

# MEIKLES

## — LIMITED —

### REVIEWED SHORT-FORM FINANCIAL ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

#### SHORT-FORM FINANCIAL ANNOUNCEMENT

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

A copy of the full announcement is available on the Zimbabwe Stock Exchange website [www.zse.co.zw](http://www.zse.co.zw) and the Company website link <https://meiklesltd.com/press-statements.html>. The full announcement is also available on request, at no charge, via email on [investorrelations@meikles.com](mailto:investorrelations@meikles.com) and [RMutakwa@zb.co.zw](mailto:RMutakwa@zb.co.zw).

#### FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL COST	
	SIX MONTHS ENDED 30 SEP 2022 REVIEWED ZWL 000	% change Sep 2022 vs Sep 2021	SIX MONTHS ENDED 30 SEP 2022 UNAUDITED ZWL 000	% change Sep 2022 vs Sep 2021
Revenue	129,310,099	70%	95,453,653	422%
Profit before tax	8,206,360	10%	11,692,038	363%
Profit for the period	2,485,582	(41%)	8,230,804	305%
Net cash generated from operating activities	3,913,669	77%	5,102,458	429%
Basic and diluted earnings per share – continuing and discontinued operations (ZWL cents)	407.33	(61%)	1,790.20	220%
Basic and diluted earnings per share – continuing operations (ZWL cents)	504.90	(72%)	1,968.59	215%
	AS AT 30 SEP 2022 REVIEWED ZWL 000	% change Sep 2022 vs Mar 2022	AS AT 30 SEP 2022 UNAUDITED ZWL 000	% change Sep 2022 vs Mar 2022
Total assets	84,074,387	29%	54,535,528	212%
Total equity	53,544,555	41%	31,423,839	224%
Total liabilities	30,529,832	13%	23,111,689	198%
Interim dividend per share (US\$ cents)	0.25	-	0.25	-

#### Auditor's Review Conclusion

This short-form financial announcement should be read in conjunction with the condensed inflation adjusted consolidated financial statements for the six months period to 30 September 2022. The condensed inflation adjusted consolidated financial statements for the six months ended 30 September 2022 have been reviewed by Deloitte & Touche (Chartered Accountants) Zimbabwe who indicate that nothing has come to their attention that causes them to believe that the condensed inflation adjusted 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 conclusion is available for inspection at the Company's registered office and on the website.

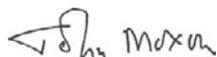
#### Dividend Announcement

Notice is hereby given that the Board of Directors declared an interim Dividend, Number 90 of 0.25US\$ cents per share payable out of the profits for the financial year ending 28 February 2023. The dividend will be payable on or about 15 December 2022. 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	25 November 2022
Last date to trade cum dividend	6 December 2022
Ex-dividend date	7 December 2022
Last record date	9 December 2022
Payment date	15 December 2022

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

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



**J.R.T. Moxon**  
 Chairman  
 25 November 2022

# MEIKLES — LIMITED —

## REVIEWED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

### CHAIRMAN'S STATEMENT

#### SALIENT FEATURES

	Inflation Adjusted	Historical Cost
Revenue	Grew by 70 % to ZWL129.3 billion.	Grew by 422% to ZWL 95.5 billion.
Profit before tax	Grew by 10% to ZWL8.2 billion	Grew by 363% to ZWL 11.7 billion
Net cash generated from operating activities	Grew by 77% to ZWL3.9 billion	Grew by 429% to ZWL5.1 billion
Earnings per share	Decreased by 61% to 407.33 ZWL cents	Grew by 220% to 1,790.20 ZWL cents
Dividend per share	Interim dividend declared - 0.25 US\$ cents	

#### Group Financial Results

The Group achieved commendable financial results for the six-month period ended 30 September 2022. These results were achieved under a challenging trading environment impacted by rising inflation, depreciating exchange rate, international supply chain disruptions as well as constricted local currency liquidity and high interest rates during the latter part of the period.

Commentary on financial results is based on inflation adjusted figures, and in some instances with reference to historical cost figures to enhance comprehension and analysis.

Group revenue grew to ZWL129.3 billion (Last year: ZWL76.0 billion) representing a 70% increase for the period under review (In Historical cost terms, a growth of 422%). The growth was primarily due to a 15.46% increase in units sold, combined with price adjustments at the supermarkets segment, which makes up 99% of the Group's revenue.

Profit before tax for the period increased by 10% to ZWL8.2 billion (Last year: ZWL7.5 billion), translating to a profit margin of 6.34%. On a like for like basis (excluding ZWL3.3 billion investment income received last year), profit before tax grew by 95%. In historical cost terms, profit before tax increased by 363% to ZWL11.7 billion.

Other comprehensive income increased to ZWL14.3 billion from ZWL49 million in the previous year due to the increase in the exchange rate applied to translate the foreign subsidiary financial results to ZWL, the Group's presentation currency.

The Group has maintained a strong financial position during the period under review, with a significant foreign currency denominated bank balance. In addition, the Group has very low bank borrowings.

#### TM Supermarkets trading as TM and PnP

Revenue for the period was ZWL127.8 billion (Previous period: ZWL76.2 billion). In historical cost terms, revenue grew by 414% to ZWL94.2 billion from ZWL18.3 billion in the previous year. Units sold grew by 38.53% during the first quarter of the period under review. In the last quarter, units sold declined by 4.40%, reducing the overall growth for the six months to 15.46%. The measures introduced by the authorities to curb rising inflation, starved the economy of ZWL liquidity leading to reduced customer spending.

Profit before tax for the period amounted to ZWL8.2 billion, compared to ZWL5.1 billion achieved in the previous period. In historical cost terms, profit before tax grew by 507% to ZWL10.1 billion up from ZWL 1.7 billion in the previous period.

The segment opened a new store in Harare during the period under review. In addition, the refurbishment of the Triangle Store was completed. Work is under way on three new stores that are expected to come on stream during the first quarter of next year.

#### Hospitality

The segment's operations in Victoria Falls registered a strong recovery from COVID-19 disruptions to international tourism and travel. Room occupancy for the period under review grew from 12.9% to 32.5% and as a result revenue was up 244% to ZWL1.3 billion. Profit for the period grew to ZWL1.0 billion from ZWL398 million in the previous year.

The completion of the first phase of the hotel refurbishment coincided with the rebound in international tourism.

#### Properties

The refurbishment of the building along Robert Mugabe Road in Harare commenced during the period under review, with completion anticipated during the first quarter of next year. TM Pick n Pay is the anchor tenant. In the forthcoming financial year, all remaining properties will be developed to maximise rental income opportunities.

#### Change of Financial Year-end

The Company changed its financial year-end from 31 March to 28 February as advised to shareholders on 30 September 2022, therefore the results for the financial period ending 28 February 2023 will be for an eleven-month period.

#### Outlook

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

Sales volume growth increased satisfactorily in TM Pick n Pay post September 2022.

#### Dividend

The Board has declared an interim dividend of 0.25 US\$ cents per share to be paid on 15 December 2022.

#### Appreciation

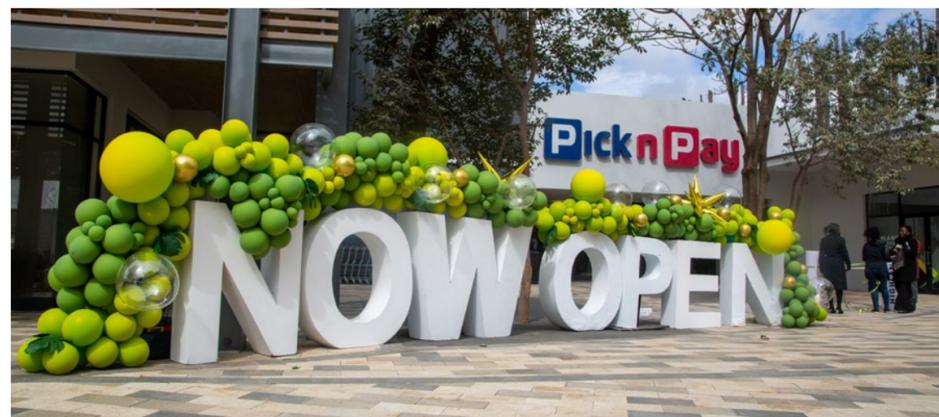
I would like to extend my appreciation to our customers, suppliers, shareholders, and regulatory authorities for their continued support. I also extend my appreciation to my fellow Directors, and to management and staff for their dedication and commitment.



J.R.T. Moxon

Chairman

22 November 2022



The recently opened Pick n Pay Highland Park Store

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Notes	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 30 Sep 2022 ZWL 000	Reviewed 30 Sep 2021 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 30 Sep 2021 ZWL 000
<b>CONTINUING OPERATIONS</b>				
Revenue	129,310,099	76,021,353	95,453,653	18,295,096
Cost of sales #	(101,494,546)	(55,327,032)	(64,961,079)	(13,017,206)
Net operating costs	(29,101,131)	(16,700,686)	(20,536,815)	(3,541,561)
<b>Operating (loss) / profit</b>	<b>(1,285,578)</b>	<b>3,993,635</b>	<b>9,955,759</b>	<b>1,736,329</b>
Investment income	41,202	3,305,258	40,014	868,730
Finance costs	(297,470)	(465,947)	(149,216)	(113,266)
Net exchange gains	2,898,444	132,907	1,845,481	32,178
Net monetary gain	6,849,762	501,381	-	-
<b>Profit before tax</b>	<b>8,206,360</b>	<b>7,467,034</b>	<b>11,692,038</b>	<b>2,523,971</b>
Income tax expense	(5,466,058)	(1,238,045)	(2,995,521)	(316,895)
<b>Profit for the period from continuing operations</b>	<b>2,740,302</b>	<b>6,228,989</b>	<b>8,696,517</b>	<b>2,207,076</b>
<b>DISCONTINUED OPERATIONS</b>				
Loss for the period from discontinued operations	(254,720)	(2,028,152)	(465,713)	(172,942)
<b>Profit for the period</b>	<b>2,485,582</b>	<b>4,200,837</b>	<b>8,230,804</b>	<b>2,034,134</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange rate adjustments on translation of foreign operations	14,292,411	49,627	14,292,411	49,627
<b>Other comprehensive income for the period, net of tax</b>	<b>14,292,411</b>	<b>49,627</b>	<b>14,292,411</b>	<b>49,627</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16,777,993</b>	<b>4,250,464</b>	<b>22,523,215</b>	<b>2,083,761</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	1,063,400	2,736,984	4,673,573	1,460,611
Non-controlling interests	1,422,182	1,463,853	3,557,231	573,523
<b>Total comprehensive income is attributable to:</b>	<b>2,485,582</b>	<b>4,200,837</b>	<b>8,230,804</b>	<b>2,034,134</b>
<b>Earnings per share (cents)</b>				
Basic and diluted earnings per share	407.33	1,047.74	1,790.20	559.48
From continuing operations	504.90	1,824.64	1,968.59	625.72
From discontinued operations	(97.57)	(776.90)	(178.39)	(66.24)

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

#In the current period, 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.

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 30 Sep 2022 ZWL 000	Audited 31 Mar 2022 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 31 Mar 2022 ZWL 000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	24,799,427	23,845,555	5,355,766	2,508,572
Investment property	43,877	44,388	218	221
Right of use assets	12,180,291	10,155,308	2,618,416	947,664
Other financial assets	6,699,051	1,822,771	6,699,051	1,622,653
Deferred tax	9,374	7,661	220,807	194,105
<b>Total non-current assets</b>	<b>43,732,020</b>	<b>35,875,683</b>	<b>14,894,258</b>	<b>5,273,215</b>
<b>Current assets</b>				
Inventories	18,707,743	16,585,674	18,079,867	5,848,875
Trade and other receivables	4,072,315	3,901,705	3,999,094	1,411,562
Other financial assets	62,722	121,771	62,722	45,651
Cash and bank balances	17,499,587	8,443,297	17,499,587	4,874,509
<b>Total current assets</b>	<b>40,342,367</b>	<b>29,052,447</b>	<b>39,641,270</b>	<b>12,180,597</b>
<b>Total assets</b>	<b>84,074,387</b>	<b>64,928,130</b>	<b>54,535,528</b>	<b>17,453,812</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	515,393	515,393	2,611	2,611
Share premium	643,144	643,144	3,925	3,925
Other reserves	14,976,524	684,113	18,493,451	4,201,040
Retained earnings	21,100,087	21,172,876	7,422,447	3,468,750
Equity attributable to equity holders of the parent	37,235,148	23,015,526	25,922,434	7,676,326
Non-controlling interests	16,309,407	15,010,020	5,501,405	2,032,541
<b>Total equity</b>	<b>53,544,555</b>	<b>38,025,546</b>	<b>31,423,839</b>	<b>9,708,867</b>
<b>Non-current liabilities</b>				
Deferred tax	7,473,047	6,456,544	54,904	79,807
Lease liabilities	2,474,449	2,685,172	2,474,449	1,006,660
<b>Total non-current liabilities</b>	<b>9,947,496</b>	<b>9,141,716</b>	<b>2,529,353</b>	<b>1,086,467</b>
<b>Current liabilities</b>				
Trade and other payables	19,732,451	17,153,369	19,732,451	6,430,729
Borrowings	576,415	329,667	576,415	123,591
Lease liabilities	273,470	277,832	273,470	104,158
<b>Total current liabilities</b>	<b>20,582,336</b>	<b>17,760,868</b>	<b>20,582,336</b>	<b>6,658,478</b>
<b>Total liabilities</b>	<b>30,529,832</b>	<b>26,902,584</b>	<b>23,111,689</b>	<b>7,744,945</b>
<b>Total equity and liabilities</b>	<b>84,074,387</b>	<b>64,928,130</b>	<b>54,535,528</b>	<b>17,453,812</b>

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

# MEIKLES

## — LIMITED —

### REVIEWED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

#### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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
<b>2022 – Reviewed</b>							
Balance at 1 April 2022	515,393	643,144	684,113	21,172,876	23,015,526	15,010,020	38,025,546
Profit for the period	-	-	-	1,063,400	1,063,400	1,422,182	2,485,582
Other comprehensive income for the period	-	-	14,292,411	-	14,292,411	-	14,292,411
Dividend declared and paid	-	-	-	(1,136,189)	(1,136,189)	(122,795)	(1,258,984)
Balance at 30 September 2022	515,393	643,144	14,976,524	21,100,087	37,235,148	16,309,407	53,544,555

##### 2021 – Reviewed

Balance at 1 April 2021	515,393	643,144	(2,165,539)	38,083,365	37,076,363	12,940,287	50,016,650
Profit for the period	-	-	-	2,736,984	2,736,984	1,463,853	4,200,837
Transfer from non-distributable reserves	-	-	(113,287)	113,287	-	-	-
Other comprehensive income for the period	-	-	49,627	-	49,627	-	49,627
Dividend declared and paid	-	-	-	(1,586,710)	(1,586,710)	(63,691)	(1,650,401)
Balance at 30 September 2021	515,393	643,144	(2,229,199)	39,346,926	38,276,264	14,340,449	52,616,713

##### HISTORICAL COST\*

<b>2022 – Unaudited</b>							
Balance at 1 April 2022	2,611	3,925	4,201,040	3,468,750	7,676,326	2,032,541	9,708,867
Profit for the period	-	-	-	4,673,573	4,673,573	3,557,231	8,230,804
Other comprehensive income for the period	-	-	14,292,411	-	14,292,411	-	14,292,411
Dividend declared and paid	-	-	-	(719,876)	(719,876)	(88,367)	(808,243)
Balance at 30 September 2022	2,611	3,925	18,493,451	7,422,447	25,922,434	5,501,405	31,423,839

<b>2021 – Unaudited</b>							
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 declared and paid	-	-	-	(372,018)	(372,018)	(14,939)	(386,957)
Balance at 30 September 2021	2,611	3,925	1,287,728	4,614,067	5,908,331	1,359,160	7,267,491

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

#### CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST*	
	Reviewed 30 Sep 2022 ZWL 000	Reviewed 30 Sep 2021 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 30 Sep 2021 ZWL 000
<b>Net cash generated from operating activities (Note 6)</b>	<b>3,913,669</b>	<b>2,205,445</b>	<b>5,102,458</b>	<b>964,040</b>
<b>Cash flows from investing activities</b>				
Payment for property, plant and equipment – continuing operations	(3,567,831)	(2,133,051)	(3,052,088)	(641,764)
Payment for property, plant and equipment – discontinued operations	-	(454,924)	-	(111,265)
Proceeds from disposal of property, plant and equipment – continuing operations	13,016	485,981	128,881	7,400
Proceeds from disposal of property, plant and equipment – discontinued operations	-	10,193	-	2,394
Net movement in service assets – continuing operations	(389)	198	(458)	47
Net movement in other investments – continuing operations	(46,864)	(147,406)	(46,864)	(54,730)
Net movement on biological assets – discontinued operations	-	2,171,278	-	180,925
Investment income – continuing operations	49,405	3,276,111	48,217	861,001
<b>Net cash used in investing activities</b>	<b>(3,552,663)</b>	<b>3,208,380</b>	<b>(2,922,312)</b>	<b>244,008</b>
<b>Cash flows from financing activities</b>				
Net (decrease) / increase in interest bearing borrowings – continuing operations	(3,685)	-	52	52
Net increase / (decrease) in interest bearing borrowings – discontinued operations	250,434	(21,280)	452,772	30,053
Finance costs – continuing operations	(33,954)	(487,815)	(29,229)	(102,513)
Finance costs – discontinued operations	-	(170,931)	-	(41,083)
Lease payments – continuing operations	(288,068)	(70,386)	(288,068)	(23,356)
Dividend paid – ordinary shareholders	(1,101,622)	(1,264,388)	(685,310)	(287,286)
Dividend paid – non-controlling interests	(122,795)	(63,691)	(88,367)	(14,939)
<b>Net cash used in financing activities</b>	<b>(1,299,690)</b>	<b>(2,078,491)</b>	<b>(638,150)</b>	<b>(439,072)</b>
<b>Net (decrease) / increase in cash and bank balances</b>	<b>(938,684)</b>	<b>3,335,334</b>	<b>1,541,996</b>	<b>768,976</b>
Cash and bank balances at the beginning of the period	8,443,297	3,619,579	4,874,509	839,289
Translation of foreign entity	9,237,601	2,275	9,237,601	598
Net effect of exchange rate changes on cash and bank balances	2,898,444	(120,637)	1,845,481	18,038
Effects of inflation adjustments	(2,141,071)	(645,870)	-	-
<b>Cash and bank balances at the end of the period</b>	<b>17,499,587</b>	<b>6,190,681</b>	<b>17,499,587</b>	<b>1,626,901</b>
<b>Comprising:</b>				
Cash and bank balances from continuing operations	17,499,576	5,747,458	17,499,576	1,510,409
Cash and bank balances from discontinued operations	11	443,223	11	116,492
<b>Total cash and bank balances at the end of the period</b>	<b>17,499,587</b>	<b>6,190,681</b>	<b>17,499,587</b>	<b>1,626,901</b>

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

#### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

##### 1. Basis of preparation

These condensed consolidated financial statements 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 condensed consolidated financial statements have been prepared in compliance with International Accounting Standard (“IAS”) 34 – “Interim Financial Reporting”, the Zimbabwe Stock Exchange Listings Requirements and the Companies and Other Business Entities Act (Chapter 24:31). These condensed consolidated financial statements should be read in conjunction with the Group's annual report for the full year ended 31 March 2022.

These condensed consolidated financial statements were prepared under the supervision of Thompson Muzvavandoga CA (Z), the Group Finance Director, and 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 Group's financial statements for the year ended 31 March 2022. 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 (ZWL) which is the presentation currency of the Group. 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.

#### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

##### 2. Accounting policies (continued)

##### 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 condensed consolidated inflation adjusted financial statements, as at 30 September 2022, represent the primary financial statements of the Group. The accompanying condensed consolidated historical cost financial statements are provided as supplementary information and as a result the auditors have not expressed a review conclusion 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 2022:

	Indices	Adjustment Factor
CPI as at 30 September 2022	12,713.12	1.00
CPI as at 31 March 2022	4,766.10	2.67
CPI as at 30 September 2021	3,342.02	3.80

##### Average CPI for the six months to:

30 September 2022	9,468.14
30 September 2021	3,043.50

##### 3. Going concern

The Directors have adopted the going concern basis in preparing the Group financial statements, from whence these condensed consolidated financial statements are based. The Directors made this assumption after assessing the impact of principal risks arising from an unstable economic environment to the Group's financial performance for the six months ended 30 September 2022. Despite, the instability in the operating environment, the Group registered growth in sales volume, revenue and profits. Management continues to monitor the changes in the operating environment and implement strategies to mitigate adverse impact to profitability and cash flow generation. Whilst the economic environment continues to evolve making planning difficult, the Group has cash reserves to enable it to meet its obligations as they fall due for a period of at least twelve months from the date of signing of these condensed consolidated financial statements.

##### 4. Segment information

##### Revenue – continuing operations

	Reviewed 30 Sep 2022 ZWL 000	Reviewed 30 Sep 2021 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 30 Sep 2021 ZWL 000
Supermarkets	127,806,488	76,215,168	94,243,375	18,346,679
Hotels	1,313,290	381,608	1,061,889	94,038
Corporate <sup>^</sup>	190,321	(575,423)	148,389	(145,621)
<b>Group</b>	<b>129,310,099</b>	<b>76,021,353</b>	<b>95,453,653</b>	<b>18,295,096</b>

##### Adjusted profit for the period – continuing operations<sup>◇</sup>

	Reviewed 30 Sep 2022 ZWL 000	Reviewed 31 Mar 2022 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 31 Mar 2022 ZWL 000
Supermarkets	2,855,596	2,954,306	7,176,843	1,163,286
Hotels	1,044,541	400,217	1,539,043	221,798
Corporate <sup>^</sup>	(1,159,835)	2,874,466	(19,369)	821,992
<b>Group</b>	<b>2,740,302</b>	<b>6,228,989</b>	<b>8,696,517</b>	<b>2,207,076</b>

##### Segment assets

	Reviewed 30 Sep 2022 ZWL 000	Reviewed 31 Mar 2022 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 31 Mar 2022 ZWL 000
Supermarkets	58,542,368	53,646,183	32,407,364	11,615,989
Hotels	6,007,469	4,921,029	2,988,469	860,808
Corporate <sup>^</sup>	19,524,550	6,360,918	19,139,695	4,977,015
<b>Group</b>	<b>84,074,387</b>	<b>64,928,130</b>	<b>54,535,528</b>	<b>17,453,812</b>

##### Segment liabilities

	Reviewed 30 Sep 2022 ZWL 000	Reviewed 31 Mar 2022 ZWL 000	Unaudited 30 Sep 2022 ZWL 000	Unaudited 31 Mar 2022 ZWL 000
Supermarkets	27,332,842	25,108,552	21,255,477	7,552,578
Hotels	1,336,184	1,289,966	970,201	381,582
Corporate <sup>^</sup>	1,860,806	504,066	886,011	(189,215)
<b>Group</b>	<b>30,529,832</b>	<b>26,902,584</b>	<b>23,111,689</b>	<b>7,744,945</b>

<sup>^</sup>Included in the corporate revenue amount is an adjustment of ZWL 427.1 million (2021: ZWL 922.1 million); (Historical cost ZWL 336.1 million (2021: ZWL 228.7 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.

<sup>◇</sup> Adjusted profit for the period for the reportable segments is before Group management fees.

##### 5. Discontinued operations

##### 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 prior year comparative period to 30 September 2021 have been disclosed as discontinued operations in these condensed consolidated financial statements.

##### Greatermans Stores

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

##### 5.1 Discontinued operations

	INFLATION ADJUSTED Reviewed 30 Sep 2022 ZWL 000	Reviewed 30 Sep 2021 ZWL 000	HISTORICAL COST Unaudited 30 Sep 2022 ZWL 000	Unaudited 30 Sep 2021 ZWL 000
<b>Profit for the period from discontinued operations</b>				
Revenue	-	5,854,434	-	1,412,110
Cost of sales	-	(4,482,765)	-	(917,370)
Net operating costs	(3,078)	(1,387,502)	(2,222)	(329,368)
Other operating income	3,253	169,766	2,469	44,531
Operating profit	175	153,933	247	209,903
Finance costs	(37,744)	(192,799)	(29,088)	(46,310)
Net exchange (losses) / gains	(610,438)	74,707	(436,872)	18,351
Profit on disposal of property, plant and equipment	-	8,228	-	2,387
Fair value adjustments on biological assets	-	(734,180)	-	(415,647)
Net monetary gain / (loss)	393,287	(1,587,726)	-	-
<b>Loss before tax</b>	<b>(254,720)</b>	<b>(2,277,837)</b>	<b>(465,713)</b>	<b>(231,316)</b>
Taxation	-	249,685	-	58,374
<b>Loss for the year from discontinued operations</b>	<b>(254,720)</b>	<b>(2,028,152)</b>	<b>(465,713)</b>	<b>(172,942)</b>
<b>Cash flows from discontinued operations</b>				
Net cash flows from operating activities	(212,788)	106,757	(423,715)	28,094
Net cash flows from investing activities	-	(406,057)	-	(106,857)
Net cash flows from financing activities	212,690	460,115	423,685	121,083
<b>Net cash flows from discontinued operations</b>	<b>(98)</b>	<b>160,815</b>	<b>(30)</b>	<b>42,320</b>

# MEIKLES

## — LIMITED —

### REVIEWED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

#### NOTES TO THE ABRIDGED AUDITED FINANCIAL RESULTS (continued)

##### 6. Net cash generated from operating activities

	INFLATION ADJUSTED		HISTORICAL COST	
	Reviewed	Reviewed	Unaudited	Unaudited
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
<b>Cash flows from operating activities</b>				
Profit before tax – continuing operations	8,206,360	7,467,034	11,692,038	2,523,971
Loss before tax – discontinued operations	(254,720)	(2,277,837)	(465,713)	(231,316)
	7,951,640	5,189,197	11,226,325	2,292,655
<b>Adjustments for:</b>				
- Depreciation and impairment of property, plant and equipment, investment property and right-of-use assets – continuing operations	2,778,904	1,616,429	310,694	110,010
- Depreciation and impairment of property, plant and equipment, investment property – discontinued operations	-	317,764	-	7,397
- Net interest – continuing operations	256,268	(2,839,311)	109,202	(755,464)
- Net interest – discontinued operations	37,744	192,799	29,088	46,310
- Net exchange gains – continuing operations	(2,898,444)	(132,707)	(1,845,481)	(32,178)
- Net exchange losses / (gains) – discontinued operations	610,438	(74,707)	436,872	(18,351)
- Fair value adjustments on biological assets – discontinued operations	-	734,180	-	415,647
- Loss on disposal of property, plant and equipment – continuing operations	(13,016)	(31,570)	(128,873)	(5,117)
- Loss on disposal of property, plant and equipment – discontinued operations	-	(8,228)	-	(2,387)
<b>Operating cash flow before working capital changes</b>	8,723,534	4,963,846	10,137,827	2,058,522
Increase in inventories – continuing operations	(2,122,069)	(3,148,597)	(12,230,992)	(418,582)
Decrease / (increase) in inventories – discontinued operations	-	3,229,519	-	(68,426)
(Increase) / decrease in trade and other receivables – continuing operations	(170,610)	1,676,019	(2,587,532)	(234,701)
Increase in trade and other receivables – discontinued operations	-	(656,490)	-	(236,116)
Increase / (decrease) in trade and other payables – continuing operations	1,896,419	(1,962,068)	12,104,019	437,343
(Decrease) / increase in trade and other payables – discontinued operations	(615,806)	327,112	(450,964)	12,311
<b>Cash generated from operations</b>	7,711,468	4,429,341	6,972,358	1,550,351
Income taxes paid – continuing operations	(3,797,799)	(1,857,568)	(1,869,900)	(516,136)
Income taxes paid – discontinued operations	-	(366,328)	-	(70,175)
<b>Net cash generated from operating activities</b>	3,913,669	2,205,445	5,102,458	964,040

##### 7. Subsequent events

There were no significant events after the reporting date.

##### 8. External Auditor's Review Conclusion

These condensed consolidated financial statements for the six months ended 30 September 2022 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 conclusion is available for inspection at the Company's registered office and on the website.

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

#### NOTICE TO SHAREHOLDERS

##### Dividend declaration

Notice is hereby given that the Board of Directors declared an interim Dividend, Number 90 of 0.25US\$ cents per share payable out of the profits for the financial year ending 28 February 2023. The dividend will be payable on or about 15 December 2022. 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	25 November 2022
Last date to trade cum dividend	6 December 2022
Ex-dividend date	7 December 2022
Last record date	9 December 2022
Payment date	15 December 2022

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

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

By Order of the Board



**T. Mpofo**  
 Company Secretary  
 25 November 2022



High Tea at The Victoria Falls Hotel

24 November 2022

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 2022**

### **Introduction**

We have reviewed the accompanying condensed inflation adjusted consolidated statement of financial position of Meikles Limited and its subsidiaries as of 30 September 2022 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*

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**Deloitte & Touche**  
**Registered Auditor**  
**Per: Charity Mtwazi**  
**Partner**

