

MEIKLES

— L I M I T E D —

CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

CHAIRMAN'S STATEMENT

Operating Environment

The trading environment during the six months ended 30 September 2021 remained characterised by inflation at a rate which was substantially higher than other countries in the region. The year-on-year inflation at 30 September 2021 was 51.55%, which impacted severely on procurement costs and continued to place a strain on consumers in terms of their purchasing ability.

The auction exchange rate depreciated by 8% during the same period. This was less than inflation and results in earning constraints on the Group's exporting segments.

COVID-19 lockdown restrictions were eased throughout the period under review compared to the hard lockdown in the same comparative period last year, a positive development in the economy. However, there are parts of the economy, such as tourism, which remain severely affected by the international impact of COVID-19.

Group Financial Performance

Commentary on financial performance is based primarily on inflation adjusted figures.

Revenue from continuing operations, in inflation adjusted terms grew by 28% to ZW\$ 20.0 billion compared to the same period of the previous year primarily due to a strong performance by the supermarket segment. In historical cost terms, Group revenue increased to ZW\$ 18.3 billion (Previous period: ZW\$ 7.7 billion).

Group operating profit for the period in inflation adjusted terms increased by 156% to ZW\$ 1.0 billion (Previous period: ZW\$ 391.1 million). In historical cost terms, Group operating profit for the period grew by 55% to ZW\$ 1.7 billion from ZW\$ 1.1 billion.

Inflation adjusted Group profit after tax of ZW\$ 1.6 billion (Previous period: ZW\$ 469.2 million) was impacted positively by investment income and by the growth in operating profit. Group profit after tax, in historical cost terms, amounted to ZW\$ 2.2 billion (Previous period: ZW\$ 1.4 billion).

The Group achieved an increase in liquid financial resources despite the trading environment and continued COVID-19 trading restrictions. The statement of financial position strengthened with the current ratio improving to 1.77 times from 1.60 times on 31 March 2021. Cash and bank balances increased by 58% (Historical cost: 90%) to ZW\$ 1.5 billion from ZW\$ 0.95 billion (Historical cost: ZW\$ 0.79 billion) at 31 March 2021.

The Group accepted both a financial and non-financial settlement offer from the Government for the funds deposited with Reserve Bank of Zimbabwe. The Group received the full financial settlement in October 2021. The details of the non-financial aspect of the settlement are still under discussion with Government. This portion will create an opportunity to exploit further investments in addition to those already planned.

TM Supermarkets trading as TM Pick n Pay

Revenue for the period was ZW\$ 20.0 billion in inflation adjusted terms (Previous period: ZW\$ 15.2 billion). In historical cost terms, revenue increased to ZW\$ 18.3 billion from ZW\$ 7.5 billion in the previous period. Units sold grew by 27% during the period under review. Sales units volume accelerated after 30 September 2021, and it is expected to result in a stronger financial performance in future months.

Operating profit for the period amounted to ZW\$ 1.2 billion in inflation adjusted terms, compared to ZW\$ 463.9 million achieved in the previous period. In historical cost terms, the operating profit increased to ZW\$ 1.8 billion from ZW\$ 1.1 billion in the previous period.

Refurbishment of the stores is progressing as planned. During the period under review, the Newlands store was renovated and reopened in September 2021. Two more stores are expected to be completed by the end of December 2021. In addition, work is under way on new stores that are expected to come on stream during the first half of the next financial year.

Tanganda

Tanganda is classified as a discontinued operation in the financial results as the plan to demerge it from the Group is at an advanced stage.

Revenue of ZW\$ 1.5 billion in inflation adjusted terms was 7% up on ZW\$ 1.4 billion achieved during the six months ended 30 September 2020. In historical cost terms revenue grew to ZW\$ 1.4 billion from ZW\$ 751.0 million in the previous year.

Operating profit in inflation adjusted terms was ZW\$ 51.5 million compared with ZW\$ 610.6 million in the previous period. Operating profit in historical cost terms was ZW\$ 220.4 million (previous period: ZW\$ 573.6 million). Tanganda's profitability is adversely affected by the disparities between increases in production costs and the movement in the exchange rate. Exports contribute 72% of Tanganda's revenue. During the period under review, production costs, including labour, increased by 233% in historical cost terms, well ahead of inflation. The exchange rate depreciated by 8% during the period September 2020 to September 2021 versus year-on-year inflation of 51.55%. Consequently, the segment posted a loss of ZW\$ 531.2 million (Previous period: Loss of ZW\$ 183.2 million).

Bulk tea export sales of 3 114 tonnes were 5% lower than 3 282 tonnes sold in the comparative period of last year. The average export selling price firmed up slightly to US\$1.37/kg from prior year average selling price of US\$1.35/kg. Bulk tea production for the period at 2 417 tonnes was in line with the same period of the previous year.

The volume of Macadamia production increased by 72% to 924 tonnes from 537 tonnes in the prior year season. The average price of primary grades of US\$5.09/kg was slightly lower than US\$5.13/kg in the previous year.

The volume of avocado export sales grew by 86% to 3 108 tonnes from 1 671 tonnes in the comparative period. However, the quality was affected by the cyclone in January 2021, coupled with a hailstorm in June 2021. The resultant lenticel damage is subject to an insurance claim which amount can only be determined at the end of the season. Avocado average selling price declined by 14% from US\$0.77/kg in the half year ended 30 September 2020 down to US\$0.66/kg for the six months ended 30 September 2021.

There was a 17% growth in local market sales volumes against prior year performance which led to an overall growth of total hot beverages sales within the first half.

The construction of solar plants at Jersey and Tingamira estates was completed in August 2021 and each plant is supported by a battery pack. An application for Independent Power Producer licence for the solar plant at Ratelshoek Estate was successful and the next process is to carry out some infrastructural reconfiguration works with the assistance from the Zimbabwe Electricity Transmission and Distribution Company.

Hospitality

The segment's operations in Victoria Falls continued to be affected by COVID-19 disruptions to international tourism and travel. Room occupancy for the period under review was 12.89%. Our focus is on completion of the refurbishment of gorge facing rooms of the hotel prior to the end of the first quarter of year 2022.

Properties

The building located at 90 Speke Avenue in Harare was sold during the period under review. The proceeds are ear-marked for the development of existing properties at strategic locations. Extension of the building in Mutare was completed and the tenant took occupation of the new area in October 2021. Development plans of the remaining buildings in Harare, Bulawayo and Masvingo are being finalised for completion in 2022.

Unbundling of Tanganda from the Group

The shareholders' meeting to decide on the unbundling of Tanganda from the Group will be held on 1 December 2021. Corporate governance structures were enhanced with the appointment of additional directors. Subject to shareholders' approval, the listing of Tanganda's shares on the Zimbabwe Stock Exchange will be concluded.

Outlook

The Group is well set to execute its expansion plans as it has substantial resources to support its strategies. To this end, capital projects across the subsidiaries will be completed as planned.

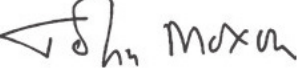
Sales volume growth accelerated in TM Pick n Pay post September 2021, which augurs well for the remaining period of the current financial year.

Dividend

The Board has declared a first interim dividend of 80 ZW\$ cents per share amounting to ZW\$ 209.0 million to be paid on 16 December 2021. The dividend in specie to implement the proposed demerger of Tanganda is subject to Shareholders' approval on 1 December 2021.

Appreciation

I would like to extend my appreciation to our customers, suppliers, shareholders, and regulatory authorities for their continued support. I also extend my appreciation to my fellow Directors, and to management and staff for their dedication and commitment.



J.R.T Moxon
Chairman
30 November 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
		Reviewed 30 Sep 2021 ZW\$ 000	Reviewed 30 Sep 2020 ZW\$ 000	Unaudited 30 Sep 2021 ZW\$ 000	Unaudited 30 Sep 2020 ZW\$ 000
CONTINUING OPERATIONS					
Revenue		19,984,471	15,585,871	18,295,096	7,660,408
Net operating costs		(18,935,129)	(15,194,757)	(16,558,767)	(6,572,890)
Operating profit		1,049,342	391,114	1,736,329	1,087,518
Investment income		868,950	1,418	868,730	788
Finance costs		(122,488)	(135,874)	(113,266)	(76,735)
Net exchange gains		34,886	1,629,171	32,178	800,962
Net monetary gain / (loss)		131,803	(592,718)	-	-
Profit before tax		1,962,493	1,293,111	2,523,971	1,812,533
Income tax expense		(325,457)	(823,915)	(316,895)	(431,989)
Profit for the period from continuing operations		1,637,036	469,196	2,207,076	1,380,544
DISCONTINUED OPERATION					
(Loss) / profit for the period from discontinued operation	6.1	(533,160)	(181,730)	(172,942)	504,490
Profit for the period		1,103,876	287,466	2,034,134	1,885,034
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations		49,627	993,740	49,627	993,740
Other comprehensive income for the period, net of tax		49,627	993,740	49,627	993,740
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,153,503	1,281,206	2,083,761	2,878,774
Profit for the period attributable to:					
Owners of the parent		719,059	115,284	1,460,611	1,541,784
Non-controlling interests		384,817	172,182	573,523	343,250
		1,103,876	287,466	2,034,134	1,885,034
Total comprehensive income is attributable to:					
Owners of the parent		768,686	1,109,024	1,510,238	2,535,524
Non-controlling interests		384,817	172,182	573,523	343,250
		1,153,503	1,281,206	2,083,761	2,878,774
Earnings per share (cents)					
Basic and diluted earnings per share - continuing and discontinued operations		275.43	44.01	559.48	590.57
Basic and diluted earnings per share - continuing operations		479.66	113.62	625.72	397.33
Headline and diluted headline earnings per share - continuing and discontinued operations					
		271.42	43.65	555.86	589.96
Headline and diluted headline earnings per share - continuing operations		476.47	113.66	622.98	396.72



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CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 30 Sep 2021 ZW\$ 000	Audited 31 Mar 2021 ZW\$ 000	Unaudited 30 Sep 2021 ZW\$ 000	Unaudited 31 Mar 2021 ZW\$ 000
ASSETS				
Non-current assets				
Property, plant and equipment	6,060,923	5,987,319	1,409,238	827,446
Investment property	11,804	11,938	223	226
Right of use assets	2,318,240	2,140,880	576,072	420,074
Investment in Mentor Africa (Pty) Limited	391,440	376,859	391,440	376,859
Other financial assets	990,871	925,655	990,871	919,524
Deferred tax	1,926	1,085	35,077	32,742
Total non-current assets	9,775,204	9,443,736	3,402,921	2,576,871
Current assets				
Inventories	2,958,523	2,979,796	2,824,592	2,406,009
Trade and other receivables	1,800,665	1,862,037	1,788,419	1,532,074
Other financial assets	24,721	18,334	24,721	15,140
Cash and bank balances	1,510,409	951,514	1,510,409	787,717
	6,294,318	5,811,681	6,148,141	4,740,940
Assets held for sale and distribution	5,674,413	6,275,882	2,502,615	2,613,009
Total current assets	11,968,731	12,087,563	8,650,756	7,353,949
Total assets	21,743,935	21,531,299	12,053,677	9,930,820
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	135,486	135,486	2,611	2,611
Share premium	169,069	169,069	3,925	3,925
Other reserves	393,560	373,714	1,287,728	1,238,673
Retained earnings	10,345,906	10,014,180	4,614,067	3,524,902
Equity attributable to equity holders of the parent	11,044,021	10,692,449	5,908,331	4,770,111
Non-controlling interests	3,769,813	3,401,739	1,359,160	800,576
Total equity	14,813,834	14,094,188	7,267,491	5,570,687
Non-current liabilities				
Lease liabilities	661,943	614,023	661,943	507,060
Deferred tax	1,659,450	1,932,314	1,596	207,334
Total non-current liabilities	2,321,393	2,546,337	663,539	714,394
Current liabilities				
Trade and other payables	3,428,223	3,538,383	3,427,930	2,921,761
Borrowings	71,116	76,710	71,116	63,347
Lease liabilities	51,644	26,183	51,644	21,622
	3,550,983	3,641,276	3,550,690	3,006,730
Liabilities relating to assets classified as held for distribution	1,057,725	1,249,498	571,957	639,009
Total current liabilities	4,608,708	4,890,774	4,122,647	3,645,739
Total liabilities	6,930,101	7,437,111	4,786,186	4,360,133
Total equity and liabilities	21,743,935	21,531,299	12,053,677	9,930,820

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

INFLATION ADJUSTED	Share capital ZW\$ 000	Share premium ZW\$ 000	Other reserves ZW\$ 000	Retained earnings ZW\$ 000	Attributable to owners of parent ZW\$ 000	Non-controlling interests ZW\$ 000	Total ZW\$ 000
2021 – Reviewed							
Balance at 1 April 2021	135,486	169,069	373,714	10,014,180	10,692,449	3,401,739	14,094,188
Profit for the period	-	-	-	719,059	719,059	384,817	1,103,876
Transfer from non-distributable reserves	-	-	(29,781)	29,781	-	-	-
Other comprehensive income for the period	-	-	49,627	-	49,627	-	49,627
Dividend paid	-	-	-	(417,114)	(417,114)	(55,636)	(472,750)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	38,893	38,893
Balance at 30 September 2021	135,486	169,069	393,560	10,345,906	11,044,021	3,769,813	14,813,834
2020 – Reviewed							
Balance at 1 April 2020	135,486	169,069	(469,776)	10,234,644	10,069,423	3,444,193	13,513,616
Profit for the period	-	-	-	115,284	115,284	172,182	287,466
Restatement of property	-	-	8,739	-	8,739	-	8,739
Other comprehensive income for the period	-	-	993,740	-	993,740	-	993,740
Dividend paid	-	-	-	(213,425)	(213,425)	(15,841)	(229,266)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	1,460	1,460
Balance at 30 September 2020	135,486	169,069	532,703	10,136,503	10,973,761	3,601,994	14,575,755
HISTORICAL COST*							
2021 – Unaudited							
Balance at 1 April 2021	2,611	3,925	1,238,673	3,524,902	4,770,111	800,576	5,570,687
Profit for the period	-	-	-	1,460,611	1,460,611	573,523	2,034,134
Transfer from non-distributable reserves	-	-	(572)	572	-	-	-
Other comprehensive income for the period	-	-	49,627	-	49,627	-	49,627
Dividend paid	-	-	-	(372,018)	(372,018)	(49,643)	(421,661)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	34,704	34,704
Balance at 30 September 2021	2,611	3,925	1,287,728	4,614,067	5,908,331	1,359,160	7,267,491
2020 – Unaudited							
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 period	-	-	-	1,541,784	1,541,784	343,250	1,885,034
Restatement of property	-	-	168	-	168	-	168
Other comprehensive income for the period	-	-	993,740	-	993,740	-	993,740
Dividend paid	-	-	-	(130,532)	(130,532)	(8,729)	(139,261)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	631	631
Balance at 30 September 2020	2,611	3,925	1,389,511	2,431,504	3,827,551	512,215	4,339,766

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	INFLATION ADJUSTED		HISTORICAL COST*
	Reviewed 30 Sep 2021 ZW\$ 000	Reviewed 30 Sep 2020 ZW\$ 000	Unaudited 30 Sep 2021 ZW\$ 000
			Unaudited 30 Sep 2020 ZW\$ 000
CONTINUING AND DISCONTINUED OPERATIONS			
Profit before tax – continuing operations	1,962,493	1,293,111	2,523,971
– discontinued operations (note 6.1)	(598,797)	(90,420)	(231,316)
	1,363,696	1,202,691	2,292,655
Adjustments for:			
- Depreciation and impairment of property, plant and equipment, investment property and right-of-use assets	508,460	491,011	117,407
- Net interest	(695,780)	182,647	(709,154)
- Net exchange gains	(54,525)	(2,086,656)	(50,529)
- Fair value adjustments on biological assets	193,001	750,211	415,647
- Loss on disposal of property, plant and equipment – continuing operations	(8,299)	(2,596)	(5,117)
- Loss on disposal of property, plant and equipment – discontinued operations	(2,163)	(1,102)	(2,288)
- Other non-cash movements	-	8,739	-
Operating cash flow before working capital changes	1,304,390	544,945	2,058,621
			1,702,644
Decrease / (increase) in inventories	21,273	(207,528)	(487,008)
Decrease / (increase) in trade and other receivables	1,136,340	(314,656)	397,509
(Decrease) / increase in trade and other payables	(429,797)	(257,792)	449,654
Cash generated from / (used in) operations	2,032,206	(235,031)	2,418,776
Income taxes paid	(584,617)	(640,435)	(586,311)
Net cash generated from / (used in) operating activities	1,447,589	(875,466)	1,832,465
Cash flows from investing activities			
Payment for property, plant and equipment	(680,326)	(610,495)	(753,128)
Proceeds from disposal of property, plant and equipment	130,434	3,834	9,794
Net movement in service assets	52	23	47
Net movement in other investments	(38,750)	(15,775)	(54,730)
Net movement in biological assets	570,785	50,078	180,925
Investment income	625	617	403
Net cash generated from / (used in) investing activities	(17,180)	(571,718)	(616,689)
Cash flows from financing activities			
Net (decrease) / increase in interest bearing borrowings	(5,594)	107,960	30,105
Non-controlling interests arising from Mopani Property Development (Private) Limited	38,893	1,460	34,704
Finance costs	(180,899)	(184,217)	(151,324)
Lease movement	(18,503)	39,572	(23,356)
Dividend paid – ordinary shareholders	(332,382)	(169,695)	(287,286)
– non-controlling interests	(55,636)	(15,841)	(49,643)
Net cash used in financing activities	(554,121)	(220,761)	(446,800)
Net increase / (decrease) in cash and bank balances	876,288	(1,667,945)	768,976
Cash and bank balances at the beginning of the period	951,514	1,072,602	839,289
Translation of foreign entity	598	17,042	598
Net effect of exchange rate changes on cash and bank balances	(31,713)	1,955,971	18,038
Effects of inflation adjustments	(169,786)	(368,202)	-
Cash and bank balances at the end of the period	1,626,901	1,009,468	1,626,901
Comprising:			
Cash and bank balances from continuing operations	1,510,409	1,009,468	1,510,409
Cash and bank balances from discontinued operations (note 6.3)	116,492	-	116,492
Total cash and bank balances at the end of the year	1,626,901	1,009,468	1,626,901

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS

1. Basis of preparation

The condensed consolidated 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. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The historical costs have been adjusted for the effects of applying International Accounting Standard (“IAS”) 29 – ‘Financial Reporting in Hyperinflationary Economies’. Refer to note 2.3 for further details.

These condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34 Interim Financial Reporting and should be read in conjunction with the Group’s annual report for the full year to 31 March 2021.

The condensed consolidated financial statements have been prepared under the supervision of Thempson Muzvangwandoga CA (Z), the Group Finance Director, registered public accountant PAAB Number 2724.

2. Accounting policies

Accounting policies and methods of computation applied in the preparation of these condensed consolidated financial statements are consistent, in all material respects, with those used in the preparation of the annual report. New applicable standards and improvements which became effective in the current year have been complied with and have had no material impact on these condensed consolidated financial statements.

2.1 Presentation currency

These condensed consolidated financial statements are presented in Zimbabwe dollars (ZW\$), which is the Group’s presentation currency.

2.2 Historical cost financial information*

Historical cost financial results are provided only as supplementary information. The primary financial statements are the inflation adjusted results. The auditor’s review conclusion relates only to the inflation adjusted financial results.

2.3 Hyperinflation

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 ZW\$ 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 represents 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 30 September 2021:

	Indices	Adjustment Factor
CPI as at 30 September 2021	3,342.02	1.00
CPI as at 31 March 2021	2,759.83	1.21
CPI as at 30 September 2020	2,205.24	1.52
Average CPI for the six months to:		
30 September 2021	3,043.50	
30 September 2020	1,630.70	

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CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS (continued)

3. Going concern

These condensed consolidated financial statements are prepared on a going concern basis. Directors have assessed the ability of the Group to continue in operational existence for the foreseeable future at the reporting date. Based on the cash resources available as at the reporting date and measures put in place to curtail the impact of COVID-19, the Directors believe the Group has sufficient resources to continue in operation for the foreseeable future.

4. Segment information

Revenue – continuing operations

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Supermarkets	20,035,421	15,193,786	18,346,679	7,501,593
Hotels	100,317	440,007	94,038	180,790
Corporate^	(151,267)	(47,922)	(145,621)	(21,975)
Group	19,984,471	15,585,871	18,295,096	7,660,408

Adjusted profit for the year – continuing operations^o

	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Supermarkets	776,627	326,607	1,163,286	691,157
Hotels	105,209	123,373	221,798	733,934
Corporate^	755,200	19,216	821,992	(44,547)
Group	1,637,036	469,196	2,207,076	1,380,544

Segment assets

Supermarkets

	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Agriculture	12,172,240	11,547,525	6,383,936	4,703,833
Hotels	5,674,392	6,275,861	2,502,615	2,613,009
Corporate^	1,335,416	1,849,445	704,535	1,016,158
Group	2,561,887	1,858,468	2,462,591	1,597,820

Segment liabilities

	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Supermarkets	4,978,826	5,107,240	3,630,290	3,092,032
Agriculture	1,074,524	1,249,498	588,756	639,009
Hotels	363,113	606,850	322,863	480,827
Corporate^	513,638	473,523	244,277	148,265
Group	6,930,101	7,437,111	4,786,186	4,360,133

[^]Included in the corporate revenue amount is an adjustment of ZW\$ 242.4 million (2020: ZW\$ 111.4 million); (Historical cost ZW\$ 228.7 million (2020: ZW\$ 55.5 million) against revenue in respect of inter-segment sales. Inter-company balances have been eliminated in the corporate amounts. Corporate also includes other operating segments that are immaterial to warrant separate disclosure.

^oAdjusted profit for the year for the reportable segments is before Group management fees.

5. Fair value measurement

5.1 Fair value hierarchy

IFRS 13 Fair Value Measurement 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.

5.2 Valuation of Investment Mentor Africa (Pty) Limited (“Mentor”)

The Group's investment in Mentor Africa (Pty) Limited is carried at FVTOCI and is not held for trading. 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. Valuations are performed by an independent expert valuer, and in preparing such valuation, assumptions are made relating to future events and financial performance.

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 input used in these valuations is the average PBV proxy multiple obtained from comparable entities listed on the Johannesburg Stock Exchange. The applicable non-trading discount is applied to the proxy multiples to reflect the non-tradability of the Mentor shares as they are not listed on a stock exchange.

Fair Valuations are performed annually at each financial year end, and hence no valuation has been done for these condensed consolidated financial statements.

5.3 Valuation of 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 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.

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.

6. Discontinued operations and assets held for distribution

Tanganda Tea Company

In 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. 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 condensed financial statements, with its assets and liabilities classified as held for distribution.

Greatermans Stores

The Group exited the departmental stores segment, the results of the departmental stores for the current year relate to winding down costs and proceeds from disposal of assets and are disclosed as discontinued operations in the current period.

6.1 Discontinued operations

Profit for the period from discontinued operations

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Revenue	1,539,012	1,416,283	1,412,110	750,909
Net operating costs	(1,543,175)	(838,262)	(1,246,738)	(194,607)
Other operating income	44,628	18,537	44,630	11,266
Operating profit	40,465	596,558	210,002	567,568
Investment income	1	105	-	53
Interest expense	(50,683)	(48,343)	(46,310)	(27,812)
Exchange gains	19,639	457,485	18,351	211,706
Profit on discontinuance	-	1,070	-	575
Profit on disposal of property, plant and equipment	2,163	32	2,288	14
Fair value adjustments on biological assets	(193,001)	(750,211)	(415,647)	(156,034)
Net monetary adjustment	(417,381)	(347,116)	-	-
(Loss) / profit before tax	(598,797)	(90,420)	(231,316)	596,070
Taxation	65,637	(91,310)	58,374	(91,580)
(Loss) / profit for the year from discontinued operations	(533,160)	(181,730)	(172,942)	504,490

Cash flows from discontinued operations

	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Net cash flows from operating activities	45,711	(250,738)	28,094	(142,089)
Net cash flows from investing activities	(95,075)	(253,297)	(106,857)	(217,732)
Net cash flows from financing activities	79,273	78,425	121,083	258,470
Net cash flows from discontinued operations	29,909	(425,610)	42,320	(101,351)

6.2 Analysis of assets disposed of

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Non-current assets	-	2	-	1
Property, plant and equipment	-	2	-	1
Net assets disposed of	-	2	-	1
Proceeds on disposal	-	1,072	-	576
Profit on discontinuance	-	1,070	-	575

6.3 Analysis of assets and liabilities classified as held for sale and distribution

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed	Audited	Unaudited	Unaudited
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Assets				
Cash and bank balances	116,492	62,451	116,492	51,572
Trade and other receivables	709,935	536,997	689,462	440,392
Inventories	872,994	968,811	845,263	776,839
Other financial assets	692	5,076	692	692
Intangible assets	6,474	6,474	124	124
Biological assets	196,101	959,888	196,101	792,672
Property, plant and equipment	3,771,704	3,736,164	654,481	550,718
Total assets	5,674,392	6,275,861	2,502,615	2,613,009
Liabilities				
Trade and other payables	(370,496)	(469,072)	(370,496)	(387,359)
Borrowings	(186,248)	(198,489)	(186,248)	(163,912)
Deferred tax	(500,981)	(581,937)	(15,213)	(87,738)
Total liabilities relating to assets classified as held for distribution	(1,057,725)	(1,249,498)	(571,957)	(639,009)
Net assets classified as held for distribution	4,616,667	5,026,363	1,930,658	1,974,000
Analysis of assets classified as held for sale				
Non-current assets				
Property, plant and equipment	21	21	-	-
Net assets to be disposed	21	21	-	-
Total net assets classified as held for sale and distribution	4,616,688	5,026,384	1,930,679	1,974,000
Summarised:				
Total assets held for sale and distribution	5,674,413	6,275,882	2,502,615	2,613,009
Total liabilities relating to assets classified as held for distribution	(1,057,725)	(1,249,498)	(571,957)	(639,009)
Total net assets classified as held for distribution and sale	4,616,688	5,026,384	1,930,658	1,974,000

7. Other financial assets

Included in other financial assets is US\$11,737,013 owed to the Group by Gondor Capital Limited (“Gondor”), a shareholder entity. Gondor pledged its shareholding in Meikles Limited as collateral for the obligation to the Group. On 6 August 2021, Gondor concluded an agreement to sell its entire shareholding in Meikles Limited to a related entity, Meikles Consolidated Holdings (Private) Limited (“MCH”). The sale is subject to certain regulatory approvals that were pending on 30 September 2021. The sale is part of a reconstruction of companies under the same control and on conclusion of the reorganisation, the shareholders of Gondor and MCH will be the same. The directors have received assurances from both Gondor and MCH that MCH will sign an irrevocable, joint, and several guarantee relating to Gondor's obligations to the Company immediately after all the regulatory approvals have been obtained.

8. Subsequent events

There were no significant events after the reporting date.

9. External Auditor's Review Conclusion

These condensed consolidated financial statements for the six months ended 30 September 2021 have been reviewed by Deloitte & Touche (Chartered Accountants) Zimbabwe who indicate that nothing has come to their attention that causes them to believe that these inflation adjusted condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34 and the requirements of the Zimbabwe Stock Exchange Listings Requirements.

The auditor's review statement is available for inspection at the Company's registered office and on the website.

Meikles Limited Website: www.meiklesltd.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that on 25 November 2021, the Board of Directors declared an interim dividend (Number 86) of 80 ZW\$ cents per share payable out of the profits for the six months ended 30 September 2021. The dividend will be payable on or about 16 December 2021. Disbursements to foreign shareholders is subject to Exchange Control Approval and payment guidelines for foreign payments. The timetable for the dividend payment is as follows: -

Action	Date
Dividend announcement	30 November 2021
Last date to trade cum dividend	6 December 2021
Ex-dividend date	7 December 2021
Last record date	10 December 2021
Payment date	16 December 2021

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

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

By Order of the Board

T. Mpofu
Company Secretary
30 November 2021



The TM Pick n Pay Chiremba Store

30 November 2021

The Board of Directors
Meikles Limited
4 Steppes Road
Highlands
Harare
Zimbabwe

Dear Sirs and Madam,

REPORT ON THE REVIEW OF THE INFLATION ADJUSTED INTERIM FINANCIAL INFORMATION FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2021

Introduction

We have reviewed the accompanying condensed inflation adjusted consolidated statement of financial position of Meikles Limited and its subsidiaries as of 30 September 2021 and the condensed inflation adjusted consolidated statement of comprehensive income, condensed inflation adjusted consolidated statement of changes in equity and condensed inflation adjusted consolidated statement of cash flows for the six-month period then ended (together "the inflation adjusted interim financial information").

Management is responsible for the preparation and presentation of the inflation adjusted interim financial information in accordance with the International Accounting Standard (IAS) 34, (Interim Financial Reporting) and the Zimbabwe Stock Exchange Listing Requirements. Our responsibility is to express a conclusion on the inflation adjusted interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying inflation adjusted interim financial information is not prepared, in all material respects, in accordance with the International Accounting Standard (IAS) 34, (Interim Financial Reporting) and the requirements of the Zimbabwe Stock Exchange Listing Requirements.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Charity Mtwazi
Partner

