

MEIKLES

— L I M I T E D —

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

Columbus DDB

SALIENT FEATURES – CONTINUING OPERATIONS

	Inflation Adjusted	Historical Cost
Revenue	Grew by 34 % to ZWL 66.0 billion.	Grew by 131% to ZWL 50.7 billion.
Operating Profit	Grew by 48% to ZWL 2.2 billion	Grew by 79% to ZWL 4.3 billion
Profit for the year*	Grew by 461% to ZWL 3.4 billion	Grew by 102% to ZWL 4.6 billion
Earnings per share	Grew by 267% to 612.37 ZWL cents	Grew by 162% to 2 755.53 ZWL cents
Dividend per share	Grew by 13% to 361 ZWL cents	Grew by 86% to 345 ZWL cents

*- Excluding profit on distribution of subsidiary.

CHAIRMAN'S REPORT

It gives me pleasure to present the Chairman's Report for the financial year ended 31 March 2022.

GROUP FINANCIAL PERFORMANCE

Shareholders are advised that major strategies relevant to the Group were implemented successfully. These were mainly the unbundling and listing of Tanganda, and the sale of the Group's thirty-five percent shareholding in Mentor Africa (Proprietary) Limited ("Mentor"). The sale of the shareholding in Mentor has resulted in substantial US\$ cash accruing to the Group.

The Group's 35 percent shareholding in Mentor was sold for US\$ 19.08 million. The sale resulted in the investment being uplifted from the previous carrying value to the amount of the sale proceeds, which has been included in other comprehensive income for the year.

The Group achieved commendable profit growth.

Commentary on financial performance is based on inflation adjusted figures, with historical cost figures in brackets to enhance comprehension and analysis.

Revenue for continuing operations, grew by 34% to ZWL 66 billion from ZWL 49.1 billion in 2021. The growth in revenue was primarily driven by the increase in sales units at the supermarket segment. In historical cost terms, revenue grew by 131% to ZWL 50.7 billion from ZWL 21.9 billion in the previous year.

Gross profit margin increased by two percentage points to 25% from 23% in the previous year. Inflationary pressure on operating costs offset the increase in the gross profit margin and as a result the operating profit margin was maintained at 3%.

Operating profit for continuing operations was ZWL 2.2 billion, up 48% from ZWL 1.5 billion in the prior year. (Historical cost, a growth from ZWL 2.4 billion to ZWL 4.3 billion).

Profit after tax for continuing operations (excluding profit on distribution of subsidiary) grew by 461% to ZWL 3.4 billion from ZWL 599 million the previous year. (Historical cost, a growth in profit from ZWL 2.3 billion to ZWL 4.6 billion).

Other comprehensive income increased to ZWL 3.0 billion from ZWL 843 million in the previous year, of which ZWL 1.9 billion is attributable to the uplift of the fair value of 35% investment in Mentor.

Total comprehensive income increased to ZWL 5.8 billion (Previous year: ZWL 1.8 billion) (In historical cost ZWL 11.8 billion from ZWL 4.4 billion), of which ZWL 4.6 billion (79%) is attributable to owners of Meikles and the remaining balance of ZWL 1.2 billion (21%) to minority shareholders.

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

KEY DEVELOPMENTS

We are pleased with our achievements towards the objectives set out in the report accompanying the Group's financial results for the previous year.

Demerger of Tanganda Tea Company from the Group

Tanganda was demerged from the Group on 1 February 2022 and was relisted on the Zimbabwe Stock Exchange on 3 February 2022. Its market capitalisation since the listing date justifies the rationale for the unbundling process.

Disposal of the 35% shareholding in Mentor

The Board was presented with an opportunity to unlock the value of the investment in Mentor at an attractive price when a third party offered to purchase Mentor. The anticipated upside potential of Mentor had not been realised. Consequently, the investment was sold in March 2022. The Group realised a gain on disposal of US\$ 14.5 million.

The Directors are evaluating options on reinvesting the sale proceeds. Shareholders will be advised of the intended use of the funds.

REVIEW OF OPERATIONS

Supermarkets – trading as TM Pick n Pay

Revenue grew by 36% to ZWL 66.0 billion (Historical cost, a growth of 134% from ZWL 21.7 billion to ZWL 50.7 billion). The sales growth was due to an increase of 26% and 11% in units and customer transactions respectively. The lifting of most of the COVID-19 trade restrictions and our tactical marketing campaigns led to the growth in sales volume over prior year. Our ability to constantly replenish stocks throughout all the branches demonstrated the versatility of our supply chain and logistics networks.

Operating profit increased by 54% to ZWL 2.8 billion from ZWL 1.9 billion in the previous year (In historical cost, a growth of 88% to ZWL 4.7 billion from ZWL 2.5 billion). The growth in operating profit was due to strategic investment in stocks, margin control and cost saving initiatives. Operating expenses linked to exchange rate movement pricing led to a surge in costs over prior year. Management constantly re-aligned strategies to cushion the business from inflationary pressures during the period. The operating profit margin firmed up to 4.3% from 3.8% in prior year.

Profit after tax was ZWL 2.4 billion from ZWL 1.0 billion in prior year. In historical terms, it increased to ZWL 3.4 billion from ZWL 1.7 billion.

The segment's liquidity remained strong. It generated sufficient cash flows from operating activities to fund ZWL 1.8 billion branch refurbishments and ZWL 900 million dividend payout to the shareholders. Stores refurbished during the year were Newlands, Makoni and Zengeza.

Hospitality

Revenue increased to US\$ 2.9 million from US\$ 342,000 last year. Room occupancy for the year grew to 16.77% from 2.45% last year due to the easing of both local and international COVID-19 stringent travel restrictions during the second half of the financial year.

Profit after tax improved to ZWL 196 million from a loss of ZWL 212 million in the previous year.

The first phase of The Victoria Falls Hotel refurbishment was at an advanced stage at the end of the reporting period. The refurbished rooms are scheduled to open for bookings by the end of August 2022.

The Group's investment in hospitality has now been reduced to a single operation.

Properties

The rollout of planned development of properties commenced during the financial year under review. The development of the main property in Mutare was at final stages of completion by the end of the reporting period. The first phase, being the development of the Paint Centre section, was completed in December 2021 and handed over to the tenant. Works to develop shops for small businesses were at an advanced stage in Harare and Mutare. The space under development was fully subscribed by tenants. The refurbishment of the building along Robert Mugabe Road in Harare commenced after the reporting period. The anchor tenant is TM Pick n Pay.

The value of Group properties is carried at historical cost in the Group financial statements. Once appropriate renovations to certain of these properties have been completed and optimal tenants have been secured for all properties, it is envisaged that a property portfolio at market valuation will represent a secure and beneficial part of overall shareholder investment value.

Security Services

Meikles Guard Services had notable successes during the year and generated sufficient cash flows to fund its operations. The segment benefits from expansion of the supermarkets segment.

CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities are primarily conducted through the Meikles Foundation and TM Pick n Pay. The Group supports Meikles Foundation through donations and other fund-raising activities.

TM Pick n Pay supported old peoples' homes, children's homes and schools through grocery gift vouchers, blankets, and payment of school fees. In addition, the segment contributed towards raising cancer awareness through donations to the Cancer Association of Zimbabwe.

DIVIDEND

The Board declared a final dividend of 100 ZWL cents and 0.1725 US\$ cents per share, taking the total dividend for the financial year to 280 ZWL cents and 0.1725 US\$ cents per share, inclusive of two interim dividends of 80 ZWL cents and 100 ZWL cents.

DIRECTORATE

Matthew Moxon was appointed to the Board as an Executive Director after the reporting period.

CHANGE IN FINANCIAL YEAR END

The Directors resolved to change the year end of the Company and other subsidiaries from 31 March to 28 February to align with TM Pick n Pay. The requisite approvals to implement the change are being sought.

OUTLOOK

We believe that the growth in unit sales achieved by the Group will continue throughout the forthcoming year.

TM Pick n Pay has already opened a new store and renovated an existing supermarket.

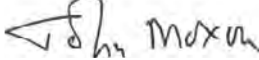
The property renovations are well advanced and there is a recovery in tourism.

The Group will maintain its strong liquidity position and a beneficial dividend distribution policy.

There are challenges in the environment with inflation, both local and imported and the continued depreciation of the ZWL currency. Despite this, the Group believes that it is well positioned internally for the forthcoming financial year, both in terms of profit growth and financial strength.

APPRECIATION

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



JRT Moxon

Chairman

31 August 2022



TM PnP Borrowdale Supermarket

MEIKLES

— L I M I T E D —

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		ZWL 000	ZWL 000	ZWL 000	ZWL 000
CONTINUING OPERATIONS					
Revenue	5	65,983,846	49,106,234	50,666,982	21,948,926
Cost of sales*		(49,538,991)	(37,688,830)	(36,559,717)	(15,513,610)
Net operating costs		(14,207,128)	(9,900,447)	(9,854,985)	(4,059,162)
Operating profit	5	2,237,727	1,516,957	4,252,280	2,376,154
Investment income		1,245,387	8,299	874,082	4,265
Finance costs		(242,457)	(387,814)	(149,046)	(180,016)
Net exchange gains		865,253	2,527,277	770,992	911,163
Profit on distribution of subsidiary equity to shareholders	7.3	61,569	-	3,894,624	-
Net monetary gain / (loss)		830,916	(1,298,415)	-	-
Profit before tax		4,998,395	2,366,304	9,642,932	3,111,566
Income tax expense		(1,577,583)	(1,767,699)	(1,194,709)	(851,833)
Profit for the year from continuing operations		3,420,812	598,605	8,448,223	2,259,733
DISCONTINUED OPERATIONS					
(Loss) / profit for the year from discontinued operations	7.1	(582,648)	397,811	427,390	1,315,942
PROFIT FOR THE YEAR		2,838,164	996,416	8,875,613	3,575,675
Other comprehensive income / (loss), net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain / (loss) on investments in equity instruments designated as at FVTOCI		1,902,169	(203,184)	1,902,169	(203,184)
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations		1,060,770	1,046,086	1,060,770	1,046,086
Other comprehensive income for the year, net of tax		2,962,939	842,902	2,962,939	842,902
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,801,103	1,839,318	11,838,552	4,418,577
Profit for the year attributable to:					
Owners of the parent		1,598,677	435,089	7,193,701	2,746,135
Non-controlling interests		1,239,487	561,327	1,681,912	829,540
		2,838,164	996,416	8,875,613	3,575,675
Total comprehensive income attributable to:					
Owners of the parent		4,561,616	1,277,991	10,156,640	3,589,037
Non-controlling interests		1,239,487	561,327	1,681,912	829,540
		5,801,103	1,839,318	11,838,552	4,418,577
Earnings / (loss) per share in cents					
Basic and diluted earnings per share		612.37	166.66	2,755.53	1,051.90
From continuing operations		835.55	14.28	2,591.81	547.83
From discontinued operations		(223.18)	152.38	163.72	504.07

*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.
*In the current year, the cost of sales has been presented separately to comply with the presentation requirement of IFRSs. The reclassifications have no impact on the overall reported losses or profits.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		ZWL 000	ZWL 000	ZWL 000	ZWL 000
ASSETS					
Non-current assets					
Property, plant and equipment		8,939,605	8,538,588	2,508,572	827,446
Investment property		16,642	17,026	221	226
Right of use assets		3,807,184	3,053,135	947,664	420,074
Investment in Mentor Africa (Pty) Limited	9	-	376,859	-	376,859
Other financial assets		1,622,653	939,829	1,622,653	919,524
Deferred tax		2,872	1,547	194,105	32,742
Total non-current assets		14,388,956	12,926,984	5,273,215	2,576,871
Current assets					
Inventories		6,217,903	4,249,522	5,848,875	2,406,009
Trade and other receivables		1,467,550	2,653,526	1,411,562	1,532,074
Other financial assets		45,651	26,970	45,651	15,140
Cash and bank balances		4,874,509	1,352,174	4,874,509	787,717
Total current assets		12,605,613	8,282,192	12,180,597	4,740,940
Assets held for sale and distribution	7.4.2	-	8,950,113	-	2,613,009
Total assets		26,994,569	30,159,289	17,453,812	9,930,820
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		193,219	193,219	2,611	2,611
Share premium		241,112	241,112	3,925	3,925
Other reserves		2,908,304	(12,164)	4,201,040	1,238,673
Retained earnings		7,939,068	14,233,677	3,468,750	3,524,902
Equity attributable to equity holders of the parent		11,281,703	14,655,844	7,676,326	4,770,111
Non-controlling interests		5,627,195	4,851,261	2,032,541	800,576
Total equity		16,908,898	19,507,105	9,708,867	5,570,687
Non-current liabilities					
Deferred tax		2,420,533	2,755,698	79,807	207,334
Lease liabilities		1,006,660	921,694	1,006,660	507,060
Total non-current liabilities		3,427,193	3,677,392	1,086,467	714,394
Current liabilities					
Trade and other payables		6,430,729	5,046,129	6,430,729	2,921,761
Borrowings		123,591	109,397	123,591	63,347
Lease liabilities		104,158	37,341	104,158	21,622
Total current liabilities		6,658,478	5,192,867	6,658,478	3,006,730
Liabilities relating to assets classified as held for distribution	7.4.2	-	1,781,925	-	639,009
Total liabilities		10,085,671	10,652,184	7,744,945	4,360,133
Total equity and liabilities		26,994,569	30,159,289	17,453,812	9,930,820

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

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
2022							
Balance at 1 April 2021	193,219	241,112	(12,164)	14,233,677	14,655,844	4,851,261	19,507,105
Profit for the year	-	-	-	1,598,677	1,598,677	1,239,487	2,838,164
Transfer from non-distributable reserves	-	-	(42,471)	42,471	-	-	-
Other comprehensive income for the year	-	-	2,962,939	-	2,962,939	-	2,962,939
Dividend paid – ordinary shareholders	-	-	-	(845,113)	(845,113)	-	(845,113)
Dividend <i>in specie</i> – ordinary shareholders	-	-	-	(7,090,644)	(7,090,644)	-	(7,090,644)
Dividend paid – non-controlling interests	-	-	-	-	-	(553,154)	(553,154)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	89,601	89,601
Balance at 31 March 2022	193,219	241,112	2,908,304	7,939,068	11,281,703	5,627,195	16,908,898

2021

Balance at 1 April 2020	193,219	241,112	(855,903)	14,325,685	13,904,113	4,653,907	18,558,020
Profit for the year	-	-	-	435,089	435,089	561,327	996,416
Other movements in reserves	-	-	837	-	837	-	837
Other comprehensive income for the year	-	-	842,902	-	842,902	-	842,902
Dividend paid – ordinary shareholders	-	-	-	(527,097)	(527,097)	-	(527,097)
Dividend paid – non-controlling interests	-	-	-	-	-	(366,055)	(366,055)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	2,082	2,082
Balance at 31 March 2021	193,219	241,112	(12,164)	14,233,677	14,655,844	4,851,261	19,507,105

HISTORICAL COST*

2022

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 year	-	-	-	7,193,701	7,193,701	1,681,912	8,875,613
Transfer from non-distributable reserves	-	-	(572)	572	-	-	-
Other comprehensive income for the year	-	-	2,962,939	-	2,962,939	-	2,962,939
Dividend paid – ordinary shareholders	-	-	-	(580,869)	(580,869)	-	(580,869)
Dividend <i>in specie</i> – ordinary shareholders	-	-	-	(6,669,556)	(6,669,556)	-	(6,669,556)
Dividend paid – non-controlling interests	-	-	-	-	-	(511,301)	(511,301)
Non-controlling interests arising from Mopani Property Development (Private) Limited	-	-	-	-	-	61,354	61,354
Balance at 31 March 2022	2,611	3,925	4,201,040	3,468,750	7,676,326	2,032,541	9,708,867

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)	-	(241,485)
Dividend paid – non-controlling interests	-	-	-	-	-	(206,658)	(206,658)
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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		ZWL 000	ZWL 000	ZWL 000	ZWL 000
Net cash generated from operating activities	8	2,586,141	3,436,531	2,811,316	1,985,194
Cash flows from investing activities					
Payment for property, plant and equipment – continuing operations		(2,173,187)	(940,849)	(1,861,145)	(605,804)
Payment for property, plant and equipment – discontinued operations		(331,523)	(920,234)	(283,843)	(433,288)
Proceeds from disposal of property, plant and equipment					
- continuing operations		375,725	154,625	133,354	87,663
Proceeds from disposal of property, plant and equipment					
- discontinued operations		3,821	5,601	2,394	2,748
Proceeds from disposal of Mentor Africa (Pty) Limited		2,483,339	-	2,483,339	-
Net movement in service assets		(436)	120	(435)	60
Net movement in other investments – continuing operations		(125,770)	(108,648)	(118,680)	(62,913)
Net movement in other investments – discontinued operations		-	(1,248)	-	(603)
Net movement on biological assets – discontinued operations		466,302	(257,253)	(13,950)	(169,880)
Investment income – continuing operations		1,219,265	1,739	847,960	467
Investment income – discontinued operations		2	210	1	84
Net cash generated from / (used in) investing activities		1,917,538	(2,065,937)	1,188,995	(1,181,466)
Cash flows from financing activities					
Net (decrease) / increase in interest bearing borrowings					
- continuing operations		(1,450)	(27,646)	104	(3,191)
Net (decrease) / increase in interest bearing borrowings					
- discontinued operations		(24,193)	66,642	110,057	170,348
Non-controlling interests arising from Mopani Property Development (Private) Limited		89,601	2,082	61,354	631
Finance costs – continuing operations		36,302	(65,370)	23,140	(192)
Finance costs – discontinued operations		(98,420)	(157,374)	(67,803)	(74,691)
Lease payments – continuing operations		(331,966)	(235,013)	(182,907)	(136,086)
Dividend paid – ordinary shareholders		(844,739)	(487,873)	(580,495)	(218,772)
Dividend paid – non-controlling interests		(135,020)	(37,236)	(93,167)	(16,254)
Net cash used in financing activities		(1,309,885)	(941,788)	(729,717)	(278,207)
Net increase / (decrease) in cash and bank balances		3,193,794	428,806	3,270,594	525,521
Cash and bank balances at the beginning of the year		1,441,236	1,525,289	839,289	262,469
Cash and bank balances distributed to shareholders		(171,980)	-	(151,191)	-
Translation of foreign entity		244,284	10,748	244,284	10,748
Net effect of exchange rate changes on cash and bank balances		774,680	129,786	671,533	40,551
Effects of inflation adjustments		(607,505)	(653,393)	-	-
Cash and bank balances at the end of the year		4,874,509	1,441,236	4,874,509	839,289
Comprising:					
Cash and bank balances from continuing operations		4,874,509	1,352,174	4,874,509	787,717
Cash and bank balances from discontinued operations		-	89,062	-	51,572
Total cash and bank balances at the end of the year		4,874,509	1,441,236	4,874,509	839,289

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ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS

1. Basis of preparation

These abridged audited financial results have been extracted from the Group financial statements which have been prepared from statutory records that are maintained under the historical cost basis except for 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 restatements arising from the application of International Accounting Standard (“IAS”) 29 – “*Financial Reporting in Hyperinflationary Economies*”. Refer to note 2.2 for further details.

These abridged audited financial results have been extracted from Group financial statements prepared in compliance with the International Financial Reporting Standards (“IFRS”), the Zimbabwe Stock Exchange Listings Requirements and the Companies and Other Business Entities Act (Chapter 24:31).

These abridged audited financial results were prepared under the supervision of Thempson Muzvagwandoga CA (Z), the Finance Director of the Company, registered public accountant PAAB Number 2724.

2. Accounting policies

These abridged audited financial results have been extracted from a full set of Group financial statements prepared from accounting policies and methods of computation which are consistent, in all material respects, with those used in the prior year. New applicable standards and improvements which became effective in the current year have been complied with.

2.1 Presentation currency

These abridged audited financial results are presented in Zimbabwe Dollars (ZWL) which is the presentation currency of the Group and functional currency of the Company. All foreign currency denominated transactions and balances have been 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. 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.

2.2 Hyperinflation

Historical cost transactions and balances have been restated to reflect the general change of the purchasing power of the ZWL reporting currency due to hyperinflation prevailing in the country. Various assumptions have been made, with the significant assumption being the use of the consumer price indices (“CPI”). Accordingly, the abridged inflation adjusted financial results, as extracted from the full set of Group financial statements as at 31 March 2022, represent the primary financial results of the Group. The accompanying abridged historical cost financial results 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 2022:

	Adjustment	
	Indices	Factor
CPI as at 31 March 2022	4,766.10	1.00
CPI as at 31 March 2021	2,759.83	1.73
CPI as at 1 October 2018 (for opening balances)	64.06	74.40
Average CPI 2022	3,582.86	
Average CPI 2021	2,083.51	

3. Going concern

The Directors have adopted the going concern basis in preparing the Group financial statements, from whence these abridged audited financial results are based. The Directors made this assumption 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 2022. The Directors reviewed these budgets. The Group is forecast to generate profits and positive cash flows for the period ending 31 August 2023 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.

4. Audit opinion

These abridged financial results should be read in conjunction with the complete set of financial statements for the year ended 31 March 2022, which have been audited by Deloitte & Touche Chartered Accountants (Zimbabwe) in accordance with International Standards on Auditing. The auditors issued an unmodified opinion on the financial statements. The audit report includes a section on Key Audit Matters.

The Key Audit Matters are on the appropriate accounting treatment for the distribution of Tanganda Tea Company and the appropriate accounting treatment for the disposal of Mentor Africa (Pty) Limited. The auditor’s report is available for inspection at the Company’s registered office and website. The Engagement Partner responsible for the audit was Charity Mtwazi (PAAB Certificate Number: 0585).

5. Segment information

	INFLATION ADJUSTED		HISTORICAL COST*	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Revenue – continuing operations				
Supermarkets	66,018,679	48,379,497	50,681,063	21,702,553
Hotels	258,249	890,097	192,308	319,612
Corporate*	(293,082)	(163,360)	(206,389)	(73,239)
	65,983,846	49,106,234	50,666,982	21,948,926
Operating profit – continuing operations				
Supermarkets	2,844,294	1,852,897	4,704,786	2,502,035
Hotels	(37,444)	88,858	(28,620)	3,119
Corporate*	(569,123)	(424,798)	(423,886)	(129,000)
	2,237,727	1,516,957	4,252,280	2,376,154
Segment assets				
Supermarkets	20,111,738	16,468,068	11,615,989	4,703,833
Agriculture	-	8,950,082	-	2,613,009
Hotels	1,844,874	2,637,516	860,808	1,016,158
Corporate*	5,037,957	2,103,623	4,977,015	1,597,820
	26,994,569	30,159,289	17,453,812	9,930,820
Segment liabilities				
Supermarkets	9,413,095	7,283,498	7,552,578	3,092,032
Agriculture	-	1,781,924	-	639,009
Hotels	483,603	865,435	381,582	480,827
Corporate*	188,973	721,327	(189,215)	148,265
	10,085,671	10,652,184	7,744,945	4,360,133

*Included in the corporate revenue amount is an adjustment of ZWL. 575 million (2021: ZWL. 366.3 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.

6. Fair value measurement

6.1 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.

6.2 Valuation of Investment in Mentor Africa (Pty) Limited (“Mentor”)

The Group had a 35% investment in Mentor Africa (Pty) Limited until it was disposed of in March 2022. The investment was carried at FVTOCI and was not held for trading. Dividend income was recognised in profit or loss. The investment was unlisted and there was 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 utilised level 3 inputs to determine its fair value. At each reporting date, valuations were performed by an independent expert valuer. In preparing such valuation, assumptions were made relating to future events and financial performance. As at the disposal date, the selling price of the asset was assessed to be its fair value as the transaction was an orderly sale of a financial asset between two willing market participants. The determination of the fair value of Mentor involves judgement. Actual results may not correspond with the assumptions used.

The Group has had no representation on the board of Mentor throughout the life of the investment and consequently had no access to information regarding Mentor operations except for that to which it has statutory rights as a shareholder.

7. Discontinued operations and assets held for sale and distribution

Tanganda Tea Company

The Group unbundled its agricultural subsidiary, Tanganda Tea Company Limited on 1 February 2022, which was successfully re-listed separately on the Zimbabwe Stock Exchange on 3 February 2022. The transaction resulted in the distribution of Tanganda Tea Company Limited’s entire issued share capital to Meikles Limited shareholders through a dividend in specie. The financial results of Tanganda Tea Company Limited for the 10 months to 31 January 2022 have been disclosed as discontinued operations in these financial statements, with details disclosed below.

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.

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
7.1 (Loss) / profit for the year from discontinued operations				
Revenue	3,379,901	4,080,437	2,366,545	1,839,635
Net operating costs	(3,272,470)	(3,728,474)	(1,942,862)	(917,019)
Other operating income	(67,452)	80,808	46,613	39,824
Operating profit	39,979	432,771	470,296	962,440
Investment income	2	210	1	84
Interest expense	(98,420)	(157,374)	(67,803)	(74,691)
Exchange gains	220,718	654,630	171,345	212,983
Profit / (loss) on disposal of property, plant and equipment	3,084	(339,735)	2,288	(1,872)
Fair value adjustments on biological assets	(111,769)	(120,773)	(111,381)	413,237
Net monetary adjustment	(610,630)	123,956	-	-
(Loss) / profit before tax	(557,036)	593,685	464,746	1,512,181
Taxation	(25,612)	(195,874)	(37,356)	(196,239)
(Loss) / profit for the year from discontinued operations	(582,648)	397,811	427,390	1,315,942
7.2 Cash flows from discontinued operations				
Net cash flows from operating activities	(259,006)	(314,330)	(254,023)	(39,500)
Net cash flows from investing activities	(266,189)	(738,906)	(235,630)	(429,017)
Net cash flows from financing activities	329,918	245,960	368,345	245,144
Net cash flows from discontinued operations	(195,277)	(807,276)	(121,308)	(223,373)

7.3 Analysis of assets and liabilities distributed to shareholders

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Assets				
Cash and bank balances	(171,980)	-	(151,191)	-
Trade and other receivables	(740,321)	-	(646,801)	-
Inventories	(1,400,981)	-	(1,200,405)	-
Other financial assets	(788)	-	(692)	-
Intangible assets	(9,232)	-	(124)	-
Biological assets	(790,838)	-	(695,241)	-
Property, plant and equipment	(5,468,408)	-	(817,727)	-
Total assets	(8,582,548)	-	(3,512,181)	-
Liabilities				
Trade and other payables	470,906	-	413,983	-
Borrowings	243,231	-	213,829	-
Deferred tax	839,336	-	109,437	-
Total liabilities	1,553,473	-	737,249	-
Net assets distributed to shareholders	(7,029,075)	-	(2,774,932)	-
Net consideration on distribution - dividend <i>in specie</i>	7,090,644	-	6,669,556	-
Profit on discontinuance	61,569	-	3,894,624	-

7.4 Analysis of assets classified as held for sale and distribution

7.4.1 Analysis of assets classified as held for distribution

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Assets				
Cash and bank balances	-	89,062	-	51,572
Trade and other receivables	-	765,818	-	440,392
Inventories	-	1,381,635	-	776,839
Other financial assets	-	7,239	-	692
Intangible	-	9,232	-	124
Biological assets	-	1,368,907	-	792,672
Property, plant and equipment	-	5,328,190	-	550,718
Total assets	-	8,950,083	-	2,613,009
Liabilities				
Trade and other payables	-	(668,950)	-	(387,359)
Borrowings	-	(283,068)	-	(163,912)
Deferred tax	-	(829,907)	-	(87,738)
Total liabilities relating to assets classified as held for distribution	-	(1,781,925)	-	(639,009)
Net assets classified as held for distribution	-	7,168,158	-	1,974,000

MEIKLES

— L I M I T E D —

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS (continued)

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

7.4 Analysis of assets classified as held for sale and distribution (continued)

7.4.2 Analysis of assets classified as held for sale

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Non-current assets				
Property, plant and equipment	-	30	-	-
Net assets to be disposed of	-	30	-	-
Total net assets classified as held for sale and distribution	-	7,168,188	-	1,974,000
Summarised:				
Total non-current assets held for sale and distribution	-	8,950,113	-	2,613,009
Total liabilities relating to assets classified as held for distribution	-	(1,781,925)	-	(639,009)
Total net assets classified as held for sale and distribution	-	7,168,188	-	1,974,000

8. Net cash generated from operating activities

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Cash flows from operating activities				
Profit before tax – continuing operations	4,998,395	2,366,304	9,642,932	3,111,566
(Loss) / profit before tax – discontinued operations	(557,036)	593,685	464,746	1,512,181
	4,441,359	2,959,989	10,107,678	4,623,747
Adjustments for:				
- Depreciation and impairment of property, plant and equipment; investment property and right-of-use assets – continuing operations	1,716,465	1,311,961	249,659	121,530
- Depreciation and impairment of property, plant and equipment – discontinued operations	190,568	243,252	16,730	6,160
- Net interest – continuing operations	(1,002,930)	379,515	(725,036)	175,751
- Net interest – discontinued operations	98,418	157,164	67,802	74,607
- Net exchange gains – continuing operations	(865,253)	(2,527,277)	(770,992)	(911,163)
- Net exchange gains – discontinued operations	(220,718)	(654,630)	(171,345)	(212,983)
- Profit on distribution of subsidiary equity to shareholders	(61,569)	-	(3,894,624)	-
- Fair value adjustments on biological assets – discontinued operations	111,769	120,773	111,381	(413,237)
- Profit on disposal of property, plant and equipment – continuing operations	(205,095)	(95,512)	(131,071)	(86,862)
- (Profit) / loss on disposal of property, plant and equipment – discontinued operations	(3,084)	339,735	(2,288)	1,872
- Other non-cash movements	13,389	837	17,121	168
Operating cash flow before working capital changes	4,213,319	2,235,807	4,875,015	3,379,590
Increase in inventories – continuing operations	(1,968,381)	(686,010)	(3,442,866)	(1,983,276)
Increase in inventories – discontinued operations	(19,347)	(385,503)	(423,567)	(634,564)
Decrease / (increase) in trade and other receivables – continuing operations	843,614	2,816,449	4,166	(150,328)
Decrease / (increase) in trade and other receivables – discontinued operations	125,399	639,336	(127,166)	(122,919)
Increase in trade and other payables – continuing operations	1,960,922	635,254	3,559,833	1,867,943
Increase in trade and other payables – discontinued operations	(249,590)	(12,749)	(21,741)	255,007
Cash generated from operations	4,905,936	5,242,584	4,423,674	2,611,453
Income taxes paid – continuing operations	(2,099,814)	(1,111,066)	(1,478,386)	(553,620)
Income taxes paid – discontinued operations	(219,981)	(694,987)	(133,972)	(72,639)
Net cash generated from operating activities	2,586,141	3,436,531	2,811,316	1,985,194

9. Investment in Mentor Africa (Pty) Limited

The Group disposed of its 35% investment in Mentor Africa (Pty) Limited on 16 March 2022, through its BVI foreign subsidiary, Cape Grace Investments Limited. Proceeds from the sale amounted to US\$ 19 million.

As in prior years, the value of Mentor at the date of disposal predominantly comprised of its wholly owned subsidiary, Cape Grace Hotel (Pty) Limited. Mentor also owned twenty percent (20%) of the issued shares of Harrified Investments (Pty) Limited (“Harrified”), a stockbroking firm. The 20% investment in Harrified, South African Rand (“ZAR”) 18 million cash and certain liabilities totalling ZAR 17.6 million; were excluded from the sale and transferred from Mentor to another entity, Newbridge Holdings (Pty) Limited (“Newbridge”). Mentor transferred the shares in Harrified for a consideration of one ZAR. In addition, Cape Grace Hotel (Pty) Limited, transferred to Newbridge, the right to receive the proceeds from a business interruption claim. The amount that the insurer will pay for the business interruption claim is uncertain. The Group’s residual interest for assets and liabilities transferred to Newbridge has been impaired to nil.

The Group has had no representation on the board of directors of Mentor and had no operational responsibilities. The Group also had no access to any information regarding the company except for that to which it has statutory rights as a shareholder. As such, the investment was classified at level 3 fair value measurements and had been accounted for as a financial asset at FVTOCI.

Since the investment has always been carried at fair value in line with IFRSs, a fair value assessment had to be performed as at the date of derecognition. As the transaction represented the sale of a financial asset in an orderly fashion between two willing participants, the selling price was deemed to be the fair representation of the fair value as at the disposal date. The investment was previously carried at a fair value of US\$ 4.5 million determined as at 31 March 2021, the date of the last financial year end. The uplift from the US\$ 4.5 million to the fair value as at the date of derecognition was recorded as a fair value gain through other comprehensive income. Since there was no difference between the selling price and fair value at derecognition, no gain or loss was recorded to profit or loss on the disposal date.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000	31 Mar 2022 ZWL 000	31 Mar 2021 ZWL 000
Opening carrying value	376,859	171,813	376,859	171,813
Fair value adjustments	1,720,085	(203,184)	1,720,085	(203,184)
Exchange rate movements	204,311	408,230	204,311	408,230
Disposal	(2,301,255)	-	(2,301,255)	-
Closing carrying value	-	376,859	-	376,859

10. Subsequent events

10.1 Exchange rates

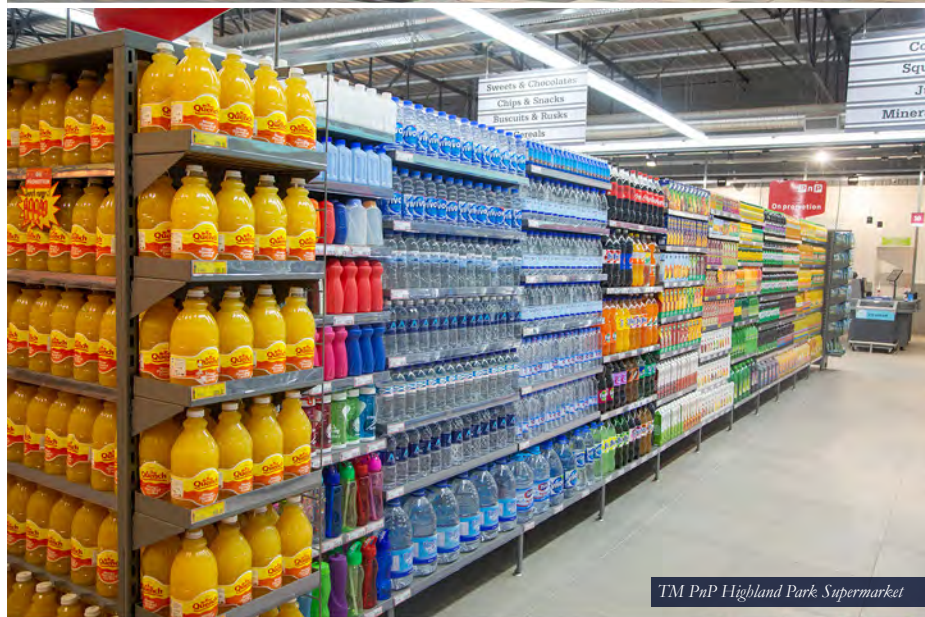
On 7 May 2022, the Government of Zimbabwe through a national address issued measures to boost economic confidence and macro-economic stability. These measures included but were not limited to, the introduction of the willing buyer willing seller exchange rate mechanism. This exchange rate has been designated as the new interbank rate.

The Group resolved to replace the use of the auction exchange rate by the interbank rate, as the new spot exchange rate. The Directors are satisfied that these pronouncements constituted non-adjusting events for the year ending 31 March 2022.

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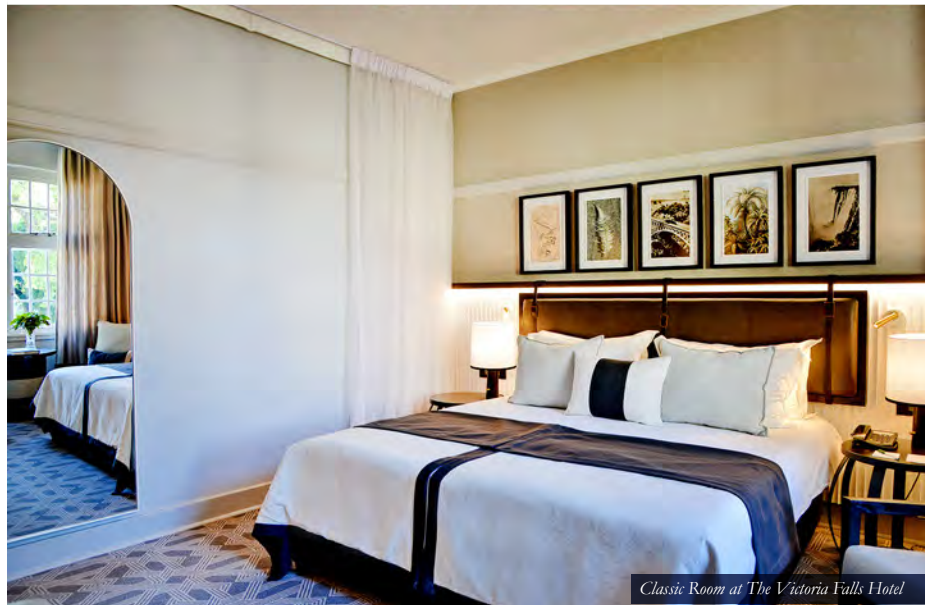
TM PnP Highland Park Supermarket



TM PnP Highland Park Supermarket



Stanley's Terrace Restaurant at The Victoria Falls Hotel



Classic Room at The Victoria Falls Hotel

**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 14 to 62, which comprise the inflation adjusted consolidated statement of financial position as at 31 March 2022, 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 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

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
Appropriate accounting treatment for the distribution of Tanganda Tea Company	
<p>As disclosed in note 14 of the inflation adjusted consolidated financial statements, the Group unbundled its agricultural subsidiary, Tanganda Tea Company ("Tanganda") through a dividend in specie.</p> <p>For the year ended 31 March 2021, the subsidiary had been classified as a non-current asset held for distribution in the consolidated financial statements and valued at the lower of carrying amount and fair value. At disposal, the fair value of Tanganda for purposes of the distribution of the dividend in specie was determined to be ZW\$ 7,1 billion in inflation adjusted terms. 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 date of disposal.</p> <p>The accounting treatment of the distribution was considered a key audit matter due to the following:</p> <ul style="list-style-type: none"> - The quantitative and qualitative significance of the distribution and the extent of audit work involved in reviewing the transaction; and - The complexity involved in the determination of the fair value at the date of disposal. <p>The significant judgements and assumptions made by the Directors in determining the fair value included:</p> <ul style="list-style-type: none"> - The average Enterprise Value proxy multiple which was an unobservable level 3 input into the valuation; and - The discount factor applied in the Discounted Cash Flows valuation. <p>The related disclosures are included in note 14 of the inflation adjusted consolidated financial statements.</p>	<p>We performed a number of procedures including the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the process followed by management in disposing of the subsidiary from Meikles Limited; - Evaluated and tested the key controls over the process; - Performed an assessment as to whether the disposal of the subsidiary has been appropriately accounted for in accordance with IFRS 10 "Consolidated Financial Statements"; - Performed an assessment as to whether the dividend in specie has been appropriately accounted for in accordance with IFRIC 17 "Distributions of Non-cash Assets to Owners"; - Performed detailed tests on the statement of profit and loss and other comprehensive income for Tanganda for the 10-month period ended 31 January 2022 and the statement of financial position as at that date; - Reviewed the accuracy, completeness and validity of journals posted in relation to the unbundling of the subsidiary and the dividend in specie; - Engaged tax specialists to assist in the review of the capital gains tax implications of the transaction; - Reviewed the valuation of Tanganda at the date of disposal by performing the following procedures: <ul style="list-style-type: none"> i) Evaluated the Director's independent external valuer's competence, capabilities, and objectivity. ii) Performed detailed testing on a sample of the input data provided by management to the external valuer for accuracy and completeness; iii) Using our own internal specialists, performed the following: <ul style="list-style-type: none"> ▪ A detailed examination of the valuation methodologies and models adopted by management and assessed the appropriateness of these against market practice and prevailing conditions; ▪ Assessed whether the inputs and assumptions used fall within an acceptable range based on relevant knowledge and experience of the market; ▪ Performed an independent valuation and compared with the Director's valuation. - Engaged Deloitte Technical Accounting experts to assist with assessment of the appropriateness of the accounting treatment; and - Reviewed the financial statements for adequate disclosures in relation to the transaction. <p>We assessed the valuation methodologies applied to be appropriate. The valuation of Tanganda at the date of disposal was determined to be within an acceptable range.</p>

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

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

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Appropriate accounting treatment for the disposal of Mentor Africa (Pty) Limited</p> <p>As disclosed in note 20 of the inflation adjusted consolidated financial statements, the Group disposed of its 35% investment in Mentor Africa (Pty) Limited ("Mentor"). The investment was previously accounted for at fair value through other comprehensive income. The investment was disposed of for an amount of US\$ 19 million.</p> <p>This has been determined to be a key audit matter due to the quantitative and qualitative significance of the disposal and the extent of audit work involved in reviewing the transaction.</p> <p>The disclosures relating to the accounting policy and key sources of estimation are included in note 4.2.5 of the inflation adjusted consolidated financial statements and the details of the disposal are disclosed in note 20.</p>	
	<p>In responding to the identified matter, our procedures included the following:</p> <ul style="list-style-type: none"> - Reviewed all documentation in relation to the transaction and assessed whether the requirements for derecognition of the investment have been met prior to year-end. - Performed an assessment as to whether all necessary regulatory approvals had been complied with. - Performed an assessment as to whether the derecognition of the financial asset had been appropriately accounted for in accordance with IFRS 9 – "Financial Instruments"; - Reviewed the accuracy, completeness and validity of journals posted in relation to the derecognition of the asset. - Engaged tax specialists to assist in the review of the tax implications of the transaction; - Engaged Deloitte Technical Accounting experts to assist with assessment of the appropriateness of the accounting treatment; and - Reviewed the financial statements for adequate disclosures in relation to the transaction. <p>The accounting treatment of the disposal was determined to be appropriate.</p>

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

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

Other Information

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

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

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

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

Responsibilities of the directors for the Inflation Adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), 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.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

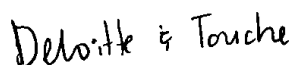
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

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 2022.

Section 193 (2)

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



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

31 August 2022