Meetings)	Risk Committee (1 Meeting)	Remuneration Committee (2 Meetings)	Nomination Committee (1 Meeting)
J.R.T. Moxon	4	-	-	2	-
R. Chidembo	4	4	1	-	1
K. Ncube	4	-	1	-	-
J.A. Mushore	4	4	1	-	1
S.J. Hammond	4	2	1	-	-
C.C. Chitiyo	4	-	-	2	-
S.P. Cranswick	4	-	-	2	-

Messrs. Mycroft and Muzvagwandoga were appointed to the Board on 16 June 2021.

The Centenary room at The Victoria Falls Hotel

CORPORATE GOVERNANCE (continued)

DIRECTORS AND SENIOR MANAGEMENT

GROUP/HOLDING COMPANY

J.R.T Moxon	Chairman
R. Chidembo	Non-Executive Director
K Ncube	Executive Director
J.A. Mushore	Non-Executive Director
S.J. Hammond	Non-Executive Director
C.C. Chitiyo	Non-Executive Director
S.P. Cranswick	Non-Executive Director
M.R. Mycroft	Executive Director and Acting CEO
T. Muzvagwandoga	Finance Director
T. Mpofu	Company Secretary
L. Chikara	Group Financial Controller
N.C. Avery	Head of Group Audit

SUBSIDIARIES

TANGANDA TEA

H. Nkala	Chairman
J.R.T. Moxon	Non-Executive Director
T.J.G. Fennell	Managing Director
H. Nemaire	Finance Director
K. Chigerwe	Beverage & Marketing Director
S.N. Kodzanai	Finance Manager
H. Kufakunesu	Chief Internal Auditor

The Tanganda Tea Board was restructured on 30 July 2021, in preparation for the demerger from the Group and separate listing on the Zimbabwe Stock Exchange.

TM SUPERMARKETS

J.R.T. Moxon	Chairman [Meikles]
L. Olivier	Non-Executive Director [Pick n Pay South Africa]
D. Langman	Alternate Director [Pick n Pay South Africa]
G.M. Ackerman	Non-Executive Director [Pick n Pay South Africa]
G.P. Gathmann	Alternate Director [Pick n Pay South Africa]
P. Boone	Non-Executive Director [Pick n Pay South Africa]
T. Mpofu	Non-Executive Director [Meikles]
T. Muzvagwandoga	Non-Executive Director [Meikles]
M. Oakley	Alternate Director [Meikles]
M.R. Mycroft	Managing Director
G. Nyamuzinga	Chief Finance Officer

MEIKLES HOSPITALITY

J.R.T. Moxon	Chairman
J.A. Mushore	Non-Executive Director
T. Muzvagwandoga	Director
T. Mpofu	Director
L. Chikara	Director

MEIKLES GUARD SERVICES

J.A. Mushore	Chairman
K. Ncube	Managing Director
E. Fuchs	Director
T. Muzvagwandoga	Director
T. Mpofu	Director
L. Chikara	Director

THOMAS MEIKLE PROPERTIES

J.R.T. Moxon	Chairman
J.A. Mushore	Non-Executive Director
M. Moxon	Managing Director
T. Muzvagwandoga	Director
T. Mpofu	Director

CORPORATE GOVERNANCE (continued)

COMPLIANCE

The Group complies with all applicable laws and regulations in every jurisdiction of operation. In addition, management takes cognisance of the obligation to comply with both mandatory and voluntary guidelines, standards and regulations governing sectors covering our business. The Group Internal Audit Department carries out audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the operations of the business. During FY2021, the group complied with provisions of the following instruments:

- The Companies and Other Business Entities Act [Chapter 24:31];
- SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019;
- Public Accountants and Auditors Board Pronouncements;
- International Financial Reporting Standards (IFRS); and
- Other applicable laws and regulations.

During FY2021, the Group did not experience material fines for non-compliance with laws and regulations on social and economic norms.

RISK MANAGEMENT

The Group risk management structure is as follows:

FINANCIAL RISK | BUSINESS & OPERATIONAL RISK | CLIMATE & ENVIRONMENTAL RISK

Financial Risk Management

The Group's financial risks relate to credit, liquidity and market risk which are managed through policies and procedures. The Risk and Audit Committees take responsibility of monitoring and managing financial risks and advising the Board. More details on financial risk management are contained on note 36 of this Annual Report.

Business and Operating Risk Management

The Group faces business and operating risk emanating from the business environment, strategy and operational controls. The Group has in place policies, procedures and controls that guide business transactions. The Board of Directors monitors and makes decisions on various matters to minimise any potential losses. Management takes responsibility of monitoring developments in the business operating environment for any potential risks and opportunities. The changes in the risk profile are reviewed by the Risk Committee and reported to the Board through quarterly reports. The Board evaluates the reports and makes decisions. It is the Group's requirement that strategic plans and budgets are formulated and presented to the Board for approval. On a quarterly basis, subsidiary boards meet and report to the main Board.

Climate and Environmental Risk Management

The Group operates tea estates, avocados and macadamia plantations which largely depend on climatic conditions. Fluctuation in climatic conditions can have significant effects on the quality of agricultural produce from the estates. In many cases climate change effects have no boundary. However, the Group ensures that it implements mitigation measures toward managing water, emissions, waste and other environmental impacts around all subsidiaries. The Group has procedures to minimise environmental and climate change effects through activities such as recycling programmes and meeting quality control standards.

Staff member attending to flowers

CORPORATE SUSTAINABILITY

Corporate sustainability is a business model for Meikles helping us manage and account for our social, economic and environmental impacts in the way we operate and create value for our stakeholders. It allows us to focus on material impacts and where they take place. By adopting corporate sustainability, the Group will continue to recalibrate and build a sustainable business to deliver long term value.

Our sustainability strategy rests upon minimising negative impacts while maximising business opportunities from sustainability issues. The Group has systems and procedures for identifying material economic, environmental and social risks and opportunities for the business and our stakeholders.

The management of sustainability risks and opportunities is fostered by adhering to international standards such as ISO9001:2015- Quality Management System, ISO 22000 - Food Safety Management System, the Global Good Agriculture Practices (GAP) and Rainforest Alliance Certification. Further, upholding the Labour Act [28:01] and allowing employees to freely join national employment councils and trade unions of their choice covering the Group's subsidiaries. In addition, engagements with internal and external stakeholders enable us to assess our performance and the identification of areas of improvement. These values define how management implement the strategy by setting targets and benchmarks that must be achieved.

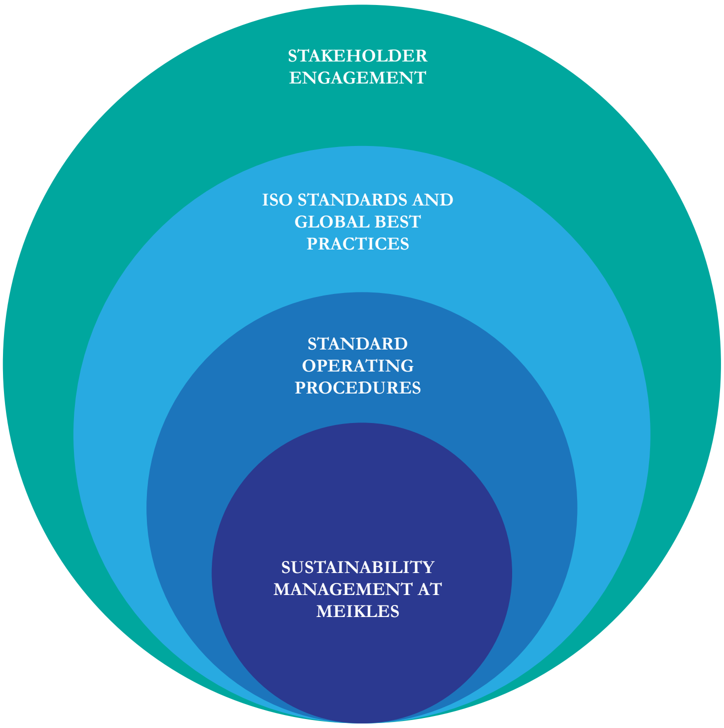
STAKEHOLDER RELATIONS AND ENGAGEMENTS

Stakeholder engagement is a critical element of our sustainability strategy enabling us to identify potential risks and opportunities in business relationships. The Group is always keen to hear from stakeholders as a way of enhancing performance. We recognise that inclusive and meaningful participation of stakeholders enhances transparency, accountability, integrity, effectiveness and sustainability.

Engaging with our stakeholders helps us to:

- Appreciate their expectations;
- Identify potential business risks and opportunities;
- Respond to material concerns and interests; and
- Build sustainable relations.

Sustainability Management at Meikles



RESPONSIBLE BUSINESS PRACTICES

As part of the Group's corporate sustainability strategy, we operate our business responsibly. This entails that above all compliance with laws and responding to societal expectations expressed through channels other than law. Our responsible business practices are enshrined in various policies implemented across key subsidiaries.

Child Labour
The Group takes the employment of children seriously particularly in the agricultural sector where it is prevalent in many places around the world. The Group's policy does not allow employing persons under the age of 18 years except for students on attachment from the age of 16 years. In light of the policy, the Group had to discontinue the 'Learn and Earn Scheme' completely to avoid employing underage people. During FY2021, no operations were considered at risk of child labour.

Human Rights
Observing human rights is a fundamental value that defines our brands and who we are as a Group. We must observe basic human rights as outlined in the United Nations' Universal Declaration of Human Rights and Employee Rights in terms of the Labour Act [28:01]. Human Rights issues have

CORPORATE SUSTAINABILITY (continued)

been included in the Company Human Resources and Child Labour Policies. We have also recently developed a detailed Sexual Harassment Policy which has already been shared with employees. The management of human rights issues is achieved through the various policies mentioned above.

Anti-Corruption
The Group has zero-tolerance for corruption, which is supported by the Anti-Bribery policy, Code of Ethics and Conflict of Interest policy. These policies aim to prevent anti-competitive collusion, bribery and corruption in the various jurisdictions where the Group operates. The prevention, detection and reporting of bribery, corruption and conflicts of interest is the responsibility of every employee and associate of the Group. Any unethical or corrupt practices are reported through the internal audit and Whistle-blower facility hotlines. The Group subscribes to a Tip-off Anonymous platform which provides an anonymous reporting channel for unethical behaviour in the workspace.

Environmental Stewardship
Meikles Limited has a long history of caring for nature and the environment, which is reflected in our environmental stewardship. To demonstrate our environmental care, we take it upon ourselves to manage the environmental aspect of our operations. Operating in an environmentally sustainable manner is part of the Group's culture. The Group adheres to several environmental standards, policies, and processes to reduce negative environmental consequences as a result of our corporate value chain activities.

Human Capital Management
The Group makes every effort to provide an environment in which workers feel respected and recognized for their expertise and efforts. Human capital management is significant since it has an impact on employee morale and motivation, as well as productivity. All labour relations must respect the requirements of the Labour Act [28:01] and international best practices, according to Group policy.

STAKEHOLDER GROUPS

Meikles Limited identifies all the different individuals, groups and organisations who are affected by or may have an influence on the organisation's processes. These are then grouped based on their mutual interests as follows:

- Business Stakeholders – those we do business with who include customers, suppliers, banks and business partners.
- Capital Stakeholders – those who provide financial and human capital who include investors, shareholders and employees.
- Regulators – those who set policies and laws that govern our business environment who include government and regulators.
- Communities – those who provide a social licence to operate who include local communities around our business operating environment.

TM Pick n Pay Employees

CORPORATE SUSTAINABILITY (continued)

STAKEHOLDER GROUPS (continued)

Stakeholder	Material Issues Raised	Mitigation Measures	Communication Channel
Customers	• Products quality, knowledge and concerns. • Credit control risk. • Customer parking space. • Currency instability for tenants. • Hotel booking terms and conditions. • Product competitiveness.	• Complaints register review and promotions. • Regular reviews of credit terms. • Parking lots renovation. • Rent reviews against inflation. • Flexible cancellation addendum introduced. • Refurbishments.	Customer meetings, emails, Facebook, direct calls, Posters and signposts in parking lots, customer survey.
Employees	• High cost of living and the erosion of wages by inflation. • Staff loans and mortgages. • Health and safety – working conditions. • Education and professional development.	• Wage reviews, hardship allowance and groceries. • Management provided with motor vehicle loans. • Appointment of health and safety officers. • Professional development policy is operational on the availability of funds.	NEC meetings, emails, policy, monthly health and safety meetings, face to face meetings, works council meetings.
Shareholders and Investors	• Competitive returns on Investments. • Market share growth. • Decline in business due to the COVID19 pandemic.	• Improved profitability and engagement with the investment markets regulators. • Budgetary and strategy executions. • Business survival measures, realignment of cost structures.	Executive management meetings, monthly reports, quarterly board meetings, annual general meetings.
Government and Regulators	• Compliance with regulations. • Foreign currency access and liquidation. • Import/ export permits. • High tariffs and unavailability of water.	• Compliance with regulations. • Submission of import/export permits applications. • Ongoing engagements with local authorities.	Integrated annual report, statutory returns, face to face meetings, engagement with line ministries, internal audit reviews.
Suppliers	• Compliance with regulations. • Foreign currency access and liquidation. • Import/export permits. • High tariffs and unavailability of water.	• Fair pricing, supplier screening and quality testing. • Paying on time, advance payments and clearing outstanding balances. • Conflict of interest declaration by staff. • Supplier contracts, setting up parameters to eliminate corruption (bills of entry for imports & licences, the limit of authority).	Face to face meetings, email, phone calls.
Small Holder/Out-Growers suppliers	• Rainforest Alliance and certification compliance. • Green leaf pricing. • Infrastructure development.	• Allocation of dedicated out-grower extension officers. • Regular pricing reviews. • Assistance with road servicing equipment.	Focus group meetings
Local Communities	• Infrastructure development (roads repairs & maintenance) • Provision of social amenities (Schools, clinics) • Request for donations. • Employment opportunities. • Curbing of poaching	• Assistance with road servicing equipment. • Provided school infrastructure and access to clinics at low charges. • Donations and clean-up campaigns. • Prioritizing employing local communities • Donations towards employing two rangers for Anti-Poaching	Meetings with traditional leaders, district and government authorities, notices, focus group engagement
Industry	• Foreign currency mandatory liquidation on export proceeds • Pricing • Competitiveness. • Collective bargaining.	• Lobbying by industry bodies such as CZI • Price check and promotions. • NEC membership.	Meetings with industry bodies.

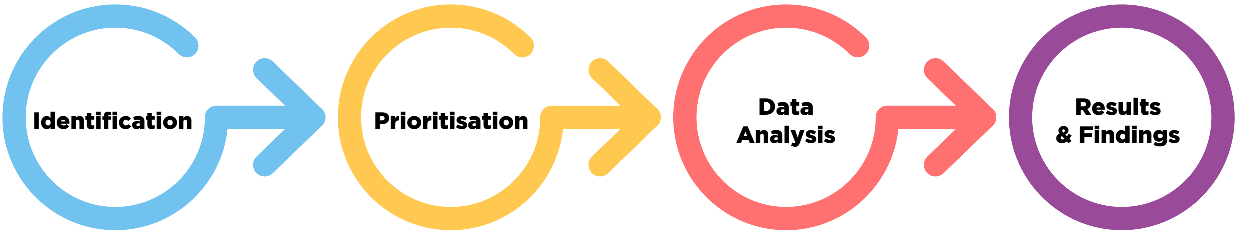
CORPORATE SUSTAINABILITY (continued)

OUR BUSINESS CONTEXT

Meikles Limited believes that the annual report should be consistent with the business operating environment which defines the sustainability context. Understanding the sustainability context helps the Group to identify material issues with both positive and negative effects on the business and stakeholders. In this regard, management undertook an exercise of identifying material topics and where they were taking place. The results below defined the report boundary and topics reported.

Materiality Assessment Process

The materiality assessment was conducted through a questionnaire survey. Data collected from the survey was processed in four phases: Identification of issues – the business identifies issues relevant to the nature of operations through stakeholder assessment and benchmarking. The identified issues are then prioritised based on a survey of senior management. The survey assessed the perceptions of management on the relative impact or importance of the identified issues to Meikles Limited and their influence on the decisions of stakeholders. The final assessment presented results and findings.



The results were collated and analysed to give a scoring on both the business and stakeholders on issues considered material. The identified issues were then categorised into economic, environmental and social topics as presented below:

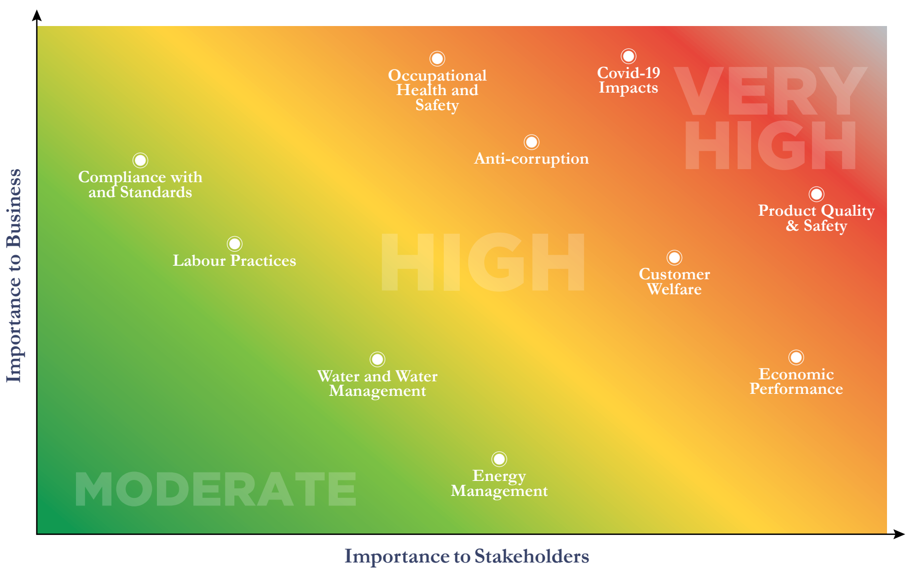
Economic Topics	Social Topics	Environmental Topics
• COVID-19 impacts • Anticorruption • Tax payments and strategy • Corporate Social Responsibility • Economic performance • Supply chain management • Business environment	• Labour practices • Customer welfare • Training and education • Customer privacy and data security • Compliance with laws and standards • Occupational health and safety • Product quality and safety • Employee welfare	• Energy management • Wastewater management • Greenhouse gas emissions and climate change • Ecological or biodiversity impacts

The above topics were plotted on a scatter graph. The graph provided a matrix which reflects topics with moderate, high and very high impact as presented below:

Materiality Matrix

The matrix below illustrates the outcomes of our materiality assessment. It points out the most significant sustainability issues and their relative significance to the business and stakeholders. The material topics ranked as 'very high' reflect those which had material impacts and opportunities for business and stakeholders, while those regarded as 'high' represent issues with significant impacts and will require ongoing monitoring and management. Those regarded as 'moderate' represent issues which have been managed to reduce impacts.

Meikles acknowledges that its operations have significant social, economic and environmental impacts, however, the magnitude of these impacts is variable. The business through the materiality assessments monitors the significance of these impacts to the business and its stakeholders. This year we focus on customers, employees, environmental stewardship, corporate social responsibility and economic contributions as our core areas of significant impact. We continuously evolve our management approaches to ensure we are effectively enhancing positive impacts while reducing negative impacts.



CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS

OUR CUSTOMERS

Customers are at the heart of our business. We interact with thousands of customers everyday through the subsidiaries. Through each interaction, we seek to make a positive contribution saving customers money while building trust. Putting customers first means that we are continuously reinventing ourselves to understand the wide-ranging needs of customers so we can serve them better. The Group has various platforms for customers to communicate any concerns about our products and services. The Group adheres to its commitment to quality by upholding relevant quality standards for each segment such as ISO9001- Quality Management Systems Certification. All customer information is protected under our Data Protection Policy and national laws.

Customer Privacy and Data Security
Customer privacy and data security is of importance to the Group as it has a direct impact on our brand, customer experience and can increase customer retention and revenue. The Group manages the data security issues by installing security updates, firewalls, passwords and encryption on company information systems. In addition, we have put in place the following policies:

- Customer privacy and data security policy.
- Cyber security policy.

Customer Welfare
The Group aims to create real value for customers always and have programmes that fit each specific customer's needs. There is a deliberate and concerted effort to continue listening to customer needs. Customer centricity assures business growth; therefore, we are always looking for every opportunity to enhance customer welfare. We ensure that there is total compliance to international best practices and some of the subsidiaries are certified to ISO 9001:2015 and ISO 22000:2018 certifications.

As a Group, it is our goal to manage our customer welfare in the following ways:
- To be courteous to all our customers at all contact points in such a way that they enjoy shopping with us.
- To equip frontline staff (as well as new staff) with requisite customer care knowledge through regular training programmes.
- To continuously learn more about new dimensions of customer welfare in our industry.
- Provide an effective 'Voice of the customer' system that allows immediate redress to challenges.

The Group engages customers to get feedback while providing a platform for reporting any form of dissatisfaction with either products or services we offer. The feedback is used to conduct a root cause analysis of the customer complaints so that appropriate corrective action is taken. Such a process has led to changes in operating procedures for continual improvement and stimulates innovation through product research.

Products Responsibility and Communication
The Group seeks to ensure products and services available are consistent with customer expectations on quality. Our retail business has quality control experts who monitor products before they are received from suppliers and displayed for sale. Products close to expiry dates are retrieved and replenished timeously. The quality control teams ensure that all products and services reflect the true picture and the taste our customers expect.

Product Quality and Safety
Product quality and safety play a key role in customer satisfaction. To provide safe, healthy and good quality products, some of our companies are certified to ISO 9001:2015-Quality Management systems (QMS) by the Standards Association of Zimbabwe (SAZ). The system has enabled us to confirm consistency in our products and services. We have recently been certified to the ISO 22000:2018 Food Safety and Security management system through DQS South Africa for our supermarkets segment. Products quality and safety are affected by a number of factors, therefore we ensure that we comply with the national and global standards.

Customer Grievance Management
Grievances regarding the quality and safety of our products can be reported through our subsidiaries' websites and publicly available telephone lines. These public platforms are for both customers and consumers to use when they are not satisfied in any way with any of our products. Once these grievances have been received, we investigate the root cause so that we can continually improve our operations.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

OUR EMPLOYEES

Our employees are the cornerstone that sustains the Meikles Legacy. The Group believes in building shared values that drive long term partnerships for sustainable success. We reward good performance and hold each individual accountable for their contribution to the Company. It is Group policy to ensure all labour relations meet expectations of the Labour Act [28:01] and international best practices. All subsidiaries are encouraged to be gender inclusive during recruitment, selection and promotion as a matter of policy. We offer equal opportunities, salary and training programmes without discrimination.

Employee Welfare

The Group believes that fulfilled employees lead to satisfied customers and therefore we aim to have a healthy workforce with high morale and motivation. The Company supports employee welfare by providing the following:

- Medical aid and staff clinics;
- Social amenities in the estates such as clubs and beerhalls;
- Sporting facilities and activities;
- Funeral assistance;
- Educational support to employees' children; and
- Competitive renumeration in line with financial performance

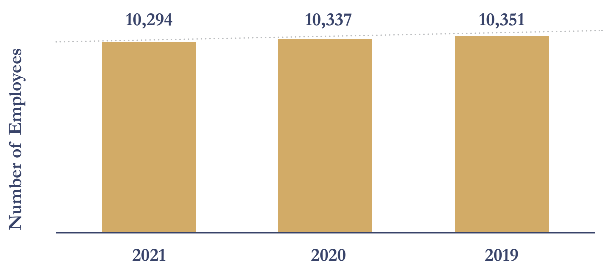
Employee grievances reporting procedures are registered in the Company code of conduct. The Code provides a mechanism for hearings and decisions on employee related matters. In addition, the Group makes use of Works Council meetings to evaluate management approach to employee welfare.

Labour Practices

Fostering harmonious industrial relations is key to our business processes. We manage labour practices through disciplinary hearings/grievance mechanisms which are followed to correct deviant behaviour. Works Council Meetings are held to manage worker-management relations. There is a Code of Conduct for each subsidiary incorporating a grievance procedure to ensure speedy and fair resolution of grievances for the organisation.

Human Capital Base

During FY2021, our total employees were as follows:



Total Employees Per Subsidiary	Tanganda	TM Supermarkets	Corporate	The Victoria Falls Hotel	Meikles Guard Services	TM Properties	Total
2021	4,649	4,986	27	61	564	7	10,294
2020	4,203	5,256	26	272	577	3	10,337
2019	4,623	4,892	26	267	540	3	10,351

Contract Type and Gender	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Permanent	2,834	869	2,991	851	2,790	764
Contract	3,636	2,955	4,137	2,327	4,447	2,325
Casuals	-	-	30	1	23	2
Totals by gender	6,470	3,824	7,158	3,179	7,260	3,091
Total Employees	**10,294**		**10,337**		**10,351**	

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

OUR EMPLOYEES (continued)

Our Impacts

Meikles Ltd continues to deliver positive human capital impacts by providing full time/permanent, contract and internship employment opportunities within the Group. The Group believes that employment opportunities provided have been instrumental in improving livelihood, professional careers, skills development and utilisation.

Staff Recruitment and Turnover

During FY2021, employee movement was as below:

Employment Activity	2021	2020	2019
Recruitment	2,900	2,641	2,325
Turnover	2,943	2,655	2,205
Net Impact	**(43)**	**(14)**	**120**

	2021		2020		2019	
Age Category	Recruitment	Turnover	Recruitment	Turnover	Recruitment	Turnover
Under 30 years	1,909	2,016	2,027	1,854	1,338	1,240
30-50 years	904	843	585	744	904	877
Over 50 years	87	84	29	57	83	88
Total	**2,900**	**2,943**	**2,641**	**2,655**	**2,325**	**2,205**

The increase in recruitment and turnover from the prior year was 10% and 11% respectively. Turnover increased as a result of the combined effects of COVID-19 on all our subsidiaries.

Key Skills Base
Our employees subscribe to the following professional bodies:
- Zimbabwe Institute of Management;
- Institute of Chartered Accountants Zimbabwe (ICAZ);
- Association of Chartered Certified Accountants (ACCA);
- Institute of Chartered Secretaries and Administrators (ICSAZ);
- Chartered Institute of Purchasing & Supply (CIPS);
- Zimbabwe Institute of Engineers (ZIE);
- Engineering Council of Zimbabwe (ECZ);
- Occupational Health and Safety Engineers (OSHE);
- Nurses Council of Zimbabwe;
- Zimbabwe Chefs Association;
- Security Association of Zimbabwe (SAZ);
- Institute of Internal Auditors Zimbabwe (IIA Zim); and
- Institute of Directors Zimbabwe (IoDZ).

Occupational Health and Safety (OHS)
The safety of our employees is a critical responsibility of management. The Group is committed to zero occupational related fatalities and injuries. Each subsidiary has specialised policies and procedures for the management of occupational health and safety related to the natural hazards it is exposed to. The Group has resourced subsidiaries with health and safety experts with responsibilities for managing health and safety risks. Health and safety officers conduct hazard identifications and risk assessments and come up with mitigation measures.

The Group facilitate health and safety training for employees during induction and when required. However, specialised training is conducted on a case-by-case basis. Machinery handling procedures are made easily accessible in foreign and local languages. Our policies on health and safety require management to refer all cases of injuries to the nearest hospital and allow off days for recovery. Each subsidiary covers all on-job injuries medical expenses which they claim from the Group medical insurance. During the reporting period, the company provided resources for:
- First aid training;
- Fire-fighting training;
- Facilities for safe storage of LP gas;
- Licences for the fuel station; and
- Health and safety signage.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

OUR EMPLOYEES (continued)

During FY2021, OHS incidences were as follows:

	2021	2020	2019
Total work-related injuries	668	424	432
Number of lost days as a result of injuries	1,627	1,962	2,011
Work-related fatalities	1	-	2

Work-related injuries increased by 58% and were mostly related to hand-held tea harvesting machines from the agricultural division.

Training and Education
The Group supports continuous professional development for its employees as this helps the organisation to achieve continued competitiveness through the acquisition of critical skills and knowledge by employees. Any training and educational programme implemented is preceded by an exhaustive Training Needs Analysis (TNA) across the entire workforce. Each training session conducted had specific objectives expressed in preference of the modern Bloom's Taxonomy, venues and target groups / participants are categorized as an outline of the purpose to be achieved.

The subsidiary human resources departments have training evaluation forms, which participants / trainees use to assess the training / educational sessions they have gone through. Their views, opinions, expectations and advice are the basis upon which the HR departments refine and redefine training sessions.

During FY2021, average training hours per employee by gender were as follows:

	2021	2020	2019
Male (hrs)	13	6	4
Female (hrs)	9	5	2

The average training hours per employee increased by 117% and 80% for males and females respectively.

Freedom of Association and Collective Bargaining
The Group's policy is to grant employees the freedom of association and collective bargaining rights as enshrined in the Universal Bill of Rights and the International Labour Organisation (ILO) Standards. As such, the Group allows employees to form associations and join trade unions or employment councils following due processes. These associations provide opportunities for collective engagement with our employees within their rights to build a coherent team of management and employees. The Group has businesses in retail, agriculture, hospitality, properties and security services. As such, some of our employees are members of The Commercial Workers Union of Zimbabwe, General Agriculture and Plantation Workers Union of Zimbabwe, National Employment Council (NEC) for Security Industry and the NEC for the Hotel and Catering Industry.

During FY2021, 66% of our employees were covered under collective bargaining agreements through their National Employment Councils and trade unions.

Post-Employment Welfare
The Group contributes to the Meikles Group Pension Fund to support post-employment welfare of employees.

COVID-19 RESPONSE

The COVID-19 pandemic disrupted business operations while threatening the health and safety of our employees and customers. Key impacts for our business emanated mostly from the reduction in the operating hours as well as the closure of non-essential services.

The business conducted a total of 4,120 COVID-19 tests during the reporting period of which 62% were PCR tests and 38% were Rapid and Antigen tests. The results were as follows:

Activity	2021
Tests	4,120
Positive cases	470
Recoveries	467
Deaths	3

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

Financial Investments on COVID-19 Responses

The Group invested in the following to mitigate against the impacts of Covid-19:

DESCRIPTION	COST ZWL 000
Sanitizers	11,021
COVID-19 Testing	8,394
Masks	2,913
Cleaning	1,547
Thermometers	1,036
Other	3,119
TOTAL	**28,030**

Store Closures due to COVID-19 Pandemic

COVID-19 resulted in the closure of some of our TM supermarkets stores where 5 were closed for 14 days, 2 stores for 3 days and 1 store for 1 day. The Victoria Falls and Cape Grace Hotels closed during the reporting period due to restrictions placed by the regulators to manage the impacts of the pandemic. The Victoria Falls Hotel was completely closed from April to November 2020 whilst Cape Grace Hotel was closed from April 2020 to July 2021.

The pandemic had additional impacts on the Group as follows:
- Disruption of the supply chain especially for Tanganda and TM Supermarkets;
- Reduction in operating hours following Government lockdown measures;
- Increased medical costs, sick days and in the extreme caused deaths;
- Increased operational costs (COVID-19 testing expenses, sanitisation, personal protective equipment, COVID-19 induced wastage);
- Use of minimum staff to support social distancing;
- Delays in completing refurbishments; and
- Uncertainty of business environment.

Mitigation Measures for Employees

In response to the Government regulations and the World Health Organisation Guidelines, the business put in place measures to reduce the impacts of COVID-19 on its employees as follows:
- Infrared thermometers testing at points of entry;
- Provision of staff transportation;
- Periodical disinfection of workspaces;
- Provision of sanitisers and protective masks and clothing; and
- Social distancing at workplaces.

Mitigation measures for Customers and other External Stakeholders

The business enforced the following protocols for customers:
- Temperature checks;
- Sanitising of hands;
- No face mask no entry policy; and
- Face mask donations to customers without face masks.

The Group communicated with customers through visible placards and notices.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

Mitigation measures for Customers and other External Stakeholders (continued)

The Group subsidiaries established COVID-19 Action Plans which were amended regularly to match changes in legislation and guidance from the World Health Organisation (WHO), Centres for Disease Control and Prevention (CDC) and the Ministry of Health and Child Care (MoHCC).

The Action Plans detail the following, among others;

I. Staff awareness on COVID-19,
II. Daily staff screening procedure,
III. COVID-19 positive cases management, and
IV. Contact tracing procedures.

Further, the Action Plans contain procedures for:

I. Sudden death;
II. Returning to work;
III. Recruitment during COVID-19 pandemic;
IV. Security protocols in stores;
V. Customers and service providers in store; and
VI. Rapid response teams notification and store disinfection procedures.

ENVIRONMENTAL STEWARDSHIP

Meikles Limited built a legacy of loving nature and the environment which is evident in our care of the environment around our business operations. We assist in managing the local environments adjacent to our operational sites to demonstrate our environmental stewardship. It is the Group's culture to operate in an environmentally sustainable manner. The Group subscribes to various environmental standards, policies and procedures that minimise negative impacts on the environment as a result of our business value chain activities.

Energy Management
Energy is vital in all our business value chains. The Group's policy is to ensure conservation in resource use. In that regard, the Group has energy saving taskforce representatives across all branches of our subsidiaries. Their responsibility includes raising awareness on energy use and saving. Management has daily reminders on energy savings.

Tanganda completed the installation of a 1.8MW solar hybrid plant at the company's Ratelshoek estate in Chipinge, which forms part of a wider 7.5MW solar programme across the company's estates. Tanganda's estates had suffered from frequent power cuts in recent years that interrupted tea production.

TM Supermarkets implemented measures to manage energy consumption by setting monthly targets and taking corrective action on any anomalies. The business introduced gas stoves while installation of inverters in every branch has been planned for the future.

	2021	2020	2019
Petrol (Litres)	248,707	231,391	251,206
Diesel (Litres)	1,008,566	5,158,495	1,280,742

During FY2021, electricity consumption increased due to an improvement in power supply for Irrigation at Tanganda Tea Estate. This led to the decrease in diesel consumption, where production in the factories was powered by generators mostly in 2020. The Group is currently working on developing a systematic recording process to accurately measure its electricity consumption consistently across the business units.

Energy Consumption outside the Organisation
The business relies on both internal and external transportation facilities in delivering goods and services, our priority is to use our fleet to manage delivery time and quality. We use third parties when our fleet is limited or when it is not cost-efficient in certain routes with low volumes. Our transport management system ensures all vehicles are maintained in good working conditions to enhance fuel efficiency. Fuel consumption for FY2021 is presented below:

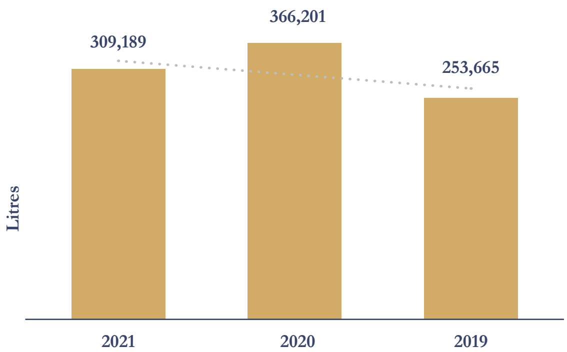
CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

ENVIRONMENTAL STEWARDSHIP

Energy Consumption outside the Organisation (continued)

TOTAL FUEL CONSUMPTION



Activity	2021 (Litres)	2020 (Litres)	2019 (Litres)
Petrol	71,804	104,356	82,111
Diesel	237,385	261,845	171,554
Total	**309,189**	**366,201**	**253,665**

Total consumption decreased by 16% due to reduced working hours and deliveries which were impacted by COVID-19 restrictions in the movement of goods.

WATER AND WASTEWATER MANAGEMENT

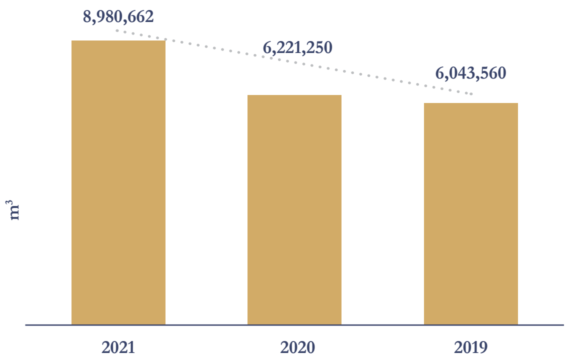
Water is a critical resource for all our subsidiaries. However significant consumption is in irrigating the estates, cleaning, cooling and other hygiene purposes. The Group's approach is to ensure conservation during extraction and usage. Our major water sources include dams, boreholes and municipal supply in most of our operations. Most of our subsidiaries have daily reminders for water conservation which are supplemented by ongoing awareness among staff and stakeholders during their presence in our business premises.

Tanganda
Tanganda generates wastewater from tea, coffee and macadamia manufacturing processes. The business manages wastewater impacts through in-house wastewater treatment plants at all tea factories. We also carry out laboratory tests to determine the quality of the water at entry and exit points in the estate. We have made commitments that all wastewater must be dammed and no untreated effluent should find its way into the natural water bodies. These commitments are part of regulatory, and international standards compliance like Rainforest Alliance and Global Good Agricultural Practices (GAP).

During FY2021, water consumption by the source was as follows:

Total water consumption increased by 44% as a result of improved power supply leading to minimal interruptions on irrigation of Tanganda Estates.

TOTAL WATER CONSUMPTION



Source	2021 (m^3)	2020 (m^3)	2019 (m^3)
Dams	4,694,902	5,494,337	5,180,037
Borehole	4,184,817	325,396	514,108
Municipal	100,943	401,517	349,415
Total	**8,980,662**	**6,221,250**	**6,043,560**

WASTE

The Group has a strong position on waste reduction. We have several initiatives such as supplier return policy, rewarding low waste levels and the war on waste. The adoption of ISO 9001: 2015-Quality Management Systems by some of our subsidiaries has fostered waste minimisation during production.

The Victoria Falls Hotel has adopted a green initiative that promotes the recycling of food waste for organic gardens. This initiative has been key in keeping our environment clean while reducing the amount of waste sent to the landfill. The hotel also makes use of reusable glass bottles which has significantly reduced the amount of plastic waste we generate.

CORPORATE SUSTAINABILITY(continued)

SUSTAINABILITY IMPACTS (continued)

WASTE (continued)

Tanganda is part of a voluntary collaborative drive with companies using Polyethylene Terephthalate ("PET") bottles in the country to reduce the volumes of plastic deposited on the environment. The business has committed to maintaining our membership in PETRECOZIM which is a recycling company for PET bottles. The goal is to remain an active paid-up member of the PETRECOZIM recycling company. Tanganda purchases packaging materials that only conform to its machinery specifications as a way to minimise waste. The company has a waste target of below 1%.

During FY2021, waste generated and disposed of was as follows:

Waste Type	Disposal Method	2021	2020	2019
Packaging (tons)	Incineration	27	18	17

EMISSIONS

Our operations depend heavily on the use of fossil fuels to power facilities, generators, refrigeration units and transport systems. This significantly increases our contribution to air pollution and climate change. The Group recognises these impacts and seeks to ensure their minimisation. This is being managed by conducting quarterly surveys in all operations, installation of solar power, replacement of refrigeration equipment that use refrigerants such as chlorofluorocarbons (CFCs) and hydrofluorocarbons (HFCs) with those that use cleaner technology.

Carbon footprint
To determine our carbon footprint, we calculated our carbon emissions using activity data collected at our operating assets. Activity data is multiplied by an energy conversion factor (where necessary) and emission factors to derive the energy consumption and Green House Gas (GHG) emissions associated with a process or an operation. Examples of activity data include kilowatt-hours of electricity used or the quantity of fuel used.

Scope 1: Direct Emissions
The emissions under Scope 1 relate to GHG generated directly or controlled by Meikles Limited primarily from fuel energy consumed through generators and motor vehicles.

Emission factors were obtained from United Kingdom (UK) Government GHG Conversion Factors for Company Reporting for 2021. All fuels were considered average fuel blends and the scope 1 emissions were as follows:

	Unit	2021	2020
Scope 1	Kg CO2e/Litre	3,929,379	3,997,297

CLIMATE CHANGE ACTIONS

Climate change presents a major risk for businesses hence the need for proactive mitigation initiatives. The Group operates companies in agriculture, retail and hospitality which are also exposed to climate change effects. However, Meikles Limited's commitment to environmental protection inspires our subsidiaries to be proactive. The emergence of the COVID-19 had significant impacts on some climate actions like tree planting and environmental clean-up activities.

Ecological and Biodiversity Impacts
Our business operations directly affect a wide variety of plant and animals species. The business recognises the significance of biodiversity and takes reasonable care to manage its impacts on flora and fauna. Key areas in which we manage biodiversity impacts include controlled usage of herbicides and pesticides in plantations, prohibition of hunting, controlled fishing in the lakes, protection of natural and indigenous forests. Meikles contribute to the management of the following sites:

Details	Sites	
Geographical location	Chipinge	Victoria Falls
Heritage considered under biodiversity	9,477 Ha	12 Ha
Biodiversity value characterised by the listing of protected status (such as IUCN Protected, Area Management Categories, Ramsar Convention, national legislation)	Mt Selinda Forest	The Victoria Falls and The Victoria Falls National Park (UNESCO World Heritage Site)

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

ECONOMIC PERFORMANCE

Management's approach is to generate economic value in a sustainable manner that maximises stakeholder value. Our ability to maximise economic value generation is dependent upon the prevailing business environment. Our approach is to distribute economic value to our shareholders, customers, suppliers, communities and employees in line with our strategic plan.

Economic Value Generated and Distributed

Meikles through its varied subsidiaries generates immense economic value for a wide range of stakeholders. We are proud of the valuable contributions we make to the communities we operate in and society as a whole. Through tax payments we enable the government to provide essential services to citizens and invest in their communities for the future. In addition, our investment in the economy creates employment both directly within our subsidiaries and indirectly through our suppliers, which supports the standard of living and further development of those communities.

During FY2021, the economic value generated and distributed in historical costs terms was as follows:

	2021 ZWL 000	2020 ZWL 000	2019 ZWL 000
Economic Value Generated:			
Revenue	23,788,561	4,293,387	806,205
Attributable gains	2,583,469	982,765	55,390
Other incomes and interests	264,440	57,285	11,177
	26,636,470	**5,333,437**	**872,772**
Economic Value Distributed:			
Operating Costs	(17,923,347)	(3,373,071)	(667,331)
Employee Costs	(2,660,260)	(277,564)	(52,099)
Depreciation and other amortisation	(331,507)	(30,293)	(9,737)
Providers of financial capital	(254,708)	(38,156)	(8,432)
Income Tax Payments and provisions	(1,048,071)	(230,413)	(16,845)
	(22,217,893)	**(3,949,497)**	**(754,444)**
Economic Value Created	**4,418,577**	**1,383,940**	**118,328**

Evaluation of our systems of economic value generation management

The Group employ internal audits to evaluate and analyse performance against set goals and targets for direct economic value generation and distribution during the year. Corrective measures are taken to mitigate any risks that may affect the company's performance. External audits are conducted to give assurance on the authenticity of transactions and financial performance of the Group.

TAX PAYMENTS AND STRATEGY

Meikles supports the notion that companies should pay their fair share of tax and consequently that countries should have taxation rights commensurate with the value created in those countries. As such we play our part in ensuring we are compliant with all tax requirements in the countries in which we operate. The Group is liable for direct tax in Zimbabwe and indirect tax in South Africa through Mentor Africa (Pty) Limited (Mentor). The Group operates a decentralised tax planning system which is consolidated for the Group. The Group is compliant with the requirements of all tax obligations. We ensure that assessments are done when there are fundamental changes to tax laws and when there are key organisational strategic changes which is the responsibility of the Finance Director in consultation with the tax advisors and the Board of Directors.

Zimbabwe Tax

The following summary addresses the Zimbabwe tax consequences for investors who are not residents of Zimbabwe and who hold shares as capital assets.

Dividend withholding tax

Dividends payable to non-residents are subject to withholding tax of 10% for dividends from securities listed on the Zimbabwe Stock Exchange and 15% in the case of any other dividends. Lesser rates apply where double taxation agreements exist.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

TAX PAYMENTS AND STRATEGY (continued)

Dividend withholding tax (continued)

Dividends payable to corporate residents are not subject to withholding tax.

Dividends payable to non-corporate residents are subject to withholding tax of 10% for securities listed on the Zimbabwe Stock Exchange and 15% in the case of any other dividends.

Capital Gains Tax
The sale of securities listed on the Zimbabwe Stock Exchange is subject to withholding tax of 1% of sale proceeds and is exempt from capital gains tax.

Dividend Distribution
In terms of Zimbabwe Exchange Control Regulations, the distribution of retained earnings by way of dividends is restricted. The regulations provide that dividends may only be paid to non-resident shareholders with the specific approval of the Exchange Control Authority. Only after-tax revenue profits accruing during the financial year immediately preceding the application are remittable. Accordingly, profits accruing in financial years preceding the most recent year-end are effectively blocked.

Approval of remittance is at the discretion of the Exchange Control Authority. Withholding tax is payable thirty days after the declaration of the dividend, notwithstanding that an application for its remittance may be denied.

South Africa Tax
Our foreign operations in South Africa are primarily through a 35% investment in Mentor Africa (Pty) Limited (Mentor). The investment is carried at fair value at year-end. Mentor operations pay tax in South African and the tax is not incorporated in the Meikles financial statements. Dividends remitted out of South Africa are subject to 20% non-residents tax.

SUPPLY CHAIN MANAGEMENT

Procurement Practice
Meikles Limited ensures that all suppliers meet set standards and quality expected of our business brands and by our customers. Management's approach is to ensure there is economic viability in supplier prices, guaranteed quality and sustained availability. Our supermarkets and hotels operate a 'just-in-time' procurement system on perishable goods.

Tanganda
The company advocates for alignment and balance between supply chain and cash flow management. Buying at the right price, from the right source, the right quality at the right time to ensure customer satisfaction is our commitment. Where possible, procurement shifted from re-order level procurement to just-in-time procurement to mitigate against cash flow challenges. The procurement department acquires products and services from approved suppliers who are thoroughly vetted before being listed.

During the year, our suppliers and procurement were as follows:

	2021	2020	2019
Total number of suppliers	1,560	3,231	2,738
Total payments to suppliers (ZWL '000')	22,096,380	4,005,728	781,263

Payments to suppliers increased by 451% (based on historical figures) due to inflationary effects. The depreciation of the exchange rate from ZWL 25:US$ at the beginning of the financial year to ZWL84:US$ by the end of the financial year also contributed to the increase in payments to suppliers.

Local Suppliers Support
The Group makes an effort to source goods and services locally as a way of supporting local suppliers using the 'Buy Zimbabwe' concept. We also recognise the risks in the procurement of goods and services from both local and foreign suppliers, as such we ensure that Anti-Bribery policies are applied and communicated to all employees.

During FY2021, our spending on local suppliers was as follows:

	2021	2020	2019
Procurement spent on local suppliers (ZWL '000')	21,422,250	3,835,244	755,368

The amount spent on local procurement increased by 458% due to inflationary effects.

Out-grower scheme and small-holder suppliers
Tanganda Tea Company operates an out-grower scheme designed to economically empower surrounding communities near our plantations. The company provides training and management support to meet expected standards and quality. This partnership with communities has been the Group's contribution to sustainable development. TM Supermarkets also supports small-holder producers by buying their fresh produce through our supply chain when they meet expected quality standards. The company works closely with small-holder suppliers on the criteria for qualifying into the supply chain.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

SUPPLY CHAIN MANAGEMENT (continued)

Out-grower scheme and small-holder suppliers (continued)

During FY2021, our supply chain for out-growers and small-holders was as follows:

	2021	2020	2019
Number of out-growers and small-holder suppliers	1,580	1,878	1,927
Amount spent on out-growers and small-holder suppliers (ZWL 000)	164,683	23,129	5,586

The number of out-growers and small-holder suppliers decreased by 16% due to the impacts of COVID-19 on agro-economic activities.

INVESTING IN OUR COMMUNITY

At Meikles Limited, our corporate responsibility is about being a good corporate citizen. This is often done by identifying and supporting the less privileged members of society. The Group seeks to support as many people as possible through donations and other initiatives. We recognise that the success of our subsidiaries is dependent on the wellbeing of the communities in the environment we operate. Therefore, we contribute towards transforming people's lives in ways that promote business continuity and sustainable development.

During FY2021, the Group was involved in the following initiatives: [Historical cost].

Thematic Need	Purpose	Material/Support	(ZWL '000')
Natural disasters	Assistance towards the fight against COVID-19 pandemic.	Cash	20
Education	Enabling access to education.	School furniture, computers TM gift vouchers, various products	397
Health	Supporting and improving the health system and access by society.	Building material TM Pick n Pay gift vouchers for various goods.	1,538
Old people's homes	Supporting the elderly.	Fuel TM gift vouchers, various products	593
Orphanages	Assisting the vulnerable and orphaned.	TM gift vouchers, various products	1,651
Sports	Support sporting activities.	TM gift vouchers, various products	16
Community development	Improving social development in local communities.	Fuel, firewood, protective clothing, groceries, tree seedlings and cash	27,287
Animal parks and wildlife	Support animal parks & wildlife.	Venue for the event, gala attendance, TM gift vouchers, various products	446
Total Investments			**31,948**

Our contribution towards community investment increased to ZWL 31,9 million from the prior year of ZWL 0,86 million in line with our legacy of partnering with surrounding communities who sustain our brands. The Group will continue to uplift the lives of the communities we do business with who are both customers and business partners.

CORPORATE SUSTAINABILITY (continued)

SUSTAINABILITY IMPACTS (continued)

INVESTING IN OUR COMMUNITY (continued)

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) launched by the United Nations are a critical pillar to how business ought to thrive in healthy societies and sustainable economies. In this regard, Meikles Limited believes that it has a role to play.

During the year, our business actions contributed to the following SDGs:

OUR ACTIONS:

Tanganda Tea Company created economic opportunities for 603 out-growers in its supply chain made up of surrounding local communities. TM Pick n Pay included 143 small-holder suppliers. The Group invested over ZWL 31,9 million uplifting the lives of local communities.

OUR ACTIONS:

Tanganda Tea Company assisted in the construction of a Covid-19 centre in Manicaland which amounted to ZWL 1,3 million.

OUR ACTIONS:

The Group contributed towards the education of the local community children and helping those living with disabilities amounting to ZWL 397,000.

OUR ACTIONS:

The Group prioritises employing people from local communities near our operations. The Group provides diversity and equal opportunities for all. Our staff complement is composed of 32% Female and 68% Male, and we continue to make progress towards gender equity.

OUR ACTIONS:

The Group employed 10,294 in FY2021. 66% of our employees are covered under collective bargaining agreements. We provide high labour practices, a conducive working environment and competitive remuneration.

Tanganda Tea exports its products and earns foreign currency contributing to economic growth. TM Pick n Pay has 56 branches contributing to national economy through tax payments. The Victoria Falls Hotel is a premier hotel attracting global tourists to Zimbabwe.

OUR ACTIONS:

We contributed an amount of ZWL 27,3 million towards sustainable development for local communities like Chipinge Rural Communities, Mutare City Council, child cancer patients and Jembwe Community.

OUR ACTIONS:

Tanganda Tea Company maintained the Rainforest Alliance Certification and Good Agricultural Practices (GAP) Certification which provide scope for sustainable practices that enhance climate change response.

Our Energy and water conservation initiatives continue to minimise our footprint. During FY2021, the Waste reduction was at 77% from the prior year.

REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their report and the audited financial statements of the Group for the year ended 31 March 2021.

Principal activities
The main activities of the Group are those of supermarkets, agriculture, hotels, property and security guard services. The Group has classified the agriculture segment as available for distribution to owners through unbundling for separate listing on the Zimbabwe Stock Exchange. Refer to note 14 for further details. The mining operations are still on hold.

Financial results
The results for the year ended 31 March 2021 are set out in the attached inflation adjusted consolidated financial statements.

Going concern
The Directors have adopted the going concern basis in preparing these financial statements after assessing the principal risks arising from an unstable economic environment and having considered the impact of COVID-19 pandemic to the Group's operations. Management prepared budgets assuming COVID-19's impact to the Group's operations will not exceed the impact it had to financial results for the financial year ended 31 March 2021. The Directors reviewed these budgets. The Group is forecast to generate profits and positive cash flows in the year ending 31 March 2022 and beyond. Whilst both the economic environment and COVID-19 continue to evolve making planning difficult, the Group has significant liquidity headroom as at the reporting date and sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least twelve months from the date of signing of these financial statements.

Share capital
Details of the authorised and issued share capital are set out in note 26.1 to the financial statements.

Directors and their interests
The names of the Directors of the Company during the year are set out under the Corporate Governance section.

As provided by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listings Requirements, the Directors are bound to declare at any time during the year, in writing, whether they have any interest in any contract of significance with the Company or any of its subsidiaries or joint ventures. No Director confirmed having, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses except as disclosed in note 31. Executive Directors have employment contracts with the Company or its subsidiaries.

The direct and indirect beneficial interests of the Directors in the shares of the Company are given in note 26.2 to the financial statements.

Substantial shareholdings
According to information received by the Directors, the following were the top ten shareholders of the Company as at 31 March 2021:

Top ten shareholders	**No. of shares**	**%**
At 31 March 2021		
Gondor Capital Limited	122,903,771	47.08
Mega Market (Private) Limited	25,731,380	9.86
Old Mutual Life Assurance Company Zimbabwe Limited	21,516,302	8.24
Stanbic Nominees (Private) Limited – account 140043470003	8,774,137	3.36
Meikles Consolidated Holdings (Private) Limited	4,697,819	1.80
London Register – Meikles Africa Limited	4,556,899	1.75
Stanbic Nominees (Private) Limited – NNR account 140043470002	4,228,212	1.62
Messina Investments Limited	3,971,781	1.52
Old Mutual Zimbabwe	2,896,272	1.11
Meikles Pension Fund – ABC	2,874,310	1.10
Total for top ten shareholders	**202,150,883**	**77.44**
Other	58,913,707	22.56
Total	**261,064,590**	**100.00**

Dividend
The Directors declared two interim dividends totalling ZWL 85.0 cents per share and a final dividend of ZWL 100.0 cents bringing the total dividend to ZWL 185.0 cents for the financial year.

Independent auditors
Messrs. Deloitte & Touche offer themselves for re-election as auditors for the year ending 31 March 2022 and shareholders will be asked to reappoint them, and to approve their fees for the year ended 31 March 2021, at the Annual General Meeting.

J.R.T. Moxon
Chairman
29 June 2021

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors of the Company are responsible for the maintenance of adequate accounting records, and the preparation of financial statements for each financial year, that give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, and of the operating results and cash flows for that year. They are also required to select appropriate accounting policies, to safeguard the assets of the Company and the Group and to make reasonable and prudent judgements and estimates.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS interpretations Committee. Accounting policies accompanying the financial statements have been consistently applied from prior years. Since the March 2020 year end, the primary financial statements of the Group are the inflation adjusted financial statements, this was following guidance issued by the Public Accountants and Auditors Board ("PAAB") in 2019. The historical financial statements have been presented for supplementary information purpose only and the auditors have not expressed an opinion on them.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors have reviewed the Group's budgets and cash flow forecasts for the period to 30 June 2022 and, in light of this review and the current financial position, they are satisfied that the Group will have access to adequate resources to continue in operational existence for the foreseeable future. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed. Further details are included in note 4.2.1.

Preparer of financial statements
These consolidated financial results were prepared under the supervision of Thempson Muzvagwandoga CA (Z), the Finance Director of the Company.

T. Muzvagwandoga CA (Z)
Registered Public Accountant number 2724

J.R.T. Moxon
Chairman
Harare, 29 June 2021

R. Chidembo
Non-executive Director
Harare, 29 June 2021

P O Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
+263 (0) 8644 041005
Fax: +263 (0) 242 852130
www.deloitte.com

Independent Auditor's Report

To the Shareholders of Meikles Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Opinion

We have audited the inflation adjusted consolidated financial statements of Meikles Limited and its subsidiaries ("the Group"), set out on pages 43 to 95, which comprise the inflation adjusted consolidated statement of financial position as at 31 March 2021, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Independent Auditor's Report

To the Shareholders of Meikles Limited

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

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment in Mentor Africa (Pty) Limited	
As disclosed in note 4.2.7 of the inflation adjusted consolidated financial statements, the investment in Mentor Africa (Pty) Limited ("Mentor") is carried at fair value through other comprehensive income. The fair value of Mentor was determined to be ZWL 376,8 million as at 31 March 2021 (31 March 2020: ZWL 171,8 million). In determining the fair value, the Directors assessed two valuation methods and made assumptions that were based on economic and market conditions prevailing at the reporting date. These conditions included the uncertainty created by the COVID-19 pandemic to hospitality businesses. The valuation of Mentor was considered a key audit matter due to the complexity involved in the valuation process. The significant judgements and assumptions made by the Directors involved: • The marketability discount applied to determining a non-marketable value for Mentor; and • The weightings applied to the two valuation methods adopted. The related disclosures for the investment in Mentor are included in notes 4.1.1., 4.2.7 and 19 of the inflation adjusted consolidated financial statements.	We performed a number of procedures including the following: • Tested the design and implementation of the key controls over the valuation process. • Evaluated management's independent external valuer's competence, capabilities and objectivity. • Performed detailed testing on a sample of the input data provided by management to the external valuer for accuracy and completeness. • Using our own internal specialists, performed the following: - A detailed examination of the valuation methodologies and models adopted by management's expert and assessed the appropriateness of these against market practice and prevailing conditions; - Assessed whether inputs and assumptions used fall within an acceptable range based on relevant knowledge and experience of the market; and - Performed an independent valuation and compared with management's valuation. • Inspected the inflation adjusted consolidated financial statements for adequate disclosures of the assumptions, judgments and various inputs to the valuation. We assessed the valuation methodologies applied to be appropriate. The valuation of the investment in Mentor is within an acceptable range.
Valuation of biological assets	
As disclosed in note 3.20 of the inflation adjusted consolidated financial statements, the Group's biological assets are measured at fair value. The value of biological assets as at 31 March 2021 is ZWL 792.7 million (31 March 2020: ZWL 713.6 million in inflation adjusted terms). The key data inputs into the valuation models are: • Expected yields; and • Average selling prices less costs to sell for produce growing on the bearer plants at year end. Due to the significance of the estimation involved in determining the fair value of biological assets, this has been included as a key audit matter. The disclosures relating to the accounting policy and key sources of estimation are included in notes 3.20 and 4.2.2 of the inflation adjusted consolidated financial statements and the details of the biological assets are disclosed in note 20.	In responding to the identified matter, our procedures included the following: • Tested the design and implementation of the key controls over the valuation process. • Assessed the consistency and challenged the reasonability of assumptions used in the Directors' valuation model to determine the value of biological assets. • Tested a selection of key data inputs underpinning the carrying value of biological assets including estimated yields and selling prices, against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof. • We assessed the reliability of the Directors' estimated yields through a comparison of actual results in the current year against forecasts made in the prior year. • For livestock, we evaluated management's independent valuer's competence, capabilities and objectivity. • We reviewed management's assessment of the impact of COVID-19 on the entity's biological assets. • We performed an independent assessment of the impact of COVID-19 on pricing of the entity's products; and • Evaluated the financial statement disclosures for appropriateness and adequacy. We found the recognition and measurement of biological assets to be appropriate. We found the disclosures to be detailed and complete.

Independent Auditor's Report

To the Shareholders of Meikles Limited

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

Other Information

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

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

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

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

Responsibilities of the directors for the Inflation Adjusted Consolidated Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report

To the Shareholders of Meikles Limited

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

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

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

Report on Other Legal and Regulatory Requirements

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

Section 193 (1) (a)
The financial statements of the Group are properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of the financial statements for the financial year ended 31 March 2021.

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

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

Deloitte & Touche

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

6 July 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
			Restated◊		
	Notes	31 Mar 2021 ZWL 000	31 Mar 2020 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2020 ZWL 000
CONTINUING OPERATIONS					
Revenue	6.1	28,435,207	27,638,951	21,948,926	3,880,381
Net operating costs	7	(27,556,874)	(26,744,456)	(19,572,772)	(3,407,409)
Operating profit		878,333	894,495	2,376,154	472,972
Investment income	12.1	4,884	16,145	4,265	3,770
Finance costs	12.2	(224,566)	(233,976)	(180,016)	(34,788)
Net exchange gains / (losses)		1,463,432	(620,115)	911,163	48,296
Net monetary (loss)/ gain		(725,229)	4,520,825	-	-
Profit before tax		1,396,854	4,577,374	3,111,566	490,250
Income tax expense	13	(1,023,594)	(1,074,481)	(851,833)	(158,566)
Profit for the year from continuing operations		373,260	3,502,893	2,259,733	331,684
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	14	230,355	939,503	1,315,942	694,982
PROFIT FOR THE YEAR		603,615	4,442,396	3,575,675	1,026,666
Other comprehensive (loss) / income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on investments in equity instruments designated as at FVTOCI		(203,184)	(249,651)	(203,184)	(249,651)
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations		1,046,086	606,925	1,046,086	606,925
Other comprehensive income for the year, net of tax		842,902	357,274	842,902	357,274
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,446,517	4,799,670	4,418,577	1,383,940
Profit for the year attributable to:					
Owners of the parent		278,576	3,431,600	2,746,135	907,868
Non-controlling interests		325,039	1,010,796	829,540	118,798
		603,615	4,442,396	3,575,675	1,026,666
Total comprehensive income attributable to:					
Owners of the parent		1,121,478	3,788,874	3,589,037	1,265,142
Non-controlling interests		325,039	1,010,796	829,540	118,798
		1,446,517	4,799,670	4,418,577	1,383,940
Earnings / (loss) per share in cents					
Basic and diluted earnings per share - continuing and discontinued operations	15	106.71	1,314.46	1,051.90	347.76
Basic and diluted earnings per share - continuing operations	15	18.47	954.59	547.83	81.55
Headline and diluted headline earnings per share - continuing and discontinued operations	15	160.88	1,226.07	1,019.83	221.12
Headline and diluted headline (loss) / earnings per share - continuing operations	15	(2.71)	953.18	515.04	81.24

**Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.*

◊ Refer to note 37 for further details on the nature of the restatement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
			Restated◊		
		31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
ASSETS	Notes	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Non-current assets					
Property, plant and equipment	16	4,944,311	7,909,819	827,446	403,617
Investment property	17	9,859	10,003	226	231
Right of use assets	18	1,767,933	1,360,205	420,074	75,885
Investment in Mentor Africa (Pty) Limited	19	376,859	171,813	376,859	171,813
Biological assets	20	-	76,634	-	22,503
Intangible assets	21	-	5,346	-	124
Other financial assets	22	919,524	266,819	919,524	263,440
Deferred tax	13.2	896	236	32,742	20,637
Total non-current assets		8,019,382	9,800,875	2,576,871	958,250
Current assets					
Inventories	23	2,460,707	2,640,285	2,406,009	565,008
Trade and other receivables	24	1,538,463	2,115,309	1,532,074	606,212
Biological assets – produce on bearer plants	20	-	637,009	-	187,052
Other financial assets	22	15,140	12,066	15,140	3,543
Cash and bank balances	25	787,717	884,807	787,717	262,469
		4,802,027	6,289,476	4,740,940	1,624,284
Assets held for sale and distribution	14	5,182,607	1,320	2,613,009	9
Total current assets		9,984,634	6,290,796	7,353,949	1,624,293
Total assets		18,004,016	16,091,671	9,930,820	2,582,543
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	26.1	111,884	111,884	2,611	2,611
Share premium		139,617	139,617	3,925	3,925
Other reserves	27	531,467	(311,920)	1,238,673	395,603
Retained earnings		8,270,354	8,296,996	3,524,902	1,020,252
Equity attributable to equity holders of the parent		9,053,322	8,236,577	4,770,111	1,422,391
Non-controlling interests	22.2	2,809,147	2,694,868	800,576	177,063
Total equity		11,862,469	10,931,445	5,570,687	1,599,454
Non-current liabilities					
Borrowings	28	-	99,832	-	29,314
Deferred tax	13.2	1,595,700	2,112,056	207,334	88,022
Lease liabilities	29	507,060	311,697	507,060	91,527
Total non-current liabilities		2,102,760	2,523,585	714,394	208,863
Current liabilities					
Trade and other payables	30	2,921,985	2,509,103	2,921,761	736,775
Borrowings	28	63,347	104,848	63,347	30,788
Lease liabilities	29	21,622	22,690	21,622	6,663
		3,006,954	2,636,641	3,006,730	774,226
Liabilities relating to assets classified as held for distribution	14	1,031,833	-	639,009	-
Total current liabilities		4,038,787	2,636,641	3,645,739	774,226
Total liabilities		6,141,547	5,160,226	4,360,133	983,089
Total equity and liabilities		18,004,016	16,091,671	9,930,820	2,582,543

John Moxon

J.R.T. Moxon
29 June 2021

R. Chidembo
29 June 2021

**Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.*
◊ Refer to note 37 for further details on the nature of the restatement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

INFLATION ADJUSTED

	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	Attributable to owners of parent ZWL 000	Non-controlling interests ZWL 000	Total ZWL 000
2021							
Balance at 1 April 2020	**111,884**	**139,617**	**(311,920)**	**8,296,996**	**8,236,577**	**2,694,868**	**10,931,445**
Profit for the year	-	-	-	278,576	278,576	325,039	603,615
Other movements in reserves	-	-	485	-	485	-	485
Other comprehensive income for the year	-	-	842,902	-	842,902	-	842,902
Dividend paid – ordinary shareholders	-	-	-	(305,218)	(305,218)	(211,966)	(517,184)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	1,206	1,206
Balance at 31 March 2021	**111,884**	**139,617**	**531,467**	**8,270,354**	**9,053,322**	**2,809,147**	**11,862,469**
2020							
Balance at 1 April 2019	111,884	139,617	476,805	3,998,604	4,726,910	1,573,031	6,299,941
Profit for the year – restated◊	-	-	-	3,431,600	3,431,600	1,010,796	4,442,396
Transfer from non-distributable reserves	-	-	(1,145,999)	1,145,999	-	-	-
Other comprehensive income for the year	-	-	357,274	-	357,274	-	357,274
Dividend paid – ordinary shareholders	-	-	-	(279,207)	(279,207)	-	(279,207)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	111,041	111,041
Balance at 31 March 2020 – restated◊	111,884	139,617	(311,920)	8,296,996	8,236,577	2,694,868	10,931,445

HISTORICAL COST*

	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	Attributable to owners of parent ZWL 000	Non-controlling interests ZWL 000	Total ZWL 000
2021							
Balance at 1 April 2020	**2,611**	**3,925**	**395,603**	**1,020,252**	**1,422,391**	**177,063**	**1,599,454**
Profit for the year	-	-	-	2,746,135	2,746,135	829,540	3,575,675
Other movements in reserves	-	-	168	-	168	-	168
Other comprehensive income for the year	-	-	842,902	-	842,902	-	842,902
Dividend paid – ordinary shareholders	-	-	-	(241,485)	(241,485)	(206,658)	(448,143)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	631	631
Balance at 31 March 2021	**2,611**	**3,925**	**1,238,673**	**3,524,902**	**4,770,111**	**800,576**	**5,570,687**
2020							
Balance at 1 April 2019	2,611	3,925	64,929	131,914	203,379	48,999	252,378
Profit for the year	-	-	-	907,868	907,868	118,798	1,026,666
Transfer from non-distributable reserves	-	-	(26,600)	26,600	-	-	-
Other comprehensive income for the year	-	-	357,274	-	357,274	-	357,274
Dividend paid – ordinary shareholders	-	-	-	(46,130)	(46,130)	-	(46,130)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	9,266	9,266
Balance at 31 March 2020	2,611	3,925	395,603	1,020,252	1,422,391	177,063	1,599,454

**Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results.*

The auditor's opinion relates only to the inflation adjusted financial results.

◊ Refer to note 37 for further details on the nature of the restatement.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	INFLATION ADJUSTED		HISTORICAL COST*	
	31 Mar 2021	31 Mar 2020	**31 Mar 2021**	31 Mar 2020
	ZWL 000	ZWL 000	**ZWL 000**	ZWL 000
Cash flows from operating activities				
Profit before tax – continuing operations	**1,396,854**	4,577,374	**3,111,566**	490,250
– discontinued operations	**343,777**	1,428,320	**1,512,181**	795,743
	1,740,631	6,005,694	**4,623,747**	1,285,993
Adjustments for:				
- Depreciation and impairment of property, plant and equipment; investment property and right-of-use assets	**900,554**	787,536	**127,691**	36,266
- Net interest	**310,689**	253,655	**250,358**	35,621
- Net exchange gains	**(1,842,499)**	(68,240)	**(1,124,146)**	(108,886)
- Fair value adjustments on biological assets	**69,934**	(307,560)	**(413,237)**	(183,515)
- Reversal of impairment of other financial assets	**-**	(11,323)	**-**	(3,324))
- Profit on disposal of property, plant and equipment – continuing operations	**(55,307)**	(15,074)	**(86,862)**	(2,657)
- Loss / (profit) on disposal of property, plant and equipment – discontinued operations	**196,725**	(246,499)	**1,872**	(330,265)
- Other non-cash movements	**485**	-	**168**	-
Operating cash flow before working capital changes	**1,321,212**	6,398,189	**3,379,591**	729,233
(Increase) / decrease in inventories	**(620,465)**	167,164	**(2,617,840)**	(464,845)
Decrease / (increase) in trade and other receivables	**1,226,402**	(834,703)	**(273,247)**	(359,102)
Increase / (decrease) in trade and other payables	**925,561**	(2,176,047)	**2,313,354**	301,070
Cash generated from operations	**2,852,710**	3,554,603	**2,801,858**	206,356
Income taxes paid	**(1,308,224)**	(923,819)	**(626,259)**	(62,905)
Net cash generated from operating activities	**1,544,486**	2,630,784	**2,175,599**	143,451
Cash flows from investing activities				
Payment for property, plant and equipment	**(1,077,669)**	(1,274,013)	**(1,039,092)**	(258,175)
Proceeds from disposal of property, plant and equipment	**92,798**	1,583,547	**90,411**	364,749
Net movement in service assets	**69**	(1,693)	**60**	(141)
Net movement in other investments	**(63,636)**	12,094	**(63,516)**	3,352
Net movement on biological assets	**(148,963)**	(33,749)	**(169,880)**	(11,957)
Investment income	**1,207**	4,464	**551**	276
Net cash (used in) / generated from investing activities	**(1,196,194)**	290,650	**(1,181,466)**	98,104
Cash flows from financing activities				
Net (decrease) / increase in interest bearing borrowings	**(141,331)**	(1,481,254)	**167,156**	(3,662)
Non-controlling interests arising from Mopani Property Development (Private) Limited	**1,206**	111,041	**631**	9,266
Finance costs	**(315,694)**	(270,145)	**17,690**	(39,429)
Lease payments	**17,690**	38,161	**(228,658)**	11,206
Dividend paid – ordinary shareholders	**(282,505)**	(159,119)	**(218,772)**	(16,743)
Dividend paid – minority shareholders	**(211,966)**	-	**(206,658)**	-
Net cash used in financing activities	**(932,600)**	(1,761,316)	**(468,611)**	(39,362)
Net (decrease) / increase in cash and bank balances	**(584,308)**	1,160,118	**525,522**	202,193
Cash and bank balances at the beginning of the year	**884,807**	860,259	**262,469**	33,006
Translation of foreign entity	**(89,403)**	(25,460)	**10,748**	4,617
Net effect of exchange rate changes on cash and bank balances	**758,903**	(17,995)	**40,550**	22,653
Effects of inflation adjustments	**(130,710)**	(1,092,115)	**-**	-
Cash and bank balances at the end of the year	**839,289**	884,807	**839,289**	262,469
Comprising:				
Cash and bank balances from continuing operations (note 25)	**787,717**	884,807	**787,717**	262,469
Cash and bank balances from discontinued operations (note 14)	**51,572**	-	**51,572**	-
Total cash and bank balances at the end of the year	**839,289**	884,807	**839,289**	262,469

**Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor's opinion relates only to the inflation adjusted financial results.*

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Meikles Limited, (the Company), is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe and London Stock Exchanges. The address of the Company's registered office and principal place of business is disclosed on page 105. The principal activity of the Company is investments holding and the principal activities of its subsidiaries are disclosed in note 22.1.

These inflation adjusted financial statements are presented in Zimbabwe Dollar ("ZWL"), which is the presentation currency of the Group.

2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRSs that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments:* Disclosures
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 hedge items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

Application of the amendments has had no impact to the Group's consolidated financial statements.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16 *Leases*
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 has not made use of the practical expedient as amendment had no impact to the Group's consolidated financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards
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*.

Amendments to IFRS 3 *Definition* of a business
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.
Additional guidance is provided 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 adoption of these amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment to IAS 1 and IAS 8 *Definition of material*
The amendments are intended to 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 *Accounting Policies, Changes in Accounting Estimates and Errors* has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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 remeasurement 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 do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*

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.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – *Reference to the Conceptual Framework*

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 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.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use*

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.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective

Amendments to IAS 37 – *Onerous Contracts – Cost of Fulfilling a Contract*
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. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2.3 Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 *Financial Instruments*
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.

IFRS 16 *Leases*
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.

IAS 41 *Agriculture*
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies

3.1 Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS interpretations Committee. In addition, the consolidated financial statements have also been prepared in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and Zimbabwe Stock Exchange Listings Requirements.

3.2 Basis of preparation
The financial statements are prepared from statutory records that are maintained under the historical cost basis except for biological assets and certain financial instruments which are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

On 11 October 2019, the Public Accountants and Auditors Board ("PAAB") issued a pronouncement on the application of IAS 29. The pronouncement requires that entities operating in Zimbabwe with financial periods ending on or after 1 July 2019, prepare and present financial statements in line with the requirements of IAS 29.

The Directors have made appropriate adjustments to reflect the changes in the general purchasing power on the ZWL and for the purposes of fair presentation in accordance with IAS 29, these changes have been made on the historical cost financial information. Various assumptions have been made, with the significant assumption being the use of the consumer price indices ("CPI"), for the various years. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. The historical cost financial statements are provided as supplementary information and as a result the auditors have not expressed an opinion on them.

The source of the price indices used was the Reserve Bank of Zimbabwe website. Below are the indices and adjustment factors used up to 31 March 2021:

	Indices	Adjustment Factor
CPI as at 31 March 2021	**2,759.83**	**1.00**
CPI as at 31 March 2020	**810.40**	**3.41**
CPI as at 1 October 2018 (for opening balances)	**64.06**	**43.08**
Average CPI 2021	**2,083.51**	
Average CPI 2020	**382.91**	

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 and in accordance with the guidance provided by IFRS 13, 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 in detail on note 3.24.5.

The consolidated financial statements for the year ended 31 March 2021 were prepared under the supervision of Thempson Muzvagwandoga CA (Z), MBL (UNISA), the Finance Director of Meikles Limited.

3.3 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. 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.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.3 Basis of consolidation (continued)
Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Intragroup transactions with discontinued operations are eliminated under continuing operations.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non- controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations
Acquisitions of businesses are accounted for using the acquisition method, including acquisitions of joint operations that constitute a business as defined in IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:
- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.4 Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate is described at note 3.6 below.

3.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are accounted for using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.6 Investments in associates and joint ventures (continued)
The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.7 Interests in joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.8 Non-current assets held for sale or distribution to owners
Non-current assets and disposal groups are classified as held for sale or distribution to owners if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.8 Non-current assets held for sale or distribution to owners (continued)
When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

When an asset (or disposal group) is reclassified from held for sale to held for distribution to owners (or vice versa), such a change is considered as a continuation of the original plan of disposal and hence the requirements in IFRS 5 regarding change of sale plan are not applied.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures in note 3.6 above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.9 Revenue recognition
The Group recognises revenue from the following major sources:
- Sale of goods;
- Accommodation and venue hiring services;
- Security guard services; and
- Rental income.

Revenue is measured 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. The Group recognises revenue when it transfers control of a product or service to a customer.

3.9.1 Sale of goods
The Group's sale of goods include supermarket merchandise, agricultural products and hotel food, beverages and other merchandise.

For sales of supermarket merchandise, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Group operates a brand loyalty programme for a limited time period through which retail customers accumulate points on purchases of retail goods that entitle them to free pots, pans and / or knives. These points provide a discount to customers that they would not receive without purchasing the retail goods (i.e. a material right). The promise to provide the discount to the customer is therefore a separate performance obligation.

The transaction price is allocated between the product, and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

For sales of agricultural produce to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the wholesaler 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.

For food and beverages sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the food or beverage is served to the customer. When the booking contract for food and accommodation services is combined from a single customer, the Group recognises the revenue separately. For other hotel merchandise revenue is recognized when control of the goods has been transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.9 Revenue recognition (continued)

3.9.2 Accommodation and venue hiring services
The Group provides accommodation and venue hiring services to various customers through its hospitality business operations. Such services are recognised as a performance obligation satisfied over the customer's duration of stay. Revenue is recognised for these services based on the stage of completion of the booking contract. The Directors have assessed that the stage of completion determined as the proportion of the total duration of stay expected that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15. Payment for the accommodation and hiring services is not due from the customer until the services are complete and therefore a trade receivable is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date. Where deposit payment is received in respect of accommodation and venue hiring services not yet rendered, the receipt is recognised as a deferred income under other payables in the Group's consolidated statement of financial position.

3.9.3 Security guard services
The Group provides security guard services to customers both within the Group and external customers. The security guard contract is monthly based, and the Group recognises revenue from external customers on the stage of completion basis over the duration of the monthly contract. Billing is done at the beginning of the month, but payment is due from the customer when the service has been rendered to the satisfaction of the customer. Revenue to fellow Group companies is recognised only in the separate financial statements of the security guard entity, but is eliminated in arriving at Group revenue.

3.9.4 Rental income
The Group's policy for recognition of revenue from operating leases is described in policy note 3.10.

3.9.5 Right of return
IFRS 15 requires that revenue from expected returns should not be recognised until it is certain that no returns will be made. Thus, this qualifies as a sale with a right of return, as the customer has the right to return the goods and in return receive a full refund of the consideration paid.

The Group recognises a refund liability at the end of each reporting date, and updates the measurement of this liability with changes in expectations about the amount of refunds. The corresponding adjustments are recognised as revenue or reductions of revenue. The Group recognises an asset for its right to recover products from a customer on settling a refund liability and its measured by reference to the former carrying amount of the product less any expected costs to recover those products. The asset is updated at the end of each year with changes in expectations about products to be returned.

3.10 Leases
The Group applied IFRS 16 *Leases* with effect from 1 April 2019.

The Group as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (those leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as operating expenses on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate;
- The amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.10 Leases (continued)
The Group as lessee
The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group tests the right-of-use asset for impairment at each reporting date and accounts for any identified impairment loss as described in note 3.19 below.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

3.11 Foreign currencies
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 retranslated 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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into ZWL using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.11 Foreign currencies (continued)

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.12 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.13 Retirement benefit costs

The Group operates a Defined Contribution Plan for all eligible employees. The scheme is funded by payments from employees and from Group Companies, and the assets are held in various funds under the authority of the Trustees. The Group also participates in the National Social Security Authority Scheme (NSSA). Payments made to NSSA are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

3.14 Taxation

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

3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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 tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised 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 difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. 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 liabilities and assets 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.14 Taxation (continued)

3.14.2 Deferred tax (continued)
The Directors reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is rebutted. As a result, there has been no change in the way that the Group recognises deferred taxes on investment properties.

3.14.3 Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.15 Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leased assets under a finance lease are initially measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Bearer plants are included as part of property, plant and equipment. Before maturity, bearer plants are measured at their accumulated cost. After maturity bearer plants are measured at cost less accumulated depreciation and any recognised impairment losses. The useful life of the bearer plants is determined in order to depreciate them and this is re-evaluated each year.

Service assets comprising cutlery, crockery, glassware and kitchen utensils are expensed in full on the date of issue, whilst linen is depreciated on a straight line basis over two years from date of issue. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Where parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Land and capital work in progress are not depreciated. Depreciation on other assets is calculated on a straight line basis so as to write off the assets less their anticipated residual values, over their estimated useful lives as follows:

Buildings		50 - 60 years
Leasehold improvements		shorter of the useful life and the lease period
Furniture and equipment		3 - 15 years
Motor vehicles		3 -10 years
Bearer plants:	- Tea Plantations	50 years
	- Macadamia plantations	40 years
	- Avocado plantations	30 years
	- Coffee plantations	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.16 Investment property
Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost, including transaction costs, less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.16 Investment property (continued)
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. Investment property freehold buildings are depreciated on a straight line basis over the estimated economic useful life of 60 years. Land is not depreciated and is deemed to have an indefinite useful life.

3.17 Intangible assets
3.17.1 Intangible assets acquired separately
These comprise of trademarks, which are valued at historical cost less accumulated impairment losses. Trademarks have an indefinite useful life and are therefore not amortised. Events and circumstances are evaluated at the end of each reporting period to determine whether an indefinite useful life is supported.

3.17.2 Internally-generated intangible assets - research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.3 Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.17.4 Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.18 Exploration and evaluation assets
Exploration and evaluation assets arise from expenditures incurred by the Group in connection with the exploration for, and evaluation of, mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration for, and evaluation of, mineral resources covers the search for mineral resources after the Group has obtained legal rights to explore in a specific area, as well as determining the technical feasibility and commercial viability of extracting the mineral resource.
Excluded are expenditures incurred before exploring for, and evaluating, mineral resources, such as expenditures incurred before the entity has obtained the legal rights to explore a specific area. Also excluded are expenditures incurred after the entity has demonstrated the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation expenditures that are classified as assets include the acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; and exploratory drilling.

Expenditures incurred in relation to the development of mineral resources are not recognised as exploration and evaluation assets and are expensed. Obligations for removal and restoration costs are accounted for in accordance with IAS 37.

Exploration and evaluation assets are measured at cost. They are classified as tangible or intangible according to the nature of the assets acquired. When the technical feasibility and commercial viability of extracting mineral resources has been demonstrated, exploration and evaluation assets are reclassified to other categories of assets in accordance with the Group's accounting policies. Such assets are tested for impairment before reclassification.

The exploration and evaluation assets are tested for impairment when facts and circumstances suggest that the carrying amounts may not be recovered. The impairment is measured, presented and disclosed according to IAS 36 Impairment of Assets, except that exploration and evaluation assets are allocated to cash-generating units or groups of cash-generating units either of which must be no larger than a segment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.19 Impairment of tangible and intangible assets other than goodwill
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.20 Biological assets
The Group's biological assets comprise timber plantations, livestock and produce growing on bearer plants. Timber plantations are measured at their fair value less costs to sell. Where there are no market determined prices for the plantation or produce to determine the fair value, the present value of expected net cash flows from plantations, discounted at a current market determined pre-tax rate, are used to determine fair value.

Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. Livestock is measured at fair value. Fair value is determined by reference to the market price and these valuations are carried out by a professional valuator.

3.21 Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs of inventories are determined as follows:

- Retail merchandise is valued on a weighted average basis. The inventories are then assessed for impairment based on the net realisable value.
- Consumables are valued at the lower of cost and net realisable value on a first-in-first-out basis.
- Goods in transit are valued at actual cost.
- All teas in bulk form, being agricultural produce, are valued at net realisable value less costs to sell. Realisable value represents the plantation producer prices since realised or estimated to be realised by the Group after taking account of expected selling and distribution expenses.
- The cost of manufactured goods for resale includes the cost of raw materials (as disclosed above, in the case of tea), the cost of packaging materials, direct labour and an appropriate proportion of factory overhead expenses.

3.22 Advance crop expenditure
Certain costs are incurred on seasonal yields that will be realised in a subsequent reporting period. These costs are deferred to the statement of financial position for offset against revenues realised in matching periods.

3.23 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 end of the reporting period, 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 the effect of the time value of money is material).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.23 Provisions (continued)

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

3.23.1 Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

3.23.2 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation recognised in accordance with IAS 18 *Revenue*.

3.24 Financial instruments

3.24.1 Initial recognition

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. 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 FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day one profit or loss will be deferred
- by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability.

3.24.2 Classification of financial assets and financial liabilities

The Group classifies its financial instruments in the following categories:

- At fair value through profit and loss ("FVTPL"),
- At fair value through other comprehensive income ("FVTOCI") or
- At amortised cost.

The Group determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL, for other equity instruments, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

3.24.3 Measurement

3.24.3.1 Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.24 Financial instruments (continued)

3.24.3.2 Financial assets and liabilities at amortised cost
Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost less any impairments.

3.24.3.3 Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the SED's own credit risk will be recognised in other comprehensive (loss) income.

3.24.3.4 Impairment of financial assets at amortised cost
The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

The Group assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

For trade receivables, the Group applies the simplified approach as permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of receivables. Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised

3.24.3.5 Definition of default
Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:
- The financial asset is 120 days past due on any material credit obligation to the Group; or
- The financial asset is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. When assessing if the borrower is unlikely to pay its credit obligation, the Group considers both qualitative and quantitative indicators. The information assessed depends on the type of the asset and sources of information to assess default which are either developed internally or obtained from external sources.

3.24.3.6 Significant increase in credit risk
The Group monitors all financial assets, contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the entity's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

3.24.3.7 Write-off
Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.24 Financial instruments (continued)

3.24.3.8 Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

3.24.4 Derecognition

3.24.4.1 Financial assets
The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognised in the consolidated statement of comprehensive income. Upon derecognition of financial assets, gains and losses accumulated in other comprehensive income are reclassified to profit or loss, except for investments in equity instruments classified at FVTOCI.

3.24.4.2 Financial liabilities
The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss and other comprehensive income.

3.24.5 Fair values
Fair values are determined for measurement and/or disclosure purposes based on the fair value hierarchy below. The Group characterises inputs used in determining fair value using a hierarchy that prioritises inputs depending on the degree to which they are observable.

The three levels of the fair value hierarchy are as follows:
- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

3.24.6.1 Investment income
Interest income for all financial instruments except for those designated as at FVTPL are recognised as 'Investment income' in the profit or loss account using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated considering all the contractual terms of the instrument. The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

3.24.6.2 Income from financial instruments at FVTPL
Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL. The Group has elected to present the full fair value movement of assets and liabilities at FVTPL, including the related interest income, expense and dividends.

3.25 Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held on call with banks and other short term highly liquid investments. Bank overdrafts are shown with borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 the revision and future periods if the revision affects both current and future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While the estimates are based on the most reliable data available, actual results, in the near term, could differ significantly from those estimates depending upon certain events and uncertainties.

The timing and extent of losses the Group incurs as a result of future failures of:
- entities that are closed;
- the ability to recover receivables based on the trends;
- expectations of the liquidation of entities; and
- the probability of recovery through successful lawsuits as appropriate against relevant parties.

4.1 Critical judgements in applying accounting policies

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

4.1.1 Mentor Africa (Pty) Limited ("Mentor")
On 1 April 2012, the Group acquired a 35% shareholding in Mentor, an unlisted company with operations in South Africa. Mentor's assets and liabilities are denominated in South African Rand. The Directors have made an assessment of the requirements of IFRS 10, IFRS 11 and IAS 28 as to whether or not the Group has control, joint control or significant influence over Mentor. The Directors concluded that Meikles Limited has had no control, joint control or significant influence over Mentor since acquisition and the investment has been accounted for at FVTOCI. The Group's assessment of control, significant influence or joint control is as summarised below:
- the Group does not have representation on the board of the investee;
- there are no material transactions between the Group and the investee;
- there is no provision of essential technical information between the Group and the investee; and
- there is no participation in policy making processes of the investee.

The Group does not have control over Mentor as:
- the Group does not have power over the investee;
- the Group does not have exposure or rights to variable returns from its involvement with the investee; and
- the Group does not have the ability to use its power over the investee to affect the amount of the investee's returns.

In addition, the Group does not have joint control over Mentor due to the fact that there is no contractually agreed sharing of control of the investee.

4.1.2 Deferred taxation on investment properties
In determining the Group's deferred taxation on investment properties, the Directors have reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is rebutted. As a result, there has been no change in the way that the Group recognises deferred taxes on investment properties.

4.1.3 Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. 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. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.1.4 Credit risk assessment
In measurement of financial assets, the Group measures ECL 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.1 Critical judgements in applying accounting policies (continued)

4.1.4 Credit risk assessment (continued)
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 considers qualitative and quantitative reasonable and supportable forward-looking information.

4.1.5 Establishing groups of assets with similar credit risk characteristics
When ECLs are measured on a collective basis, financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

4.1.6 Models and assumptions used in measuring fair value of financial assets
The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

4.1.7 Barkpest Investments (Private) Limited and Liftbrok Investments (Private) Limited
Barkpest Investments (Private) Limited and Liftbrok Investments (Private) Limited were executive share purchase scheme vehicles whose shareholders were former Directors of the Company and former key executives. The Company granted loans to these two entities for the purchase of the Company's shares. At the time the former Directors and executives left the employ of the Group, the recoverability of loans became subject of certain disputes. During the year ended 31 March 2019, the disputes between the Group and former executives were resolved. Processes to recover the amount due to the Group from the share purchase vehicles are currently underway through dividend income accruing to the share purchase vehicles. The collateral held of 1,500,000 shares in the Company is more than sufficient to cover the Group's maximum exposure. The Group has no intention of controlling the two entities after recovery of the amounts owed.

4.1.8 Use of interbank spot rate
The Group uses the Zimbabwe Dollar ("ZWL") as its presentation currency. The ZWL is also the functional currency of the Company and its subsidiaries, with the exception of the operations of Cape Grace Investments Limited, which is domiciled in the British Virgin Islands. All foreign currency denominated transactions and balances are translated to the ZWL in accordance with IAS 21- "The Effects of Changes in Foreign Exchange Rates" at the interbank rate prevailing on the transaction dates. The interbank rates are determined once a week through a Reserve Bank of Zimbabwe controlled auction system, and the rate set each week is valid for the entire week. Use of the interbank rate as spot rate is a management judgement and the Directors are satisfied that it is appropriate for use as a spot rate.

4.1.9 The Meikles Employee Share Ownership Trust ("the Trust")
The Directors have made an assessment of the requirements of IFRS 10 as to whether or not the Group has control over the Trust. The Directors concluded that Meikles Limited has had no control over the Trust since its inception. The Trust was set up primarily as an empowerment vehicle as then required by the Indigenisation and Economic Empowerment Act (Cap 14:33). The structure of the Trust Deed had to comply with the requirements of the legislation for Meikles' indigenisation compliance application to be approved by the Government of Zimbabwe.

4.2 Key sources of estimation uncertainty

4.2.1 Going concern
The Directors assess the ability of the Group to continue in operational existence in the foreseeable future on a continuous basis and at each reporting date. As at 31 March 2021, and subsequently, the Directors assessed the Group's ability to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is appropriate.

In making the assessment for the financial statements for the year ended 31 March 2021, the Directors conducted a comprehensive review of the Group's affairs including but not limited to:

- The Group's financial performance for the year ended 31 March 2021.
- The Group's financial position at 31 March 2021.
- The Group's forecasts for the period up to 30 June 2022.
- The impact to the Group operations of COVID-19.

During the financial year, the Group's supermarkets, agricultural, security services and properties were moderately disrupted by COVID-19 and these operations traded throughout the period. Supermarkets, agriculture and security services are designated as "essential services" in terms of the Government of Zimbabwe's COVID-19 measures and are allowed to trade during lockdowns. Group operating profit declined marginally by 2% and the Group remained profitable and cash generative under severe disruptions. The forecasts for the period up to June 2022 are prepared under the assumption that supermarkets, agriculture and security services will continue to be classified as essential service throughout the forecast period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.1 Going concern (continued)
The hospitality segment was significantly impacted by COVID-19 and as a result the hotel was closed for the first seven months of the financial year. Cost saving plans implemented reduced the impact of the COVID-19 on earnings and cash. The segment is heavily reliant on international tourists for occupancy and given the uncertainty around the trajectory of the COVID-19 virus, the forecast assumes room occupancy will not recover to the levels prior the outbreak of the COVID-19 pandemic during the period of the forecast. Despite the uncertainty created by COVID-19 pandemic, the Group is maintaining a long-term strategic course on the segment and is continuing to support the refurbishment of the hotel in preparation for a rebound in international travel and tourism.

The Group had considerable cash and cash equivalent resources at its disposal at the reporting date that are sufficient to support the Group's operating capital expenditure plans for the period to 30 June 2022. As such, the Directors are satisfied that the Group has adequate resources to continue to operate for at least twelve months from the date of approval of these financial statements.

4.2.2 Biological assets valuation
Biological assets are based on estimated fair values. Fair value is based on expected future cash flows discounted at internal cost of borrowings adjusted for inherent risks associated with the Group's operations. Discounted net cash flows for gum and wattle were limited to 7 years. Fruit on the tree is valued at fair value less cost to sale after considering maturity status of the fruit growing on the bearer plant. The determination of future cash flows and discount rate applied involves an element of judgement. Refer to note 20 for further details.

The Group's agricultural operations are subject to the usual agricultural hazards such as fire, wind, insects and other natural phenomena / occurrences. Management considers adequate preventive measures are in place to mitigate against the hazards. Forces of nature such as temperature and rainfall may also affect yields. Nevertheless, unexpected factors affecting harvestable agricultural produce may result in re-measurement or changes in harvests in future accounting periods. Management therefore tests biological assets for impairment at each reporting date and estimates made may differ from actual results.

4.2.3 Funds due from Gondor Capital Limited ("Gondor")
Gondor Capital Limited, a shareholder entity currently holds funds for the Group. The funds are denominated in US$ and are non-interest bearing. The funds are due and repayable to the Group on 30 June 2025. A provision for credit losses has been made based on the lifetime ECL model to comply with the standard (Refer to note 22). When measuring expected credit losses on the funds due from Gondor, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. As in prior year, Gondor confirmed that funds amounting to US$11,737,013 are owed to Cape Grace Investments Limited (BVI), a wholly owned foreign subsidiary of the Group. Gondor holds shares in Meikles Limited and certain investments that are used as collateral to support this amount.

4.2.4 Useful lives and residual values of property, plant and equipment
As described in note 3.15 above, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. The remaining useful lives and residual values are reassessed based on business trends, technological developments, asset conditions and management's future plans. The useful lives and residual values so determined involved the exercise of significant levels of judgement based on data that is not readily observable.

4.2.5 Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses Level 2 inputs to perform the valuation. Refer to note 3.2 for descriptions of Level 1 and 2 inputs. Where appropriate, the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 19, 24 and 36.

4.2.6 Deferred tax asset
The Group has recognised a deferred tax asset arising from assessed losses on some of its subsidiaries. The Group estimates the probability of a subsidiary to generate sufficient future taxable income for recovering the carrying amounts of recognised deferred tax assets. Where there is no or limited probability of sufficient future taxable income, the Group impairs the deferred tax asset. The process of determining the availability of future taxable profit involves an element of judgement since the financial projections used are sensitive to future economic conditions. For the current year, the Directors have evaluated the forecasts and strategic business plans of the affected subsidiaries, and have concluded that sufficient future taxable income will be generated by these subsidiaries to utilise the deferred tax asset arising from the assessed losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.7 Investment in Mentor Africa (Pty) Limited

The investment is carried at FVTOCI and is not held for trading. Dividend income is recognised in profit or loss. The investment is unlisted and there is no active market for similar or identical investments. In the absence of market activity and access to more observable level 1 or 2 inputs, the Group utilises level 3 inputs to determine fair value. At each reporting date, a valuation is performed by an independent expert valuer in ZAR, and for the year ended 31 March 2021, the Group obtained a valuation report from the independent professional valuer. In preparing such valuation, assumptions are made relating to future events and financial performance. Key judgements used in the valuation is the valuation methods used and the discount factors applied. As per note 19 the

investment is valued at a weighted average of two valuation methods, namely: the adjusted net asset value ("Adjusted NAV") and the price-to-book value ("PBV"). The significant unobservable inputs used in these valuations is the average PBV proxy multiple obtained from comparable entities listed on the Johannesburg Stock Exchange. A discount was applied to the proxy multiple to reflect the non-tradability of the Mentor shares as they are not listed on a stock exchange. The determination of the weightings applied to the two valuation methods and discount rate applied to the proxy multiple involves judgement. Actual results in the future may not correspond with the assumptions used in preparing the investment valuations, which may have an effect on these investment valuations. The Group has no representation on the board of Mentor and consequently has no access to information regarding Mentor operations except for that to which it has statutory rights as a shareholder.

5. Revenue

Revenue comprises the invoiced value of sales, fees and commissions excluding value added tax and trade discounts. See note 6 for a detailed breakdown by operating segment.

6. Segment information

For purposes of resource allocation and assessment of segment performance, the Group is organised into segments based on their operational activities and geographical location. The operating segments comprise supermarkets, hotels, agriculture, properties and security guard operations. Security guard operations and properties, whose revenues are predominantly internal, are immaterial to warrant separate disclosure. The agriculture segment has been classified under discontinued operations in the current year as it is held for distribution to owners. Refer to note 14 for further details. Mining operations are on hold following the withdrawals of the Group's partners from the ventures. The Group is organised into two geographical segments, Zimbabwe and non-Zimbabwe.

6.1 Segment revenue and result

	INFLATION ADJUSTED			
CONTINUING OPERATIONS	**Supermarkets**	**Hotels**	**Corporate***	**Group**
31 March 2021	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Sale of goods	**28,014,386**	**506,271**	**(94,594)**	**28,426,063**
Sale of services	**-**	**9,144**	**-**	**9,144**
Total revenue	**28,014,386**	**515,415**	**(94,594)**	**28,435,207**
Operating profit / (loss)	**1,072,929**	**51,454**	**(246,050)**	**878,333**
Investment income	**3,287**	**291**	**1,306**	**4,884**
Finance costs	**(242,806)**	**(394)**	**18,634**	**(224,566)**
Net exchange (losses) / gains	**(30,342)**	**1,545,469**	**(51,695)**	**1,463,432**
Net monetary adjustment	**710,819**	**(1,607,455)**	**171,407**	**(725,229)**
Income tax (expense)	**(881,412)**	**(112,016)**	**(30,166)**	**(1,023,594)**
Adjusted (loss) / profit for the year◊	**632,475**	**(122,651)**	**(136,564)**	**373,260**

	INFLATION ADJUSTED - restated			
CONTINUING OPERATIONS	**Supermarkets**	**Hotels**	**Corporate***	**Group**
31 March 2020	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Sale of goods	27,088,107	219,941	(126,511)	27,181,537
Sale of services	-	457,414	-	457,414
Total revenue	27,088,107	677,355	(126,511)	27,638,951
Operating profit / (loss)	734,069	193,085	(32,659)	894,495
Investment income	853	1	15,291	16,145
Finance costs	(174,296)	(13,878)	(45,802)	(233,976)
Net exchange (losses) / gains	(1,296,252)	814,016	(137,879)	(620,115)
Net monetary adjustment	3,594,224	(391,837)	1,318,438	4,520,825
Income tax (expense) / credit	(865,159)	27,771	(237,093)	(1,074,481)
Adjusted profit for the year◊	1,993,439	629,158	880,296	3,502,893

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Segment information (continued)

6.1 Segment revenue and result (continued)

HISTORICAL COST

CONTINUING OPERATIONS	Supermarkets	Hotels	Corporate*	Group
31 March 2021	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Sale of goods	**21,702,553**	**311,247**	**(73,239)**	**21,940,561**
Sale of services	**-**	**8,365**	**-**	**8,365**
Total revenue	**21,702,553**	**319,612**	**(73,239)**	**21,948,926**
Operating profit/ (loss)	**2,502,035**	**3,119**	**(129,000)**	**2,376,154**
Investment income	**3,019**	**253**	**993**	**4,265**
Finance costs	**(196,086)**	**(190)**	**16,260**	**(180,016)**
Net exchange (losses) / gains	**32,223**	**910,652**	**(31,712)**	**911,163**
Income tax (expense) / credit	**(666,589)**	**(189,106)**	**3,862**	**(851,833)**
Adjusted profit / (loss) for the year◊	**1,674,602**	**724,728**	**(139,597)**	**2,259,733**
31 March 2020				
Sale of goods	3,819,565	25,393	(18,447)	3,826,511
Sale of services	-	53,870	-	53,870
Total revenue	3,819,565	79,263	(18,447)	3,880,381
Operating profit/ (loss)	485,656	14,285	(26,969)	472,972
Investment income	178	-	3,592	3,770
Finance costs	(30,231)	(1,465)	(3,092)	(34,788)
Net exchange (losses) / gains	(105,810)	161,009	(6,903)	48,296
Income tax (expense)	(109,530)	(48,413)	(623)	(158,566)
Adjusted profit / (loss) for the year◊	240,263	125,416	(33,995)	331,684

Intercompany transactions have been eliminated in the corporate amounts. Corporate also includes other operating segments that are immaterial to warrant separate disclosure.

*Included in the corporate revenue amount is an adjustment of ZWL 212.1 million (2020: ZWL 212.3 million) against revenue in respect of inter-segment sales. Within the adjustment is inter-segment sales relating to Tanganda Tea Company which has been classified as held for distribution to owners of ZWL 139.2 million (2020: ZWL 151.8 million).

◊Profit for the year for the reportable segments is before Group management fees.

6.2 Segment assets and liabilities

INFLATION ADJUSTED

	Supermarkets	Hotels	Agriculture	Corporate*	Group
31 March 2021	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**	**ZWL 000**
Segment assets	**9,535,916**	**1,527,267**	**5,182,589**	**1,758,244**	**18,004,016**
Segment liabilities	**(4,217,545)**	**(501,135)**	**(1,031,833)**	**(391,034)**	**(6,141,547)**
Capital expenditure	**507,741**	**3,018**	**532,866**	**34,026**	**1,077,651**
Depreciation and impairment	**(728,999)**	**(1,040)**	**(140,856)**	**(29,659)**	**(900,554)**
31 March 2020					
Segment assets - restated	8,279,712	2,337,728	4,755,711	718,520	16,091,671
Segment liabilities	(3,180,301)	(506,757)	(1,009,561)	(463,607)	(5,160,226)
Capital expenditure - restated	911,829	26,103	319,783	14,978	1,272,693
Depreciation and impairment	(585,058)	(16,085)	(147,069)	(39,324)	(787,536)

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Segment information (continued)

6.2 Segment assets and liabilities (continued)

HISTORICAL COST

	Supermarkets ZWL 000	Hotels ZWL 000	Agriculture ZWL 000	Corporate* ZWL 000	Group ZWL 000
31 March 2021					
Segment assets	**4,703,833**	**1,016,158**	**2,613,009**	**1,597,820**	**9,930,820**
Segment liabilities	**(3,092,032)**	**(480,827)**	**(639,009)**	**(148,265)**	**(4,360,133)**
Capital expenditure	**578,527**	**2,365**	**433,289**	**24,902**	**1,039,083**
Depreciation and impairment	**(126,502)**	**(414)**	**(6,160)**	**5,385**	**(127,691)**
31 March 2020					
Segment assets	938,668	547,585	635,265	461,025	2,582,543
Segment liabilities	(593,171)	(143,733)	(172,704)	(73,481)	(983,089)
Capital expenditure	185,953	2,954	67,490	1,778	258,175
Depreciation and impairment	(32,076)	(409)	(3,541)	(240)	(36,266)

*Inter-company balances have been eliminated in the corporate amounts. Corporate also includes other operating segments that are immaterial to warrant separate disclosure.

◊The Agriculture segment has been classified as held for distribution to owners, refer to note 14 for further details.

The accounting policies of the reportable segments are the same as the Group's accounting policies disclosed under significant accounting policies.

6.3 Geographical segments

INFLATION ADJUSTED

	31 March 2021		31 March 2020 - restated	
	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000
Revenue	**28,435,207**	**-**	27,638,951	-
Operating profit / (loss)	**878,558**	**(225)**	894,709	(214)
Segment assets	**16,720,880**	**1,283,136**	15,651,396	440,275
Segment liabilities	**(6,141,547)**	**-**	(5,160,226)	-

HISTORICAL COST

	31 March 2021		31 March 2020	
	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000
Revenue	**21,948,926**	**-**	3,880,381	-
Operating profit / (loss)	**2,376,379**	**(225)**	473,186	(214)
Segment assets	**8,647,684**	**1,283,136**	2,142,268	440,275
Segment liabilities	**(4,360,133)**	**-**	(983,089)	-

		INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS	Notes	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
7. Net operating costs					
Net operating costs are arrived at after (charging) / crediting:					
Cost of sales		**(21,823,903)**	(21,829,507)	**(15,513,610)**	(2,756,905)
Other income	8	**224,259**	186,786	**222,139**	25,911
Employee costs	9	**(2,997,601)**	(1,781,727)	**(2,419,939)**	(243,473)
Occupancy costs	10	**(1,166,814)**	(1,356,568)	**(845,852)**	(199,349)
Other operating costs	11	**(1,792,815)**	(1,963,440)	**(1,015,510)**	(233,593)
		(27,556,874)	(26,744,456)	**(19,572,772)**	(3,407,409)

NOTES TO THE FINANCIAL STATEMENTS (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
8. Other income				
Trading income				
Rental income	**140,636**	127,372	**112,783**	17,462
Hotels ancillary services	**(3)**	3,057	**(2)**	302
Commission income	**10,424**	16,022	**7,725**	1,657
	151,057	146,451	**120,506**	19,421
Non trading income				
Profit / (loss) on disposal of property, plant and equipment	**55,307**	15,074	**86,862**	2,657
Sundry income	**17,895**	25,261	**14,771**	3,833
	224,259	186,786	**222,139**	25,911
9. Employee costs				
Wages and salaries	**(2,582,709)**	(1,386,289)	**(2,099,138)**	(198,756)
Social security costs	**(131,162)**	(83,039)	**(103,262)**	(10,645)
Retirement benefits – defined contribution plan	**(267,837)**	(296,775)	**(204,549)**	(32,062)
Directors' remuneration:				
- fees for services as Directors	**(9,619)**	(6,709)	**(8,253)**	(1,161)
- remuneration for other services	**(6,274)**	(8,915)	**(4,737)**	(849)
	(2,997,601)	(1,781,727)	**(2,419,939)**	(243,473)
10. Occupancy costs				
Included in occupancy costs are the following:				
Operating lease rentals for property	**(243,245)**	(320,816)	**(187,322)**	(44,960)
Depreciation of right of use assets and property	**(175,597)**	(89,066)	**(68,671)**	(11,218)
Electricity and water	**(358,753)**	(649,538)	**(282,702)**	(102,614)
Cleaning and fumigation	**(200,961)**	(138,521)	**(155,091)**	(18,926)
Rates	**(99,156)**	(66,914)	**(80,995)**	(10,468)
Premises repairs and maintenance	**(86,738)**	(88,342)	**(69,226)**	(10,688)
Other	**(2,364)**	(3,371)	**(1,845)**	(475)
	(1,166,814)	(1,356,568)	**(845,852)**	(199,349)
11. Other operating costs				
Included in other operating costs are the following:				
Depreciation of plant and equipment	**(582,235)**	(538,057)	**(49,958)**	(18,970)
2% IMT Tax	**(290,683)**	(341,836)	**(237,795)**	(46,356)
Repairs and maintenance – other assets	**(182,511)**	(244,229)	**(146,909)**	(33,441)
Bank charges	**(104,686)**	(99,889)	**(81,370)**	(14,107)
Printing and stationery	**(88,200)**	(146,380)	**(61,591)**	(19,715)
Information and technology	**(87,911)**	(58,799)	**(70,959)**	(8,438)
Insurance	**(72,061)**	(64,576)	**(56,087)**	(9,795)
Auditors' remuneration and expenses	**(65,980)**	(35,865)	**(53,962)**	(8,979)
Transport, motor vehicle and communication costs	**(62,905)**	(96,853)	**(48,252)**	(13,699)
Legal and professional fees	**(57,626)**	(117,105)	**(42,657)**	(14,709)
Marketing and advertising	**(32,954)**	(220,646)	**(26,628)**	(15,599)
Secretarial and listing fees	**(19,399)**	(16,851)	**(16,262)**	(1,637)
Travel expenses	**(16,790)**	(47,683)	**(14,969)**	(5,788)
Security	**(14,649)**	(2,664)	**(222)**	(577)
Licenses	**(13,457)**	(7,590)	**(11,507)**	(1,116)
Provision for expected credit losses	**(12,167)**	214,201	**(6,001)**	2,841
Packaging and wrapping	**(7,508)**	(37,565)	**(4,889)**	(6,510)
Guest supplies and entertainment	**(214)**	(9,359)	**(1,852)**	(2,781)
Impairment of property, plant and equipment	**-**	(11,395)	**(1,273)**	(1,877)
Other	**(80,879)**	(80,299)	**(82,367)**	(12,340)
	(1,792,815)	(1,963,440)	**(1,015,510)**	(233,593)

NOTES TO THE FINANCIAL STATEMENTS (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
12. Investment income / finance costs				
12.1 Investment income				
Interest on bank deposits	**366**	554	**264**	72
Interest on receivables	**283**	-	**244**	-
Interest on short term loans	**804**	15,190	**515**	3,532
Interest on staff loans and other	**3,431**	401	**3,242**	166
	4,884	16,145	**4,265**	3,770
12.2 Finance costs				
Comprising interest payable on:				
Overdrafts and short term borrowings	**(442)**	(63,581)	**(198)**	(6,058)
Lease liability	**(194,820)**	(167,254)	**(153,776)**	(28,629)
Other finance costs	**(29,304)**	(3,141)	**(26,042)**	(101)
	(224,566)	(233,976)	**(180,016)**	(34,788)

The weighted average capitalisation rate on funds borrowed was 15.74 % per annum (2020: 15.55% per annum).

	INFLATION ADJUSTED	Restated◊	HISTORICAL COST	
CONTINUING OPERATIONS	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
13. Income taxes				
13.1 Income tax recognised in profit for the year				
Tax expense comprising the following:				
Current tax expense in respect of the current year	**(966,471)**	(915,091)	**(697,081)**	(137,581)
Deferred tax expense relating to the origination and reversal of temporary differences	**(53,296)**	(158,407)	**(150,929)**	(20,808)
Deferred capital gains tax	**(3,798)**	(795)	**(3,799)**	(159)
Withholding tax on investment revenue	**(29)**	(188)	**(24)**	(18)
Total tax expense	**(1,023,594)**	(1,074,481)	**(851,833)**	(158,566)
The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax	**1,396,854**	4,577,374	**3,111,566**	490,250
Income tax calculated at 24.72% (2020: 25.75%)	**(345,302)**	(1,178,674)	**(769,179)**	(126,239)
Effect of revenue that is exempt from income tax	**105,540**	288,082	**235,096**	30,855
Effect of expenses that are not deductible in determining taxable profit	**(773,076)**	(163,083)	**(293,792)**	(60,955)
Effect of change in tax rate	**-**	2,168	**-**	233
Effect of expired and unrecognised tax losses	**(10,758)**	(22,989)	**(23,963)**	(2,462)
Effect of subsidiary income and expenditure taxed at different rates*	**2**	15	**5**	2
Income tax expense recognised in profit for the year	**(1,023,594)**	(1,074,481)	**(851,833)**	(158,566)

The income tax rate used for the reconciliation above, is the corporate tax rate of 24.72% (2020: 25.75%), payable by corporate entities in Zimbabwe. The deferred tax rate used is the corporate tax rate of 24.72% (2020: 24.72%). Change in the corporate tax rate is due to change in the legislation.

◊Refer to note 37 for further details on the restatement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Income taxes (continued)

13.2 Deferred tax balances

INFLATION ADJUSTED

	Beginning of the year ZWL 000	Recognised in profit or loss ZWL 000	Discontinued operations ZWL 000	Classified as held for distribution ZWL 000	End of the year ZWL 000
The deferred tax balance is attributable to the following items:					
At 31 March 2021					
Assessed losses	**(47,751)**	**18,772**	**-**	**-**	**(28,979)**
Property, plant and equipment	**1,446,792**	**10,028**	**(71,216)**	**(368,906)**	**1,016,698**
Biological assets	**10,385**	**-**	**717**	**(11,102)**	**-**
Exchange differences	**104,602**	**110,595**	**(4,808)**	**(1,564)**	**208,825**
Provisions	**3,699**	**4,873**	**197**	**17,984**	**26,753**
Receivables and prepayments	**1,677**	**86**	**(1,912)**	**187**	**38**
Other	**571,116**	**(88,455)**	**(12,728)**	**(117,161)**	**352,772**
Deferred capital gains tax on land	**18,292**	**(2,603)**	**-**	**-**	**15,689**
Tax rate adjustment	**3,008**	**-**	**-**	**-**	**3,008**
	2,111,820	**53,296**	**(89,750)**	**(480,562)**	**1,594,804**
At 31 March 2020 – restated					
Assessed losses	(112,901)	65,150	-	-	(47,751)
Property, plant and equipment	1,757,914	(345,290)	34,168	-	1,446,792
Biological assets	10,809	-	(424)	-	10,385
Exchange differences	(212,888)	289,119	28,371	-	104,602
Provisions	(174,029)	193,105	(15,377)	-	3,699
Receivables and prepayments	(6,592)	-	8,269	-	1,677
Other	569,294	(38,833)	40,655	-	571,116
Deferred capital gains tax on land	26,144	(7,852)	-	-	18,292
Tax rate adjustment	-	3,008	-	-	3,008
	1,857,751	158,407	95,662	-	2,111,820

HISTORICAL COST

	Beginning of the year ZWL 000	Recognised in profit or loss ZWL 000	Discontinued operations ZWL 000	Classified as held for distribution ZWL 000	End of the year ZWL 000
The deferred tax balance is attributable to the following items:					
At 31 March 2021					
Assessed losses	**(9,984)**	**(5,244)**	**-**	**-**	**(15,228)**
Property, plant and equipment	**18,392**	**20,385**	**(53,254)**	**42,396**	**27,919**
Biological assets	**3,563**	**-**	**30,638**	**(34,201)**	**-**
Exchange differences	**30,641**	**179,658**	**(307)**	**(1,564)**	**208,428**
Provisions	**(8,207)**	**(12,712)**	**(12,645)**	**18,006**	**(15,558)**
Receivables and prepayments	**128**	**12**	**205**	**(276)**	**69**
Other	**29,601**	**(31,170)**	**79,380**	**(112,100)**	**(34,289)**
Deferred capital gains tax on land	**3,137**	**-**	**-**	**-**	**3,137**
Tax rate adjustment	**114**	**-**	**-**	**-**	**114**
	67,385	**150,929**	**44,017**	**(87,739)**	**174,592**
At 31 March 2020					
Assessed losses	(3,750)	(6,234)	-	-	(9,984)
Property, plant and equipment	26,700	(9,567)	1,259	-	18,392
Biological assets	163	-	3,400	-	3,563
Exchange differences	(4,761)	34,363	1,039	-	30,641
Provisions	(4,974)	2,212	(5,445)	-	(8,207)
Receivables and prepayments	915	86	(873)	-	128
Other	1,981	(3,072)	30,692	-	29,601
Deferred capital gains tax on land	231	2,906	-	-	3,137
Tax rate adjustment	-	114	-	-	114
	16,505	20,808	30,072	-	67,385

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Income taxes (continued)

13.2 Deferred tax balances (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
		Restated◊		
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Comprising:	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Deferred tax asset	(896)	(236)	(32,742)	(20,637)
Deferred tax liability	1,595,700	2,112,056	207,334	88,022
	1,594,804	2,111,820	174,592	67,385

14. Discontinued operations and non-current assets held for sale and distribution to owners

Tanganda Tea Company

Prior to 31 March 2021, the Board of Directors resolved to unbundle from the Group and list separately on the Zimbabwe Stock Exchange, Tanganda Tea Company Limited, subject to shareholders' approval. The transaction will result in the distribution of Tanganda Tea Company Limited's entire issued share capital to Meikles Limited shareholders through a dividend in specie. As at 31 March 2021, processes to prepare documents to secure shareholders' approval had commenced. The transaction is expected to be consummated before 31 March 2022. Consequently, the financial results of Tanganda Tea Company Limited have been disclosed as discontinued operations in these financial statements, with its assets and liabilities classified as held for distribution as below.

Meikles Hotel

The Group disposed of Meikles Hotel as a going concern, a former division of the hospitality segment under Meikles Hospitality (Private) Limited. The disposal included the property, plant and equipment and transfer of employees. The disposal was effected on the 1st of March 2020, on which date control of the hotel passed to the buyer. The summary of the profit / (loss) position from the discontinued operation and details of assets and liabilities disposed of are as set out below within the period ending 31 March 2020.

Greatermans Stores

The Group exited the departmental stores segment and the results are disclosed as discontinued operations. The summary of the profit / (loss) position from the discontinued operation and details of assets and liabilities disposed of are as set out below.

The prior year comparative financial information from discontinued operations has been re-presented to include the operation classified as discontinued in the current period.

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
14.1 Profit / (loss) for the period from discontinued operations				
Revenue	2,362,797	3,218,754	1,839,635	413,006
Net operating costs	(2,158,992)	(2,343,255)	(917,019)	(217,366)
Other operating income	46,793	146,716	39,824	30,784
Operating profit	250,598	1,022,215	962,440	226,424
Investment income	121	346	84	38
Interest expense	(91,128)	(36,170)	(74,691)	(4,641)
Exchange gains	379,067	688,355	212,983	60,590
(Loss) / profit on discontinuance	(498)	252,545	465	330,192
(Loss) / profit on disposal of property, plant and equipment	(196,227)	(6,046)	(2,337)	74
Property, plant and equipment impairment	-	(19,423)	-	(451)
Fair value adjustments on biological assets	(69,934)	307,560	413,237	183,517
Net monetary adjustment	71,778	(781,062)	-	-
Profit before tax	343,777	1,428,320	1,512,181	795,743
Taxation	(113,422)	(488,817)	(196,239)	(100,761)
Profit for the year from discontinued operations	230,355	939,503	1,315,942	694,982
14.2 Cash flows from discontinued operations				
Net cash flows from operating activities	6,488	(2,018,838)	(39,500)	(351,051)
Net cash flows from investing activities	(427,867)	1,747,353	(429,017)	293,055
Net cash flows from financing activities	(46,078)	(566,053)	245,144	20,229
Net cash flows from discontinued operations	(467,457)	(837,538)	(223,373)	(37,767)

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Discontinued operations and non-current assets held for sale and distribution to owners (continued)

14.3 Analysis of assets disposed of

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	ZWL 000	ZWL 000	**ZWL 000**	ZWL 000
Non-current assets				
Property, plant and equipment	**(1,303)**	(1,312,489)	**(8)**	(31,546)
Net assets disposed of	**(1,303)**	(1,312,489)	**(8)**	(31,546)
Proceeds on disposal	**805**	1,565,034	**473**	361,738
(Loss) / profit on discontinuance	**(498)**	252,545	**465**	330,192

14.4 Analysis of assets classified as held for distribution

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	ZWL 000	ZWL 000	**ZWL 000**	ZWL 000
Assets				
Cash and bank balances	**51,572**	-	**51,572**	-
Trade and other receivables	**443,451**	-	**440,392**	-
Inventories	**800,043**	-	**776,839**	-
Other financial assets	**4,191**	-	**692**	-
Intangible assets	**5,346**	-	**124**	-
Biological assets	**792,672**	-	**792,672**	-
Property, plant and equipment	**3,085,314**	-	**550,718**	-
Total assets	**5,182,589**	-	**2,613,009**	-
Liabilities				
Trade and other payables	**(387,359)**	-	**(387,359)**	-
Borrowings	**(163,912)**	-	**(163,912)**	
Deferred tax	**(480,562)**	-	**(87,738)**	-
Total liabilities relating to assets classified as held for distribution	**(1,031,833)**	-	**(639,009)**	
Net assets classified as held for distribution	**4,150,756**	-	**1,974,000**	-

Analysis of assets classified as held for sale

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
	ZWL 000	ZWL 000	**ZWL 000**	ZWL 000
Non-current assets				
Property, plant and equipment	**18**	1,320	**-**	9
Net assets to be disposed of	**18**	1,320	**-**	9
Total net assets classified as held for sale and distribution	**4,150,774**	1,320	**1,974,000**	9
Summarised:				
Total non-current assets held for sale and distribution	**5,182,607**	1,320	**2,613,009**	9
Total liabilities relating to assets classified as held for distribution	**(1,031,833)**	-	**(639,009)**	-
Total net assets classified as held for sale and distribution	**4,150,774**	1,320	**1,974,000**	9

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Earnings per share

The earnings / (loss) and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Profit for the year attributable to owners of the parent used in the calculation of total basic earnings per share from continuing operations	**48,221**	2,492,097	**1,430,193**	212,886
Add: Profit for the year from discontinued operations	**230,355**	939,503	**1,315,942**	694,982
	278,576	3,431,600	**2,746,135**	907,868
Adjust for:				
Impairment of property, plant and equipment – continuing operations	**-**	11,395	**1,273**	1,877
Impairment of property, plant and equipment – discontinued operations	**-**	19,423	**-**	451
(Profit) / loss on disposal of property, plant and equipment – continuing operations	**(55,307)**	(15,074)	**(86,862)**	(2,657)
(Profit) / loss on disposal of property, plant and equipment – discontinued operations	**196,725**	(246,499)	**1,872**	(330,266)
Headline profit	**419,994**	3,200,845	**2,662,418**	577,273
Weighted average number of ordinary shares for the purposes of basic earnings per share	**261,064,590**	261,064,590	**261,064,590**	261,064,590
Basic and diluted earnings per share (cents)	**106.71**	1,314.46	**1,051.90**	347.76
From continuing operations	**18.47**	954.59	**547.83**	81.55
From discontinued operations	**88.24**	359.87	**504.07**	266.21
Headline and diluted headline earnings / (loss) per share (cents)	**160.88**	1,226.07	**1,019.83**	221.12
From continuing operations	**(2.71)**	953.18	**515.04**	81.24
From discontinued operations	**163.59**	272.89	**504.79**	139.88

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Property, plant and equipment

INFLATION ADJUSTED

At 31 March 2021	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Bearer Plants ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	2,390,599	1,403,982	1,698,522	109,574	1,837,204	469,938	7,909,819
Additions	208,545	338,878	335,965	31,637	79,817	82,827	1,077,669
Net movement in service assets	-	-	(69)	-	-	-	(69)
Disposals – cost	(39,682)	-	(29,025)	(11,966)	(197,583)	-	(278,256)
Disposals – accumulated depreciation	5,683	-	28,341	6,736	4,618	-	45,378
Impairment	-	-	-	-	-	-	-
Depreciation	(68,439)	(212,467)	(347,976)	(26,444)	(69,572)	-	(724,898)
Classified as held for distribution (note 14)	(678,892)	(2,087)	(293,412)	(51,293)	(1,654,484)	(405,164)	(3,085,332)
Closing carrying value	1,817,814	1,528,306	1,392,346	58,244	-	147,601	4,944,311
At cost	2,336,121	2,895,246	2,969,118	115,447	-	147,601	8,463,533
Accumulated depreciation	(477,356)	(1,370,384)	(1,620,264)	(57,461)	-	-	(3,525,465)
Accumulated impairment	(40,951)	3,444	43,492	258	-	-	6,243
Carrying value at 31 March 2021	1,817,814	1,528,306	1,392,346	58,244	-	147,601	4,944,311

At 31 March 2020 - restated	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Bearer Plants ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	3,357,177	1,231,079	1,672,729	82,278	1,842,304	477,931	8,663,498
Additions	225,696	387,659	508,315	58,302	84,024	10,017	1,274,013
Net movement in service assets	-	-	1,693	-	-	-	1,693
Disposals – cost	(1,249,956)	(4,871)	(588,287)	(19,491)	(4,385)	(17,545)	(1,884,535)
Disposals – accumulated depreciation	114,002	4,871	425,854	14,767	431	-	559,925
Impairment	-	-	(10,793)	(444)	(19,423)	(158)	(30,818)
Depreciation	(56,320)	(214,756)	(310,956)	(24,858)	(65,747)	-	(672,637)
Classified as held for sale (note 14)	-	-	(33)	(980)	-	(307)	(1,320)
Closing carrying value	2,390,599	1,403,982	1,698,522	109,574	1,837,204	469,938	7,909,819
At cost	2,977,241	2,563,337	3,330,624	252,510	2,030,990	471,113	11,625,815
Accumulated depreciation	(541,755)	(1,162,799)	(1,650,240)	(143,194)	(152,890)	-	(3,650,878)
Accumulated impairment	(44,887)	3,444	18,138	258	(40,896)	(1,175)	(65,118)
Carrying value at 31 March 2020	2,390,599	1,403,982	1,698,522	109,574	1,837,204	469,938	7,909,819

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Property, plant and equipment (continued)

HISTORICAL COST

At 31 March 2021	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Bearer Plants ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	92,864	71,280	96,782	6,103	53,717	82,871	403,617
Additions	128,329	293,568	294,565	27,461	59,441	235,728	1,039,092
Net movement in service assets	-	-	(60)	-	-	-	(60)
Disposals – cost	(921)	-	(743)	(317)	(4,586)	(7)	(6,574)
Disposals – accumulated depreciation	132	-	727	195	107	-	1,161
Impairment	-	(675)	(598)	-	-	-	(1,273)
Depreciation	(2,554)	(20,312)	(30,471)	(2,973)	(1,489)	-	(57,799)
Classified as held for distribution (note 14)	(132,354)	(48)	(38,195)	(9,724)	(107,190)	(263,207)	(550,718)
Closing carrying value	85,496	343,813	322,007	20,745	-	55,385	827,446
At cost	98,086	383,599	383,150	22,427	-	55,385	942,647
Accumulated depreciation	(10,837)	(38,535)	(56,502)	(1,678)	-	-	(107,552)
Accumulated impairment	(1,753)	(1,251)	(4,641)	(4)	-	-	(7,649)
Carrying value at 31 March 2021	85,496	343,813	322,007	20,745	-	55,385	827,446

At 31 March 2020	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Bearer Plants ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	50,682	22,687	39,357	2,212	43,590	13,739	172,267
Additions	44,081	56,288	70,663	5,046	11,748	69,139	256,965
Net movement in service assets	-	-	113	-	-	-	113
Disposals – cost	(489)	(113)	(5,997)	(270)	(102)	-	(6,971)
Disposals – accumulated depreciation	479	113	5,585	227	10	-	6,414
Impairment	(322)	(37)	(1,513)	(4)	(451)	-	(2,327)
Depreciation	(1,567)	(7,658)	(11,424)	(1,108)	(1,078)	-	(22,835)
Classified as held for sale (note 14)	-	-	(2)	-	-	(7)	(9)
Closing carrying value	92,864	71,280	96,782	6,103	53,717	82,871	403,617
At cost	106,550	90,192	138,557	8,887	57,322	82,898	484,406
Accumulated depreciation	(11,671)	(18,334)	(36,909)	(2,753)	(2,656)	-	(72,323)
Accumulated impairment	(2,015)	(578)	(4,866)	(31)	(949)	(27)	(8,466)
Carrying value at 31 March 2020	92,864	71,280	96,782	6,103	53,717	82,871	403,617

Assets pledged as security

No Freehold land and buildings have been pledged to secure loans of the Group under mortgages.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Investment property

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
Opening carrying value	10,003	10,147	231	236
Depreciation	(144)	(144)	(5)	(5)
Closing carrying value	9,859	10,003	226	231
Comprising:				
Land and buildings - cost	13,356	13,356	310	310
Accumulated depreciation	(1,831)	(1,687)	(46)	(41)
Accumulated impairment	(1,666)	(1,666)	(38)	(38)
	9,859	10,003	226	231

The carrying value of investment properties were assessed for impairment at 31 March 2021 and no impairment was identified.
The Group owns the investment properties through a subsidiary, TM Supermarkets (Private) Limited, as follows:

- Stand number 32, Main Street, Chipinge at a carrying amount of ZWL 2,245,000 (2020: ZWL 2,278,000).
- Stand number 8965, Machipisa, Highfield, Harare at a carrying amount of ZWL7,614,000 (2020: ZWL7,725,000).

18. Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
Opening carrying value	1,360,205	-	75,885	-
Additions	583,240	1,444,142	412,802	86,984
Depreciation	(175,512)	(83,937)	(68,613)	(11,099)
Closing carrying value	1,767,933	1,360,205	420,074	75,885
Comprising				
Cost	2,027,381	1,444,142	499,786	86,984
Accumulated depreciation	(259,448)	(83,937)	(79,712)	(11,099)
	1,767,933	1,360,205	420,074	75,885

The Group's leases include leases of offices, retail stores and residential property in Zimbabwe. The corresponding operating lease liability matching the above asset is disclosed on note 29.

19. Investment in Mentor Africa (Pty) Limited

The Group has a 35% equity interest in Mentor Africa (Pty) Limited ("Mentor"), a company incorporated in South Africa. As in prior years, the value of Mentor at 31 March 2021 predominantly comprised of its wholly owned subsidiary, Cape Grace Hotel (Pty) Limited. The Group has no representation on the board of directors of Mentor and has no operational responsibilities. The Group also has no access to any information regarding the company except for that to which it has statutory rights as a shareholder. The investment is classified at level 3 fair value measurements and has been accounted for as financial assets at FVTOCI. At the end of each reporting period the investment is remeasured and the increase or decrease recognised in other comprehensive income. The asset has been remeasured to US$4.5 million, a US$2.4 million decrease from the previous valuation. The decrease in value was primarily due to uncertainty created by COVID-19 pandemic to hospitality businesses. The investment has been valued at a weighted average of two valuation methods, namely: the adjusted net asset value and the price-to-book value. The significant unobservable input used in these valuations is the average PBV proxy multiple obtained from comparable entities listed on the Johannesburg Stock Exchange. A 25% non-trading discount was applied to the proxy multiple to reflect the non-tradability of the Mentor shares as they are not listed on a stock exchange.

Refer to notes 4.1.1 and 4.2.7 for further details regarding the accounting and fair valuation of Mentor.

The movement in the carrying value of the Group's investment in Mentor is analysed below:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
Opening carrying value	171,813	50,778	171,813	50,778
Fair value adjustments	(203,184)	(249,651)	(203,184)	(249,651)
Exchange rate movements	408,230	370,686	408,230	370,686
Closing carrying value	376,859	171,813	376,859	171,813

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Biological assets

Biological assets comprise of gum and wattle plantations, livestock and produce growing on the bearer plants. The present value of expected net cash flows from plantations, discounted at a current market determined pre-tax rate, was used to determine the fair value of timber plantations. The fair value for livestock was determined by reference to the market price and these valuations were carried out by a professional valuer not connected to the Group.

Produce growing on bearer plants is measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. The fair value was determined by the maturity profile of the produce on the tree at time of reporting and the average selling price of the produce less costs to sale. Macadamia was estimated to be 80% mature, coffee 65% mature, avocado was fully mature at reporting date. As for tea, the 14 day round green leaf plucking cycle was applied, as 14 days green leaf is deemed to be growing on the bearer plant as at reporting date. Average selling prices are discounted in line with maturity profile.

For the current year end, biological assets have been classified under non-current assets held for distribution. Refer to note 14 for further details.

INFLATION ADJUSTED

Group At 31 March 2021	Tea bushes on plantations ZWL 000	Macadamia nuts on plantations ZWL 000	Timber plantations ZWL 000	Coffee beans on plantations ZWL 000	Avocado fruit on plantations ZWL 000	Livestock ZWL 000	Total ZWL 000
Opening carrying value	**15,446**	**279,913**	**51,970**	**32,876**	**308,774**	**24,664**	**713,643**
Additions	**-**	**-**	**3,700**	**-**	**-**	**-**	**3,700**
Disposals	**-**	**-**	**(1,877)**	**-**	**-**	**-**	**(1,877)**
Fair value adjustments	**2,344**	**87,763**	**(14,786)**	**(18,957)**	**(137,688)**	**11,390**	**(69,934)**
Movement on bearer plants	**-**	**95,964**	**-**	**16,655**	**34,521**	**-**	**147,140**
Classified as held for distribution	**(17,790)**	**(463,640)**	**(39,007)**	**(30,574)**	**(205,607)**	**(36,054)**	**(792,672)**
Closing carrying value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2020							
Opening carrying value	13,181	126,466	50,461	25,320	130,581	26,325	372,334
Additions	-	-	1,100	-	-	-	1,100
Disposals	-	-	(794)	-	-	-	(794)
Fair value adjustments	2,265	141,662	1,203	(541)	164,632	(1,661)	307,560
Movement on bearer plants	-	11,785	-	8,097	13,561	-	33,443
Closing carrying value	15,446	279,913	51,970	32,876	308,774	24,664	713,643

HISTORICAL COST

Group At 31 March 2021	Tea bushes on plantations ZWL 000	Macadamia nuts on plantations ZWL 000	Timber plantations ZWL 000	Coffee beans on plantations ZWL 000	Avocado fruit on plantations ZWL 000	Livestock ZWL 000	Total ZWL 000
Opening carrying value	**4,535**	**82,194**	**15,260**	**9,654**	**90,670**	**7,242**	**209,555**
Additions	**-**	**-**	**2,930**	**-**	**-**	**-**	**2,930**
Disposals	**-**	**-**	**(1,877)**	**-**	**-**	**-**	**(1,877)**
Fair value adjustments	**13,254**	**277,005**	**22,694**	**(494)**	**71,967**	**28,811**	**413,237**
Movement on bearer plants	**-**	**104,441**	**-**	**21,415**	**42,971**	**-**	**168,827**
Classified as held for distribution	**(17,789)**	**(463,640)**	**(39,007)**	**(30,575)**	**(205,608)**	**(36,053)**	**(792,672)**
Closing carrying value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2020							
Opening carrying value	499	4,783	1,909	957	4,939	996	14,083
Additions	-	-	323	-	-	-	323
Disposals	-	-	(233)	-	-	-	(233)
Fair value adjustments	4,036	72,394	13,261	6,315	81,263	6,246	183,515
Movement on bearer plants	-	5,017	-	2,382	4,468	-	11,867
Closing carrying value	4,535	82,194	15,260	9,654	90,670	7,242	209,555

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Biological assets (continued)

Analysis of balance

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Non-current portion	-	76,634	-	22,503
Produce on bearer plants – short term portion	-	637,009	-	187,052
	-	713,643	-	209,555

The Group is exposed to financial risks arising from changes in commodity prices. The Group does not anticipate that commodity prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in commodity prices. The Group reviews its outlook for commodity prices regularly in considering the need for active financial risk management.

Fair values of tea bushes on plantations, macadamia nuts on plantations, coffee beans on plantations and avocado fruit on plantations is determined using Level 1 inputs on the fair value hierarchy, whilst fair values for timber plantations and livestock is determined using level 3 inputs. For livestock, the Group engages third party qualified valuers to perform the valuation. Refer to note 3.2 and 36.9 for descriptions and determinations of the fair value hierarchy.

During the dry season the risk of damage from fire is significant. The Group reduces this risk in the best possible manner by implementing appropriate fire prevention measures such as clearing underbrush ahead of the dry season, constructing fire breaks and 24-hour surveillance. Climate and weather changes pose the risk of damage and affect productivity and quality. Nurseries and young plantations are covered in winter to minimise frost damage. Other mitigating measures include irrigation and other good agricultural practices such as pruning and fertilisation depending on seasons. In addition, nurseries are insured. The Group has not obtained insurance coverage for the plantations as the premium will be excessive in relation to the expected losses.

In the current year, the Group has disclosed biological assets under note 14 following classification of the agricultural segment as assets held for distribution to owners.

21. Intangible assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening carrying value	**5,346**	5,346	**124**	124
Classified as held for distribution	**(5,346)**	-	**(124)**	-
Closing carrying value	-	5,346	-	124
Comprising:				
Trade marks	-	5,346	-	124

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Other financial assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening carrying value (short term and long term portions)	**278,885**	36,007	**266,983**	31,856
Interest accrual	**3,798**	12,027	**3,798**	3,532
Additions	**65,927**	5	**65,806**	2
Exchange rate gain on foreign translations	**625,952**	231,622	**625,952**	231,622
Movement in provision for credit losses – Gondor Capital Limited	**1,157**	-	**1,157**	-
Disposals and repayments	**(2,291)**	(12,099)	**(2,291)**	(3,353)
Impairment provision reversal – short term loans	**-**	11,323	**-**	3,324
IFRS 9 impairment on staff loans[4]	**(26,049)**	-	**(26,049)**	-
Monetary adjustment	**(8,523)**	-	**-**	-
Classified as held for distribution	**(4,192)**	-	**(692)**	-
	934,664	278,885	**934,664**	266,983
Less: Short term portion in current assets	**(15,140)**	(12,066)	**(15,140)**	(3,543)
Non-current closing carrying value	**919,524**	266,819	**919,524**	263,440
Comprising:				
Carried at amortised cost:				
Funds due from Gondor Capital Limited[1]	**990,610**	293,426	**990,610**	293,426
Staff loans[4]	**41,809**	32	**41,809**	9
Short term loans[2]	**2,396**	12,034	**2,396**	3,534
Provision for credit losses	**(100,151)**	(30,076)	**(100,151)**	(30,076)
At fair value through profit or loss:				
Investment in unlisted securities	**-**	3,469	**-**	90
	934,664	278,885	**934,664**	266,983
Movement in provision for credit losses:				
Opening balance	**(30,076)**	(14,947)	**(30,076)**	(6,948)
Impairment provision reversal	**-**	11,323	**-**	3,324
Monetary adjustment	**-**	-	**-**	-
Provision for credit losses on funds due from Gondor Capital Limited[3]	**1,157**	-	**1,157**	-
Exchange rate adjustment - provision for credit losses on funds due from Gondor Capital Limited[3]	**(71,232)**	(26,452)	**(71,232)**	(26,452)
	(100,151)	(30,076)	**(100,151)**	(30,076)

1. Refer to note 4.2.3 for further details.
2. In the current financial year, short term loans are represented by Barkpest Investments (Private) Limited ("Barkpest") and Liftbrok Investments (Private) Limited ("Liftbrok"), collectively the "share purchase vehicles". The share purchase vehicles hold shares in the Company under the name Barkpest. The loans are payable on demand.
3. Management recognised a provision for credit losses on funds due from Gondor Capital Limited based on the lifetime expected credit losses model in-line with the requirements of IFRS 9. In determining the provision for credit losses, management considered the security on this balance and was satisfied that it adequately covers the amount receivable to the Group. This balance is denominated in US$ and hence the provision amount is subject to exchange rate adjustments at each reporting date.
4. Staff loans relate to amounts advanced to employees for the purchase of motor vehicles at a discounted interest rate. The loans have been discounted to present value using market interest rates, resulting in the recognition of an impairment provision. The loans are secured against the vehicles.

22.1 Holdings in material other entities:

Entity	Holding	Business	Country of incorporation
Meikles Hospitality (Private) Limited	100%	Hotels	Zimbabwe
Tanganda Tea Company Limited	100%	Agriculture	Zimbabwe
Greatermans Stores (1979) (Private) Limited	100%	Retail	Zimbabwe
Thomas Meikle Properties (Private) Limited	100%	Property owning	Zimbabwe
Ninety Speke (Private) Limited	100%	Property owning	Zimbabwe
Meikles Guard Services (Private) Limited	100%	Security services	Zimbabwe
TM Supermarkets (Private) Limited	51%	Retail	Zimbabwe
Meikles Centar Mining (Private) Limited	51%	Mining	Zimbabwe

Details of other subsidiary companies are disclosed in the Group structure on page 6.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Other financial assets (continued)

22.2 Details of partially owned subsidiaries that have material non-controlling interests

INFLATION ADJUSTED

	TM Supermarkets (Private) Limited		Individually immaterial subsidiaries with non-controlling interests		TOTAL	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Proportion of ownership interests and voting rights held by non-controlling interests	49% ZWL 000	49% ZWL 000	Various ZWL 000	Various ZWL 000	ZWL 000	ZWL 000
Opening accumulated non-controlling interests	2,699,201	1,605,042	(4,333)	(32,011)	2,694,868	1,573,031
Profit/(loss) allocated to non-controlling interests	322,054	983,118	2,985	27,678	325,039	1,010,796
Dividend paid	(211,966)	-	-	-	(211,966)	-
Non-controlling interests arising from Mopani Property Development (Private) Limited	1,206	111,041	-	-	1,206	111,041
Closing accumulated non-controlling interests	2,810,495	2,699,201	(1,348)	(4,333)	2,809,147	2,694,868
Summarised financial information:						
(Before intra-group eliminations)						
Current assets	3,482,383	2,668,730	-	-	3,482,383	2,668,730
Non-current assets	6,053,533	5,610,982	-	-	6,053,533	5,610,982
Current liabilities	(2,522,546)	(1,692,675)	(2,679)	(8,771)	(2,525,225)	(1,701,446)
Non-current liabilities	(1,695,000)	(1,487,626)	-	-	(1,695,000)	(1,487,626)
Equity attributable to owners of the parent	2,507,875	2,400,210	(1,331)	(4,438)	2,506,544	2,395,772
Non-controlling interests	2,810,495	2,699,201	(1,348)	(4,333)	2,809,147	2,694,868
Revenue	28,155,123	27,238,688	-	-	28,155,123	27,238,688
Expenses	(27,527,228)	(25,245,249)	6,091	56,486	(27,521,137)	(25,188,763)
Profit for the year	627,895	1,993,439	6,091	56,486	633,986	2,049,925
Profit attributable to owners of the parent	305,841	1,010,321	3,106	28,808	308,947	1,039,129
Profit attributable to non-controlling interests	322,054	983,118	2,985	27,678	325,039	1,010,796
Profit for the year	627,895	1,993,439	6,091	56,486	633,986	2,049,925
Net cash flow from operating activities	1,446,218	1,014,859	-	-	1,446,218	1,014,859
Net cash flow from investing activities	(934,819)	(596,226)	-	-	(934,819)	(596,226)
Net cash flow from financing activities	(222,462)	(60,117)	-	-	(222,462)	(60,117)
Net cash flow	288,937	358,516	-	-	288,937	358,516

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Other financial assets (continued)

22.2 Details of partially owned subsidiaries that have material non-controlling interests (continued)

HISTORICAL COST

	TM Supermarkets (Private) Limited		Individually immaterial subsidiaries with non-controlling interests		TOTAL	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Proportion of ownership interests and voting rights held by non-controlling interests	**49% ZWL 000**	49% ZWL 000	**Various ZWL 000**	Various ZWL 000	**ZWL 000**	ZWL 000
Opening accumulated non-controlling interests	**178,325**	50,208	**(1,262)**	(1,209)	**177,063**	48,999
Profit/(loss) allocated to non-controlling interests	**829,591**	118,851	**(51)**	(53)	**829,540**	118,798
Dividend paid	**(206,658)**	-	**-**	-	**(206,658)**	-
Non-controlling interests arising from Mopani Property Development (Private) Limited	**631**	9,266	**-**	-	**631**	9,266
Closing accumulated non-controlling interests	**801,889**	178,325	**(1,313)**	(1,262)	**800,576**	177,063
Summarised financial information:						
(Before intra-group eliminations)						
Current assets	**3,422,344**	595,508	**-**	-	**3,422,344**	595,508
Non-current assets	**1,281,489**	343,160	**-**	-	**1,281,489**	343,160
Current liabilities	**(2,522,546)**	(497,039)	**(2,679)**	(2,575)	**(2,525,225)**	(499,614)
Non-current liabilities	**(569,486)**	(96,132)	**-**	-	**(569,486)**	(96,132)
Equity attributable to owners of the parent	**809,912**	167,172	**(1,366)**	(1,313)	**808,546**	165,859
Non-controlling interests	**801,889**	178,325	**(1,313)**	(1,262)	**800,576**	177,063
Revenue	**21,816,348**	3,839,806	**-**	-	**21,816,348**	3,839,806
Expenses	**(20,141,746)**	(3,599,543)	**(104)**	(107)	**(20,141,850)**	(3,599,650)
Profit / (loss) for the year	**1,674,602**	240,263	**(104)**	(107)	**1,674,498**	240,156
Profit / (loss) attributable to owners of the parent	**845,011**	121,412	**(53)**	(54)	**844,958**	121,358
Profit / (loss) attributable to non-controlling interests	**829,591**	118,851	**(51)**	(53)	**829,540**	118,798
Profit / (loss) for the year	**1,674,602**	240,263	**(104)**	(107)	**1,674,498**	240,156
Net cash flow from operating activities	**1,345,105**	298,004	**-**	-	**1,345,105**	298,004
Net cash flow from investing activities	**(600,235)**	(175,076)	**-**	-	**(600,235)**	(175,076)
Net cash flow from financing activities	**(151,598)**	(17,653)	**-**	-	**(151,598)**	(17,653)
Net cash flow	**593,272**	105,275	**-**	-	**593,272**	105,275

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Other financial assets (continued)

22.3 Interest in joint operations:

The Victoria Falls Hotel

The Group through Meikles Hospitality (Private) Limited has a 50% interest in a joint operation which operates The Victoria Falls Hotel in Zimbabwe. There has been no change in the Group's ownership or voting interests in this joint operation since inception. The Group accounts for the assets, liabilities, revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The following amounts are included in the Group financial statements in respect of the joint operation in The Victoria Falls Hotel:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Non-current assets	**103,723**	101,889	**7,463**	5,561
Current assets	**33,349**	106,100	**32,673**	30,546
Non-current liabilities	**(888)**	(3,099)	**(888)**	(910)
Current liabilities	**(40,541)**	(55,470)	**(36,459)**	(16,288)
Revenue	**15,423**	677,355	**14,085**	79,263
Expenses	**(91,442)**	(524,726)	**(36,445)**	(19,252)
(Loss) / profit for the year	**(76,019)**	152,629	**(22,360)**	60,011

The Victoria Falls Hotel is a defendant in a legal case involving 69 dismissed employees. The employees were dismissed following their involvement in an illegal industrial action. They have since challenged the dismissal through the courts.

The Victoria Falls Hotel partnership leases the property on a revenue based lease which is valid until 2036. The partnership has the first right to renew the lease at the end of this period for a further ten years. Lease payments are computed as 10% of the hotel's revenue, as defined in the lease agreement. This lease did not qualify for capitalisation of right-of-use asset as it falls outside the scope of IFRS 16.

23. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
Inventories comprise:	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Raw materials and consumables	**159,314**	514,282	**155,633**	101,978
Merchandise and manufactured goods	**2,301,393**	2,076,620	**2,250,376**	448,529
Work in progress	**-**	49,383	**-**	14,501
	2,460,707	2,640,285	**2,406,009**	565,008

Cost of inventories recognised as an expense was ZWL 21.6 billion (2020: ZWL22 billion). The cost of inventories recognised as an expense includes ZWL 91.1 million (2020: ZWL40.5 million) in respect of write-offs of inventory due to shrinkage.

24. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Trade receivables	**19,100**	373,559	**19,100**	109,692
Expected credit loss allowance	**(15,155)**	(54,129)	**(15,155)**	(15,895)
Net trade receivables	**3,945**	319,430	**3,945**	93,797
Advance crop expenditure	**-**	729	**-**	214
Prepayments and deposits	**92,891**	223,623	**86,502**	51,211
Outstanding proceeds on Meikles Hotel disposal	**945,281**	1,379,235	**945,281**	405,000
Other receivables	**496,346**	192,292	**496,346**	55,990
	1,538,463	2,115,309	**1,532,074**	606,212

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade 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 various subsidiaries' industries, and forecast conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 120 days past due, unless under exceptional circumstance, as these are generally irrecoverable. For forward looking information in adjusting the ECL, the Group has used average obtaining interest rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Trade and other receivables (continued)

The following details the risk profile of trade receivables based on the Group's provision matrix.

INFLATION ADJUSTED

31 March 2021	<30 ZWL 000	31-60 ZWL 000	61-90 ZWL 000	91-120 ZWL 000	>120 ZWL 000	Total ZWL 000
Expected credit losses	7%	24%	25%	27%	96%	79%
Estimated carrying amount at default	1,820	867	674	696	15,043	19,100
Lifetime ECL	(126)	(210)	(169)	(191)	(14,459)	(15,155)
Balance	1,694	657	505	505	584	3,945

31 March 2020	<30 ZWL 000	31-60 ZWL 000	61-90 ZWL 000	91-120 ZWL 000	>120 ZWL 000	Total ZWL 000
Expected credit losses	2%	9%	22%	94%	100%	14%
Estimated carrying amount at default	292,095	27,215	9,265	16,579	28,405	373,559
Lifetime ECL	(5,848)	(2,319)	(2,006)	(15,551)	(28,405)	(54,129)
Balance	286,247	24,896	7,259	1,028	-	319,430

HISTORICAL COST

31 March 2021	<30 ZWL 000	31-60 ZWL 000	61-90 ZWL 000	91-120 ZWL 000	>120 ZWL 000	Total ZWL 000
Expected credit losses	7%	24%	25%	27%	96%	79%
Estimated carrying amount at default	1,820	867	674	696	15,043	19,100
Lifetime ECL	(126)	(210)	(169)	(191)	(14,459)	(15,155)
Balance	1,694	657	505	505	584	3,945

31 March 2020	<30 ZWL 000	31-60 ZWL 000	61-90 ZWL 000	91-120 ZWL 000	>120 ZWL 000	Total ZWL 000
Expected credit losses	2%	9%	22%	94%	100%	14%
Estimated carrying amount at default	85,771	7,991	2,721	4,868	8,341	109,692
Lifetime ECL	(1,718)	(681)	(589)	(4,566)	(8,341)	(15,895)
Balance	84,053	7,310	2,132	302	-	93,797

25. Cash and bank balances

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 31 March 2021 ZWL 000	Group 31 March 2020 ZWL 000	Group 31 March 2021 ZWL 000	Group 31 March 2020 ZWL 000
Current				
Bank balances	785,599	861,845	785,599	255,726
Cash on hand	2,118	22,962	2,118	6,743
	787,717	884,807	787,717	262,469

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Share capital and Directors' beneficial interests

26.1 Share capital

Ordinary shares of ZWL1 cent each:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening issued share capital	**111,884**	111,884	**2,611**	2,611
Closing issued share capital	**111,884**	111,884	**2,611**	2,611

	Number 31 March 2021	Number 31 March 2020	**Number 31 March 2021**	Number 31 March 2020
Shares in issue	**261,064,590**	261,064,590	**261,064,590**	261,064,590
Unissued shares	**138,935,410**	138,935,410	**138,935,410**	138,935,410
Authorised shares	**400,000,000**	400,000,000	**400,000,000**	400,000,000

Meikles Limited Employee Share Ownership Trust

The Meikles Limited Employee Share Ownership Trust (the Trust) was established in August 2011 with the objective of empowering employees through their acquisition of a shareholding in Meikles Limited. A total of 28 million shares are available for acquisition by the Trust. To date, 10,778,510 shares have been issued to the Trust. The purchase consideration of the shares is calculated on the basis of the weighted average price of the Company's shares over the thirty (30) days prior to the date of issue. The composition of the Trust participants is 95% workers and 5% management. The Trust held 1,860,000 shares at 31 March 2021.

The unissued shares are under the control of the shareholders, except for the 17,221,490 shares which have been allocated to the Trust. Timing of issue of the 17,221,490 shares depends on the Trust having the necessary funds to purchase the shares.

26.2 Directors' beneficial interests

At 31 March 2021 the direct and indirect beneficial interests of the Directors in the ordinary shares of the Company are shown below:

	Fully paid ordinary shares	
	31 March 2021	**31 March 2020**
J.R.T. Moxon	**27,933,226**	27,806,808
R. Chidembo	**945,930**	940,730
S.P. Cranswick	**94,649**	94,649
S.J. Hammond	**15,497**	15,497
C.C. Chitiyo	**4**	4
K. Ncube	**-**	-
J.A. Mushore	**-**	-
T. Muzvagwandoga	**71,778**	71,778
M.R. Mycroft	**-**	-

Mr J.R.T. Moxon's indirect beneficial interests through Gondor Capital Limited are included in the disclosures above. Gondor Capital Limited has a 47.08% shareholding in the Company.

27. Other reserves

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Non-distributable reserve	**(325,394)**	(325,879)	**(13,873)**	(14,041)
Investments revaluation reserve	**(462,435)**	(259,251)	**(462,435)**	(259,251)
Foreign currency translation reserve	**1,319,296**	273,210	**1,714,981**	668,895
	531,467	(311,920)	**1,238,673**	395,603

The non-distributable reserve arose on the adoption of the US dollar as the functional and reporting currency of the Group on 1 January 2009.

The foreign currency translation reserve arises from the translation of the Group's foreign entities to the local ZWL. Movements are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
Secured:	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Acceptance credits, loans and overdrafts	**-**	140,895	**-**	41,937
Unsecured:				
Acceptance credits, loans and overdrafts	**63,347**	63,785	**63,347**	18,165
	63,347	204,680	**63,347**	60,102
Less: Portion repayable within 12 months	**(63,347)**	(104,848)	**(63,347)**	(30,788)
Non-current portion	**-**	99,832	**-**	29,314
On demand and within one year	**63,347**	104,848	**63,347**	30,788
In second year	**-**	24,149	**-**	7,091
In third year	**-**	21,208	**-**	6,227
In fourth year	**-**	11,785	**-**	3,461
In fifth year	**-**	12,911	**-**	3,791
After fifth year	**-**	29,779	**-**	8,744
	63,347	204,680	**63,347**	60,102

28.1 Summary of borrowing arrangements

- Included in the unsecured borrowings is a loan of ZWL919,000 in inflation adjusted terms (2020: ZWL3 million) from Afghan African Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited. The loan attracts interest at LIBOR and an annual management fee of 4% per annum. There are no fixed repayment terms.
- Included in the unsecured borrowings is a loan of ZWL1.2 million in inflation adjusted terms (2020: ZWL3.9 million) from Mr Ian Hannam, who is connected with Afghan African Holdings Limited. The loan attracts interest at 10% per annum and has no fixed repayment terms.

29. Lease liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening balance	**334,387**	-	**98,190**	-
Additions	**412,802**	296,226	**412,802**	86,984
Interest expense	**153,776**	97,499	**153,776**	28,630
Rental payments	**(136,086)**	(59,338)	**(136,086)**	(17,424)
Monetary adjustment	**(236,197)**	-	**-**	-
	528,682	334,387	**528,682**	98,190
Less current portion	**(21,622)**	(22,690)	**(21,622)**	(6,663)
Non-current portion	**507,060**	311,697	**507,060**	91,527
Maturity profile				
On demand	**21,622**	22,690	**21,622**	6,663
Between one and two years	**25,362**	21,953	**25,362**	6,446
Between two and three years	**38,806**	23,261	**38,806**	6,830
Between three and four years	**33,991**	30,306	**33,991**	8,899
Between four and five years	**48,590**	25,160	**48,590**	7,388
After five years	**360,311**	211,017	**360,311**	61,964
	528,682	334,387	**528,682**	98,190

30. Trade and other payables

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Trade payables	**1,652,960**	942,063	**1,652,960**	275,906
Accruals	**448,287**	832,274	**448,287**	205,020
Other payables and provisions	**820,738**	734,766	**820,514**	255,849
	2,921,985	2,509,103	**2,921,761**	736,775

- The credit period on purchases ranges from 0 to 30 days (2020: 0 to 30 days) from date of statement. Foreign suppliers are paid predominantly on prepayment or cash basis. Interest is charged by certain but not all suppliers on overdue payables.
- Trade payables comprise amounts outstanding for trade purchases. The Directors consider that the carrying amount of trade payables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. Related party transactions

Balances between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below as well as in note 22.

31.1 Related party transactions and balances

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
During the year, group entities entered into the following transactions with related parties that are not members of the Group:				
Interest income – short term loans – see note 12.1	**804**	15,190	**515**	3,532
Interest payable - Afghan African Holdings Limited	**49**	349	**33**	33
Interest payable - Mr Ian Hannam	**106**	752	**71**	71
Rentals – Wingray Properties (Private) Limited	**3,884**	2,272	**3,126**	330
Cost recoveries - Meikles Consolidated Holdings (Private) Limited	**2,169**	831	**1,672**	143
Dividend paid to Gondor Capital Limited	**111,625**	22,963	**111,625**	6,743
The following balances were outstanding at the end of the reporting date:				
Funds due from Gondor Capital Limited (before impairment provisions) – see note 22	**990,610**	293,426	**990,610**	**293,426**
Short term loans – see note 22	**2,396**	12,034	**2,396**	3,534
African Afghan Holdings Limited – payable	**919**	3,018	**919**	886
Mr Ian Hannam – payable	**1,219**	3,908	**1,219**	1,147
Pick n Pay (Proprietary) Limited – payable	**-**	189,884	**-**	55,758
Current account with Gondor Capital Limited – receivable	**4,572**	4,612	**4,572**	1,354
Dividend payable to Gondor Capital Limited	**4,725**	5,930	**4,725**	1,741

- The loan from African Afghan Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited, attracts interest at LIBOR and an annual management fee of 4% per annum. There are no fixed repayment terms.
- Meikles Consolidated Holdings (Private) Limited (MCH) is indirectly owned by shareholders who hold 47.08% (2020: 47.08%) of the Company's issued shares. The current account is unsecured and has no fixed terms of repayment.
- The loan from Mr Ian Hannam, who is connected with African Afghan Holdings Limited, attracts interest at 10% per annum and is repayable on demand.

31.2 Compensation of and loans to executive Directors and key management personnel

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Short-term benefits	**240,774**	398,574	**181,770**	55,228
Post-employment benefits	**1,711**	4,228	**1,292**	586
Total	**242,485**	402,802	**183,062**	55,814
Loans to key management personnel	**1,423**	-	**1,423**	-

The short term benefits represent remuneration of executive Directors and other members of key management during the year.

32. Borrowing powers

In terms of the Company's Articles of Association, the Directors shall not allow the borrowings of the Company to exceed at any time, twice the value of the funds attributable to the shareholders without the sanction of the Company in a general meeting.

33. Commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Commitments for the acquisition of property, plant and equipment				
Authorised but not yet contracted for	**3,717,748**	4,567,398	**3,717,748**	1,339,413
Group's share of capital commitments of joint operations	**223,300**	375,935	**223,300**	110,245

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. Retirement benefits

34.1 The Meikle Group Pension Scheme
All eligible employees in Zimbabwe contribute to an independently administered pension scheme. The scheme is based on a defined contribution plan.

34.2 National Social Security Authority Scheme
All eligible employees in Zimbabwe contribute to the National Social Security Authority Scheme (NSSA). NSSA is a defined benefit scheme promulgated under the National Social Security Authority Act 1989. The contribution rate is limited to specific contribution rates as legislated from time to time. The contribution rate is presently the lower of ZWL367.50 and 3.5% of pensionable emoluments per employee per month.

35. Contingent assets and contingent liabilities

35.1 Claim against Government of Zimbabwe
In 1998, the Company was directed by Reserve Bank of Zimbabwe (RBZ) to transfer US$42.6 million that had been raised offshore to RBZ. RBZ would keep the funds as deposit on call in a Special Foreign Currency Account, earning interest at market rates. The Company complied and placed the funds with RBZ. Between 1999 and 2001, the Company made withdrawals amounting to US$21.8 million. RBZ was unable to pay any further funds to the Company from 2002 to 2013. In 2013, the Company negotiated and agreed the interest applicable to the deposit from inception with the Governor of RBZ at the time to be 8% per annum. RBZ documented the date of interest rate review agreement as 1 February 2009 and partially implemented the agreement in 2014 and 2015 through the issuance by Government of Treasury Bills with a face of US$80 million. Government assumed responsibility to settle the balance through the Reserve Bank of Zimbabwe (Debt Assumption) Act of 2015. The negotiations to reach agreement on effective date for the interest review, took too long to conclude and as a result, the Company instituted legal proceedings against Government. Legal proceedings sought to compel Government and RBZ to apply the interest rate agreed in 2013 to the inception of the deposit. In May 2021, the Directors accepted an offer from the Government of Zimbabwe and RBZ to pay US$10 million as full and final settlement to the dispute. The settlement amount has not been recorded in these financial statements and will be recorded upon receipt of the funds.

35.2 The Victoria Falls Hotel contingent liabilities
Refer to note 22.3.

36. Financial instruments

36.1 Capital management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt from continuing operations (borrowings as detailed in notes 28 and 29) and equity (comprising issued capital, reserves, retained earnings and non-controlling interests).

The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure of the Group at least quarterly. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital.

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Long-term and short-term debt	**592,029**	539,066	**592,029**	158,292
Total equity	**11,862,469**	10,931,445	**5,570,687**	1,599,454
Debt to equity ratio	**5%**	5%	**11%**	10%

Debt is defined as long-term and short-term borrowings as described in note 28 and note 29.

36.2 Categories of financial instruments
The Group's principal financial instruments comprise:
- Financial assets and liabilities at fair value through profit or loss
- Financial assets and liabilities at fair value through other comprehensive income; and
- Financial assets and liabilities at amortised cost.

36.3 Financial risk management objectives
The Group operates a central treasury function, the objective being to provide competitive funding costs and investment income as well as the monitoring of financial risk, under policies approved by the Board. The Group treasury activity, which operates in close co-operation with the Group's operating units, is routinely reported to Executive Directors. In accordance with Group policy, Group treasury does not engage in speculative activity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Financial instruments (continued)

36.3 Financial risk management objectives (continued)

The main categories of risk inherent in the business of the Group are:
- Credit risk
- Liquidity risk
- Market risk (including interest risk and currency rate risk)
- Climate and weather changes (refer to note 20 for details).

The Group's objective is to effectively manage each of the above risks associated with its financial instruments in order to limit the Group's exposure, as far as possible, to any financial loss associated with these risks.

The Board is ultimately responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage, and monitor key business risks. The Risk Committee is responsible for developing and monitoring the Group's risk management policies. The committee reports at least quarterly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities.

The Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Committee is assisted in this regard by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Committee at least quarterly.

36.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the financial loss from defaults. The Group uses publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly.

Financial assets, which potentially subject the Group to concentrations of credit risk at the reporting date are as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Other financial assets (note 22)	**934,664**	278,885	**934,664**	266,983
Trade and other receivables (excluding prepayments) (note 24)	**1,445,572**	1,891,686	**1,445,572**	555,001
Cash at banks (excluding cash on hand) (note 25)	**785,599**	861,845	**785,599**	255,726

The carrying amounts of financial assets represent the maximum exposure.

Trade receivables are amounts owing by customers and are presented net of allowance for credit losses. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Trade receivables are unsecured. The Group does not have significant credit risk exposure to any single counterparty in respect of trade and other receivables.

The Group's cash is placed with major banks of high credit standing and within specific guidelines laid down by the Group Treasury and approved by the Board. The Group does not consider there to be significant exposure to credit risk in respect of cash and cash equivalents.

In addition, the Group is exposed to credit risk in relation to financial guarantees provided to banks by the Group in respect to the Group entities' borrowings. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called. The Group did not have any material guarantees at the end of the year, as Group loans had significantly reduced.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Financial instruments (continued)

36.4 Credit risk management (continued)

There are no concentrations of credit risk with respect to cash and cash equivalents as the Group holds cash accounts with high quality financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Group have the following credit ratings:

	INFLATION ADJUSTED		HISTORICAL COST	
Rating	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
A+	**450,315**	259,142	**450,315**	76,095
A	**27,880**	50,308	**27,880**	14,772
AA	**85,939**	455,828	**85,939**	133,850
BB+	**24,933**	4,444	**24,933**	1,305
BB	**-**	3,296	**-**	968
BBB	**32,218**	36,372	**32,218**	10,680
Not rated	**164,314**	52,455	**164,314**	18,056
Cash on hand	**2,118**	22,962	**2,118**	6,743
	787,717	884,807	**787,717**	262,469

36.5 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. Ultimate responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In terms of the Company's Articles of Association, the Company's borrowing powers are limited to twice the value of the funds attributable to the shareholders. Any excess has to be sanctioned in a general meeting of the Company. Group Treasury maintains strict control over the acceptance and draw-down of any loan facility.

The following are the contractual maturities of financial liabilities, including accrued interest to the end of the reporting period:

	INFLATION ADJUSTED		
Group – 31 March 2021	**Carrying amount ZWL 000**	**Within 1 year ZWL 000**	**1 to 5 years ZWL 000**
Unsecured acceptance credits, loans and overdrafts	**63,347**	**63,347**	**-**
Trade and other payables	**2,921,985**	**2,921,985**	**-**
Lease liabilities	**528,682**	**21,622**	**507,060**
Total financial liabilities	**3,514,014**	**3,006,954**	**507,060**
Group – 31 March 2020			
Secured acceptance credits and loans	140,895	41,063	99,832
Unsecured acceptance credits, loans and overdrafts	63,785	63,785	-
Trade and other payables	2,509,103	2,509,103	-
Lease liabilities	334,387	22,690	311,697
Total financial liabilities	3,048,170	2,636,641	411,529

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Financial instruments (continued)

36.5 Liquidity risk management (continued)

	HISTORICAL COST		
Group – 31 March 2021	**Carrying amount ZWL 000**	**Within 1 year ZWL 000**	**1 to 5 years ZWL 000**
Unsecured acceptance credits, loans and overdrafts	**63,347**	**63,347**	**-**
Trade and other payables	**2,921,761**	**2,921,761**	**-**
Lease liabilities	**528,682**	**21,622**	**507,060**
Total financial liabilities	**3,513,790**	**3,006,730**	**507,060**
Group – 31 March 2020			
Secured acceptance credits and loans	41,937	12,623	29,314
Unsecured acceptance credits, loans and overdrafts	18,165	18,165	-
Trade and other payables	736,775	736,775	-
Lease liabilities	98,190	6,663	91,527
Total financial liabilities	895,067	774,226	120,841

	INFLATION ADJUSTED		HISTORICAL COST	
Secured acceptance credits and loans with various maturity dates extending to 2022	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
- amount drawn down	**-**	140,895	**-**	41,937
- amount undrawn	**-**	-	**-**	-
	-	140,895	**-**	41,937
Unsecured acceptance credits, loans and overdrafts reviewed annually				
- amount drawn down	**63,347**	63,785	**63,347**	18,165
- amount undrawn	**-**	-	**-**	-
	63,347	63,785	**63,347**	18,165

36.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk. The Directors manage market risk at both subsidiaries and corporate risk through divisional board oversights and Group board reviews.

36.7 Foreign currency risk management

The Group undertakes transactions denominated in currencies other than its functional currency. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters by liquidating foreign denominated cash balances at approved rates.

Liquidity risk on foreign creditors and lenders has increased in the current and previous years due to foreign currency shortages in the country. The Group has access to foreign currencies through its export receipts from the agricultural and hospitality segments; together with some foreign currency cash receipts from the supermarkets segment. This leverage is used to negotiate for shorter waiting periods for remittances to foreign creditors and lenders from local banking institutions, according to the Reserve Bank of Zimbabwe prioritisation list.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Financial instruments (continued)

36.7 Foreign currency risk management (continued)
The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at year end are as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Assets				
United States dollar	**1,433,735**	1,722,925	**1,433,735**	520,604
South African rand	**27,353**	526	**27,353**	154
Euro	**2**	9,239	**2**	2,713
British pound	**1**	-	**1**	-
	1,461,091	1,732,690	**1,461,091**	523,471
Liabilities				
United States dollar	**238,896**	191,178	**238,896**	56,138
South African rand	**3,061**	53,951	**3,061**	15,843
British pound	**5,364**	-	**5,364**	-
	247,321	245,129	**247,321**	71,981

As at 31 March 2021, management performed a sensitivity analysis on monetary assets and liabilities. The following table illustrates the different scenarios based on US$ exchange rates to the ZWL at 1:84, 1:100 and 1:150.

	INFLATION ADJUSTED AND HISTORICAL COST		
31 March 2021	**At 1:84 ZWL 000**	**At 1:100 ZWL 000**	**At 1:150 ZWL 000**
Monetary assets (denominated in foreign currency)	**1,461,091**	**1,731,148**	**2,596,723**
Monetary liabilities (denominated in foreign currency)	**(247,321)**	**(293,034)**	**(439,551)**
Net monetary assets (denominated in foreign currency)	**1,213,770**	**1,438,114**	**2,157,172**
Potential increase to profit and equity for the year (after tax)	**-**	**168,886**	**541,306**

The Group has a 35% interest in Mentor Africa (Pty) Limited which has operations in South Africa. Refer to note 19 for further details. Mentor Africa (Pty) Limited's assets and liabilities are denominated in South African rand. Prolonged devaluation of the South African rand presents the risk of impairment to the investment carrying value. The Group did not use forward foreign exchange contracts during the year under review and does not apply cash flow hedge accounting.

36.8 Market price
The Group currently has no significant investments in listed equity securities and therefore has minimal exposure to market price risk.

36.9 Fair value measurements

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. 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.

In determining the fair values of the biological assets, the Group used Level 1 and Level 3 fair value measurements. Refer to note 20.

At 31 March 2021 the carrying amounts, as disclosed in the statement of financial position, of cash and cash equivalents, loans and receivables, interest bearing borrowings, overdrafts and trade and other payables approximate their fair values. Trade receivables will mature within 35 to 365 days and payables will mature within 7 to 30 days from date of statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Financial instruments (continued)

36.10 Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The Group manages the interest rate risk on long and short term borrowings by fixing the interest rate with the relevant financial institution wherever possible and by maintaining an appropriate mix between fixed and floating rate borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest risk whereas borrowings issued at fixed interest rates expose the Group to fair value interest risk. The Group has no significant interest bearing assets. The effective rates on financial instruments at 31 March 2021 are:

INFLATION ADJUSTED

Group – 31 March 2021	Weighted average interest rate p.a	Within 1 year ZWL 000	1 to 5 years ZWL 000	Total
Financial assets				
Staff loans	20%	12,784	29,025	41,809
Total financial assets		12,784	29,025	41,809
Financial liabilities				
Acceptance credits and loans	15.74%	63,347	-	63,347
Total financial liabilities		63,347	-	63,347

Group – 31 March 2020	Weighted average interest rate p.a	Within 1 year ZWL 000	1 to 5 years ZWL 000	Total
Financial assets				
Trade receivables	20%	32	-	32
Total financial assets		32	-	32
Financial liabilities				
Acceptance credits and loans	15.57%	101,370	99,832	201,202
Bank overdrafts	14.35%	3,478	-	3,478
Total financial liabilities		104,848	99,832	204,680

HISTORICAL COST

Group – 31 March 2021	Weighted average interest rate p.a	Within 1 year ZWL 000	1 to 5 years ZWL 000	Total
Financial assets				
Staff loans	20%	12,784	29,025	41,809
Total financial assets		12,784	29,025	41,809
Financial liabilities				
Acceptance credits and loans	15.74%	63,347	-	63,347
Bank overdrafts		-	-	-
Total financial liabilities		63,347	-	63,347

Group – 31 March 2020	Weighted average interest rate p.a	Within 1 year ZWL 000	1 to 5 years ZWL 000	Total
Financial assets				
Trade receivables	20%	9	-	9
Total financial assets		9	-	9
Financial liabilities				
Acceptance credits and loans	15.57%	29,767	29,314	59,081
Bank overdrafts	14.35%	1,021	-	1,021
Total financial liabilities		30,788	29,314	60,102

NOTES TO THE FINANCIAL STATEMENTS (continued)

37. Prior period errors

Misstatement of property plant and equipment

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

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

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

38. Exchange rates

	31 March 2021	31 March 2020
ZWL1 is equivalent to:		
Statement of financial position rate:		
United States dollar	**0.0118**	0.0400
South African rand	**0.1770**	0.7190
British pound	**0.0086**	0.0324
Average transaction rate:		
United States dollar	**0.0142**	0.0752
South African rand	**0.2262**	1.1463
British pound	**0.0107**	**0.0593**

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Other income	**917,146**	465,558	824,777	94,709
Employee costs	**(138,323)**	(85,736)	**(108,821)**	(12,766)
Occupancy costs	**(7,596)**	(3,938)	**(6,686)**	(505)
Other operating costs	**(125,185)**	(143,245)	**(104,002)**	(19,189)
Operating profit	**646,042**	232,639	**605,268**	62,249
Investment income	**956**	17,881	**645**	3,536
Finance costs	**-**	(49,330)	**-**	(4,085)
Net exchange losses	**(64,573)**	(154,416)	**(39,468)**	(8,845)
(Impairments) / recoveries on investments and receivables	**(26,229)**	19,375	**(22,452)**	4,415
Net monetary gain	**192,880**	1,340,070	**-**	-
Profit before tax	**749,076**	1,406,219	**543,993**	57,270
Income tax (expense) / credit	**(21,218)**	(258,558)	**10,467**	(36)
PROFIT FOR THE YEAR	**727,858**	1,147,661	**554,460**	57,234
Other comprehensive income, net of tax	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**727,858**	1,147,661	**554,460**	57,234

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	31 March 2021 ZWL 000	31 March 2020 ZWL 000	31 March 2021 ZWL 000	31 March 2020 ZWL 000
ASSETS					
Non-current assets					
Property, plant and equipment		24,295	2,562	22,605	227
Investment in other entities	(ii)	3,901,740	3,713,237	233,700	92,665
Other financial assets		600	-	600	-
Deferred tax	(iii)	-	-	18,902	8,435
Total non-current assets		3,926,635	3,715,799	275,807	101,327
Current assets					
Receivables	(iv)	219,574	19,409	219,457	5,568
Other financial assets		2,481	12,066	2,481	3,543
Cash and bank balances		2,413	782	2,413	229
Total current assets		224,468	32,257	224,351	9,340
Total assets		4,151,103	3,748,056	500,158	110,667
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		111,884	111,884	2,611	2,611
Share premium		139,617	139,617	3,925	3,925
Other reserves		404,715	404,715	9,409	9,409
Retained earnings		3,262,436	2,839,796	358,924	45,949
Total equity		3,918,652	3,496,012	374,869	61,894
Non-current liabilities					
Deferred tax	(iii)	107,162	85,944	-	-
Total non-current liabilities		107,162	85,944	-	-
Current liabilities					
Provisions and other payables	(v)	125,289	166,100	125,289	48,773
Total current liabilities		125,289	166,100	125,289	48,773
Total equity and liabilities		4,151,103	3,748,056	500,158	110,667

J.R.T. Moxon
29 June 2021

R. Chidembo
29 June 2021

COMPANY ABRIDGED NOTES TO THE COMPANY FINANCIAL STATEMENTS

(i) Basis of preparation and summary of significant accounting policies

The Company statement of financial position has been prepared in accordance with IFRS. The accounting policies are similar to those presented in the consolidated financial statements of the Group as per note 3. The Company statement of financial position has been included in this annual report to comply with the provisions of Section 186 (1) of the Companies and Other Business Entities Act (Chapter 24:31), and may not be suitable for any other purpose if read in isolation.

(ii) Investment in other entities

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening carrying value	**3,713,237**	3,889,567	**92,665**	96,758
Additions	**210,955**	57,831	**163,487**	8,065
Impairment	**(22,452)**	(234,161)	**(22,452)**	(12,158)
Closing carrying value	**3,901,740**	3,713,237	**233,700**	92,665
Comprising at cost:				
Subsidiaries				
Investment in Meikles Hospitality (Private) Limited	**1,854,707**	1,854,707	**49,526**	49,526
Investment in Greatermans Stores (1979) (Private) Limited	**-**	-	**-**	-
Investment in TM Supermarkets (Private) Limited	**171,354**	171,354	**3,977**	3,977
Investment in Tanganda Tea Company Limited	**1,875,661**	1,687,158	**180,197**	39,162
Drillreel Investments (Private) Limited	**9**	9	**-**	-
Meikles Guard Services (Private) Limited	**9**	9	**-**	-
	3,901,740	3,713,237	**233,700**	92,665

Investments in Greatermans Stores (Private) Limited, Fosternate Investments (Private) Limited, Stripwax Investments (Private) Limited, Drillreel Investments (Private) Limited, Meikles Centar Mining (Private) Limited and Isis Management Holdings are not shown above due to rounding off.

For details relating to shareholding in each subsidiary, please refer to the Group structure on page 6.

(iii) Deferred tax

	INFLATION ADJUSTED		HISTORICAL COST	
	31 March 2021 ZWL 000	31 March 2020 ZWL 000	**31 March 2021 ZWL 000**	31 March 2020 ZWL 000
Opening carrying value	**85,944**	(171,819)	**(8,435)**	(8,312)
Charged to statement of profit or loss	**21,218**	257,763	**(10,467)**	(123)
	107,162	85,944	**(18,902)**	(8,435)
Comprising				
Assessed losses	**(14,060)**	(33,629)	**(14,060)**	(9,874)
Furniture, equipment and motor vehicles	**5,226**	506	**198**	10
Provisions	**29**	110	**-**	-
Unrealised exchange differences	**(7,916)**	(4,926)	**(7,915)**	(1,446)
	(16,721)	(37,939)	**(21,777)**	(11,310)
Deferred capital gains tax on unlisted investments	**123,883**	123,883	**2,875**	2,875
	107,162	85,944	**(18,902)**	(8,435)

(iv) Receivables

Group balances	**12,419**	13,983	**12,419**	4,106
Other receivables	**207,155**	5,426	**207,038**	1,462
	219,574	19,409	**219,457**	5,568

(v) Provisions and other payables

Group balances	**3,722**	3,535	**3,722**	1,038
Other payables	**121,567**	162,565	**121,567**	47,735
	125,289	166,100	**125,289**	48,773

KEY PERFORMANCE MEASURES

INFLATION ADJUSTED

		31 March 2021	31 March 2020	31 March 2019	31 March 2018
Gross margin (%)	Gross profit / Revenue	**23.25%**	21.02%	28.71%	n/a
Net margin (%)	Operating profit / (loss) / Revenue	**3.09%**	3.24%	13.61%	n/a
Return on equity (%)	Attributable earnings / Average shareholders' funds	**1.95%**	8.27%	4.92%	n/a

HISTORICAL COST

		31 March 2021	31 March 2020	31 March 2019	31 March 2018
Gross margin (%)	Gross profit / Revenue	**29.32%**	28.95%	27.15%	23.28%
Net margin (%)	Operating profit / (loss) / Revenue	**10.83%**	12.19%	11.66%	5.21%
Return on equity (%)	Attributable earnings / Average shareholders' funds	**15.85%**	25.84%	13.54%	(0.24%)

SHAREHOLDER INFORMATION

	Holders		Shares	
	Number	%	Number	%
Analysis of ordinary shareholdings at 31 March 2021				
Type of holder				
Zimbabwe Register				
Non-taxable companies	1,511	12.39	74,108,677	28.39
Individuals	9,799	80.35	15,405,763	5.90
FCDA residents	57	0.47	15,148,045	5.80
Insurance companies	27	0.22	1,109,972	0.43
Nominee companies	177	1.45	12,337,511	4.73
Non residents	18	0.15	120,877,793	46.30
Pension funds	171	1.40	17,519,930	6.71
Total for Zimbabwe	**11,760**	**96.43**	**256,507,691**	**98.25**
London Register				
Banks and nominee companies	20	0.16	3,881,504	1.49
Individuals	410	3.36	646,883	0.25
Other corporate bodies	5	0.04	28,512	0.01
Total for London	**435**	**3.57**	**4,556,899**	**1.75**
Totals for Zimbabwe and London	**12,195**	**100.00**	**261,064,590**	**100.00**
Size of holdings				
1 – 5 000	11,554	94.75	3,251,703	1.25
5 001 – 10 000	206	1.69	1,474,395	0.56
10 001 – 50 000	254	2.08	5,648,491	2.16
50 001 – 100 000	65	0.53	4,448,414	1.70
100 001 – 500 000	83	0.68	18,139,023	6.95
Exceeding 500 000	33	0.27	228,102,561	87.38
Totals	**12,195**	**100.00**	**261,064,590**	**100.00**

Top ten shareholders	No. of shares	%
At 31 March 2021		
Gondor Capital Limited	122,903,771	47.08
Mega Market (Private) Limited	25,731,380	9.86
Old Mutual Life Assurance Company Zimbabwe Limited	21,516,302	8.24
Stanbic Nominees (Private) Limited – account 140043470003	8,774,137	3.36
Meikles Consolidated Holdings (Private) Limited	4,697,819	1.80
London Register – Meikles Africa Limited	4,556,899	1.75
Stanbic Nominees (Private) Limited – NNR account 140043470002	4,228,212	1.62
Messina Investments Limited	3,971,781	1.52
Old Mutual Zimbabwe	2,896,272	1.11
Meikles Pension Fund - ABC	2,874,310	1.10
Total for top ten shareholders	**202,150,883**	**77.44**
Other	58,913,707	22.56
Total	**261,064,590**	**100.00**
At 31 March 2020		
Gondor Capital Limited	122,903,771	47.08
Old Mutual Life Assurance Company Zimbabwe Limited	20,290,714	7.77
Mega Market (Private) Limited	15,116,457	5.79
Stanbic Nominees (Private) Limited – account 140043470003	10,144,137	3.89
Windward Capital (Pty) Ltd	8,065,263	3.09
Messina Investments Limited	7,858,050	3.01
Stanbic Nominees (Private) Limited – NNR account 140043470002	4,223,288	1.62
Meikles Consolidated Holdings (Private) Limited	4,158,319	1.59
Old Mutual Zimbabwe	4,006,665	1.53
Willoughbys Consolidated PLC	3,842,603	1.47
Total for top ten shareholders	200,609,267	76.84
Other	60,455,323	23.16
Total	261,064,590	100.00

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	**Organisational profile**				
	102-1 Name of the organization	Cover page			
	102-2 Activities, brands, products, and services	12-14			
	102-3 Location of headquarters	105			
	102-4 Location of operations	7			
	102-5 Ownership and legal form	6,100			
	102-6 Markets served	7			
	102-7 Scale of the organization	9			
	102-8 Information on employees and other workers	26-28			
	102-9 Supply chain	34-35			
	102-10 Significant changes to the organization and its supply chain	34-35			
	102-11 Precautionary Principle or approach	20			
	102-12 External initiatives	35			
	102-13 Membership of associations	8			
	Strategy				
	102-14 Statement from senior decision-maker	10-11			
	Ethics and integrity				
	102-16 Values, principles, standards, and norms of behaviour	15			
	Governance				
	102-18 Governance structure	15			
	Stakeholder engagement				
	102-40 List of stakeholder groups	22			
	102-41 Collective bargaining agreements	28			
	102-42 Identifying and selecting stakeholders	22			
	102-43 Approach to stakeholder engagement	22			
	102-44 Key topics and concerns raised	23			
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	81			
	102-46 Defining report content and topic Boundaries	3			
	102-47 List of material topics	24			
	102-48 Restatements of information	3			
	102-49 Changes in reporting	3			
	102-50 Reporting period	3			
	102-51 Date of most recent report	3			
	102-52 Reporting cycle	3			
	102-53 Contact point for questions regarding the report	3			
	102-54 Claims of reporting in accordance with the GRI Standards	3			
	102-55 GRI content index	101-104			
	102-56 External assurance	3			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 33			
	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33			
	201-3 Defined benefit plan obligations and other retirement plans	89			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 35			
	103-2 The management approach and its components	35			
	103-3 Evaluation of the management approach	35			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	35			
300 series (Environmental topics)					
Energy					
GRI 302: Energy 2016	103-1 Explanation of the material topic and its Boundary	3, 30			
	103-2 The management approach and its components	30-31			
	103-3 Evaluation of the management approach	31			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	30			
	302-2 Energy consumption outside of the organization	30-31			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 32			
	103-2 The management approach and its components	32			
	103-3 Evaluation of the management approach	32			
GRI 303: Water and Effluents 2018	303-5 Water consumption	32			
Biodiversity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 33			
	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
300 Series (Environmental topics) (continued)					
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 31-32			
	103-2 The management approach and its components	31-32			
	103-3 Evaluation of the management approach	32			
Waste 2020	306-5 Waste directed to disposal	32			
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 26			
	103-2 The management approach and its components	26-27			
	103-3 Evaluation of the management approach	27			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	27			
Labor/Management Relations					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 26			
	103-2 The management approach and its components	26			
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 27			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27			
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	3, 27			
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	28			
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 28			
	103-2 The management approach and its components	28			
	103-3 Evaluation of the management approach	28			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	28			
Child Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 21			
	103-2 The management approach and its components	21			
	103-3 Evaluation of the management approach	21			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics) (continued)					
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 28			
	103-2 The management approach and its components	28			
	103-3 Evaluation of the management approach	28			
Human Rights Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 21			
	103-2 The management approach and its components	21			
	103-3 Evaluation of the management approach	21			
Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3, 20			
	103-2 The management approach and its components	20			
	103-3 Evaluation of the management approach	20			
GRI 103: Management Approach 2016	419-1 Non-compliance with laws and regulations in the social and economic area	20			

CORPORATE INFORMATION

Meikles Limited
(Registration No. 1/37)

Business Address
4 Steppes Road
Highlands
Harare
Zimbabwe
Telephone: +263-242-252068-71
Telefax: +263-242-252067

Transfer Secretaries
ZB Transfer Secretaries
21 Natal Road
Belgravia
P.O Box 2540
Harare
Zimbabwe
Telephone 263-242-759660/9
email: rmutakwa@zb.co.zw

Auditors
Deloitte & Touche (Chartered Accountants)
West Block, Borrowdale Office Park
Borrowdale Road
Borrowdale
P.O. Box 267
Harare
Zimbabwe
Telephone +263 (0)8677 000261
email: deloitte@deloitte.co.zw

Web Address
www.deloitte.com

Principal Bankers
Stanbic Bank Zimbabwe
Stanbic Centre
59 Samora Machel Avenue
Harare
Zimbabwe
Telephone +263-242-759471/83; +263 (0)8677 04783/4
email: zimccc@stanbic,com

Principal Bankers
African Banking Corporation of Zimbabwe Limited
Endeavour Crescent
Mt Pleasant Business Park
P.O. Box 2786
Harare
Zimbabwe
Telephone +263-242-338001/20
email: enquiries.mtpleasant@bancabc.com

Principal Bankers
Ecobank
Block A Sam Levy's Office Park
2 Piers Road Borrowdale
Harare
Zimbabwe
Telephone +263-242-858111
email: ecobankenquiries@ecobank.com

Registered Office
4 Steppes Road
Highlands
Harare
Zimbabwe
Telephone +263-242-252068-71
Telefax +263-242-252067

Website Address
www.meiklesltd.com

London Corporate Advisors
PricewaterhouseCoopers Legal LLP
1 Chamberlain Square
Birmingham, B3 3AX
England

Legal Practitioners
Scanlen and Holderness
P.O. Box 188
Harare
Zimbabwe
Telephone +263-242-799636/42
email: scanlen@mweb.co.zw

Sustainability Advisors
Institute for Sustainability Africa
22 Walter Hill Avenue
Eastlea
Harare
Zimbabwe
Telephone: +2630242-796501
Email: admin@insafrica.org.zw

Principal Bankers
CABS
Northend Close
Northridge Park, Highlands
P.O Box 2798
Harare
Zimbabwe
Telephone: +263-242-883823/33
Email: management@cabs.co.zw

Company Secretary
Tabani Mpofu
Email: investorrelations@meikles.com

NOTICE OF MEETING

Notice is hereby given that the eighty-fourth ANNUAL GENERAL MEETING of members of Meikles Limited will be held virtually by electronic means on Thursday, 18 November 2021 at 09.00 hours:

ORDINARY BUSINESS

1. CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

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

2. DIRECTORATE

2.1 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- James Andrew Mushore

2.2 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election:
- John Ralph Thomas Moxon

2.3 To confirm Directors' fees amounting to ZWL 8,252,653 for the year ended 31 March 2021.

3. AUDITORS' FEE AND APPOINTMENT OF AUDITORS

3.1 To approve the auditors' fees of ZWL 24,505,000 and ZWL 53,962,000 for the Company and the Group respectively for the year ended 31 March 2021.

3.2: To appoint auditors for the year ending 31 March 2022. Messrs Deloitte & Touche, auditors for the year ended 31 March 2021, have indicated their willingness to continue in office.

Note 1: Deloitte & Touche have acted as the Company's independent auditors for more than ten years. In view of the provisions of Section 191 of the Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listings Requirements [SI 134/2019], the Directors will recommend the appointment of new auditors for the financial year ending 31 March 2023.

Note 2: In terms of the Companies Act (Chapter 24:03) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote of a poll and speak in his stead. A proxy need not to be a member of the Company and shall not be a director or officer of the Company. Proxy forms must be lodged with the secretary not less than forty-eight (48) hours before the time of holding of the meeting.

By order of the Board

T. Mpofu
Company Secretary
27 October 2021

LOGIN INSTRUCTIONS

May you please ensure that you have downloaded the ZOOM application and follow the login instructions below:

1. **Meeting ID: 819 5242 4161**
   Password: Shareholders to contact the Transfer Secretaries on the following numbers +263772862956, +263772936413, and +263773668857.

2. Write your username on Zoom in the format below:

   XXXXXX SHAREHOLDER NAME

   Where XXXXXX is your shareholder number.

If you have any challenges, kindly contact us on +263772862956, +263772936413, and +263773668857.

FORM OF PROXY

For the Eighty-Fourth Annual General Meeting of the Members of Meikles Limited to be held virtually on Thursday 18 November 2021.

I/We____

(Name/s in block letters)

being a member of Meikles Limited

being the holder of ______________________________ shares in the Company hereby appoint

1. ______________________ of ______________________

or failing him/her

2. ______________________ of ______________________

As my/our proxy to act for me/us at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

Resolution	For	Against	Abstain
Ordinary Resolution number 1 To receive, consider and adopt the financial statements for the year ended 31 March 2021 together with the reports of the Directors and Auditors thereon.			
Ordinary Resolution number 2 2.1 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: • James Andrew Mushore			
Ordinary Resolution number 2 2.2 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: • John Ralph Thomas Moxon			
Ordinary Resolution number 2 2.3 To confirm Directors' fees amounting to ZWL 8,252,653 for the year ended 31 March 2021.			
Ordinary Resolution number 3 3.1 To approve the auditors' fees of ZWL 24,505,000 and ZWL 53,962,000 for the Company and the Group respectively for the year ended 31 March 2021.			
Ordinary Resolution number 3 3.2 To appoint auditors for the year ending 31 March 2022. Messrs Deloitte & Touché, auditors for the year ended 31 March 2021, have indicated their willingness to continue in office.			

Every person present and entitled to vote at the AGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Please read the notes appearing on the reverse hereof.

Signed at ______________________ on ______________________ 2021

Signature(s) ____

Assisted by me ____

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (please use block letters).

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. In terms of the Companies and Other Business Entities Act, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his or her stead. No Director or Officer of the company may be appointed as a proxy for a Member. A proxy need not be a member of the Company.

2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.

3. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
   i. Under a power of attorney
   ii. On behalf of a company

   unless that person's power of attorney or authority is deposited at the offices of the Company's Zimbabwe transfer secretaries, not less that forty-eight (48) hours before the meeting.

4. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.

5. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

6. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.

7. In order to be effective, completed proxy forms must reach the Company's transfer secretaries not less than 48 hours before the time appointed for the holding of the meeting.

8. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

9. Please be advised that the number of votes to which a member is entitled is determined by the number of shares recorded in the share register 48 hours before the time appointed for the holding of the meeting.

OFFICE OF THE ZIMBABWE TRANSFER SECRETARIES
ZB Transfer Secretaries
21 Natal Road
Belgravia
P.O Box 2540
Harare
Zimbabwe
Telephone 263 242 759660/9

NOTES