MEIKLES

LIMITED

ANNUAL REPORT | 2023

ABOUT OUR REPORT

Meikles Limited, a public company listed on the Zimbabwe Stock Exchange ("ZSE") and London Stock Exchange ("LSE"), is pleased to present the annual report for the year ended 28 February 2023. This report integrates both financial and non-financial information.

SCOPE OF THE REPORT

This report contains information for Meikles Limited which is incorporated and domiciled in Zimbabwe. In this report, unless otherwise stated, references to "our", "we", "us", "the Group", "Meikles Ltd" refers to Meikles Limited and its subsidiaries that includes TM Supermarkets (Pvt) Ltd; Meikles Guard Services (Pvt) Ltd; Thomas Meikle Properties (Pvt) Ltd and Meikles Hospitality (Pvt) Ltd.

REPORTING FRAMEWORKS

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

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

SUSTAINABILITY DATA

This report was prepared using both quantitative and qualitative data extracted from company records, policies and persons responsible in the Key Results Areas ("KRA") of sustainability impacts for the Group. In some cases, assumptions were made and confirmed for consistency with business activities. Where data has not been provided by all subsidiaries, it is indicated under each table. The Group continues to review its measurement systems on sustainability data to ensure consistency across subsidiary operations.

ASSURANCE

The consolidated financial statements were audited by Ernst & Young Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing ("ISA"). The independent auditor's report is found on pages 40 to 45. Non-financial information and data used for sustainability reporting was internally validated by the Group Internal Audit Department. The report was verified for compliance with GRI Standards by the Institute for Sustainability Africa ("INSAF") as subject matter experts. A GRI Content Index is presented on pages 97 to 100. Management validated the report for consistency with business operations before publication.

RESTATEMENTS

Meikles Ltd made restatements to sustainability data where measurement was evaluated and this is indicated on the relevant indicators.

REPORT DECLARATION

The Board of Directors and Management confirm that this report has been prepared in accordance with GRI Standards - 'Core' option.

BOARD APPROVAL

The Board recognises its responsibility for ensuring the integrity of the information contained in this annual report and has approved it as fairly representing the Group's overall performance.

FORWARD LOOKING STATEMENTS

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

FEEDBACK ON THE REPORT

The Group values opinions and feedback from all stakeholders on how we can improve our operations and reporting. We welcome any suggestions and or inquiries you may have. Kindly share your feedback with Tabani Mpofu (Mr), Company Secretary, on email investorrelations@meikles.com.

John Moxon

J.R.T. MOXON
Chairman
12 October 2023

CONTENTS

MEIKLES LTD AT A GLANCE

OUR JOURNEY OF OVER 100 YEARS

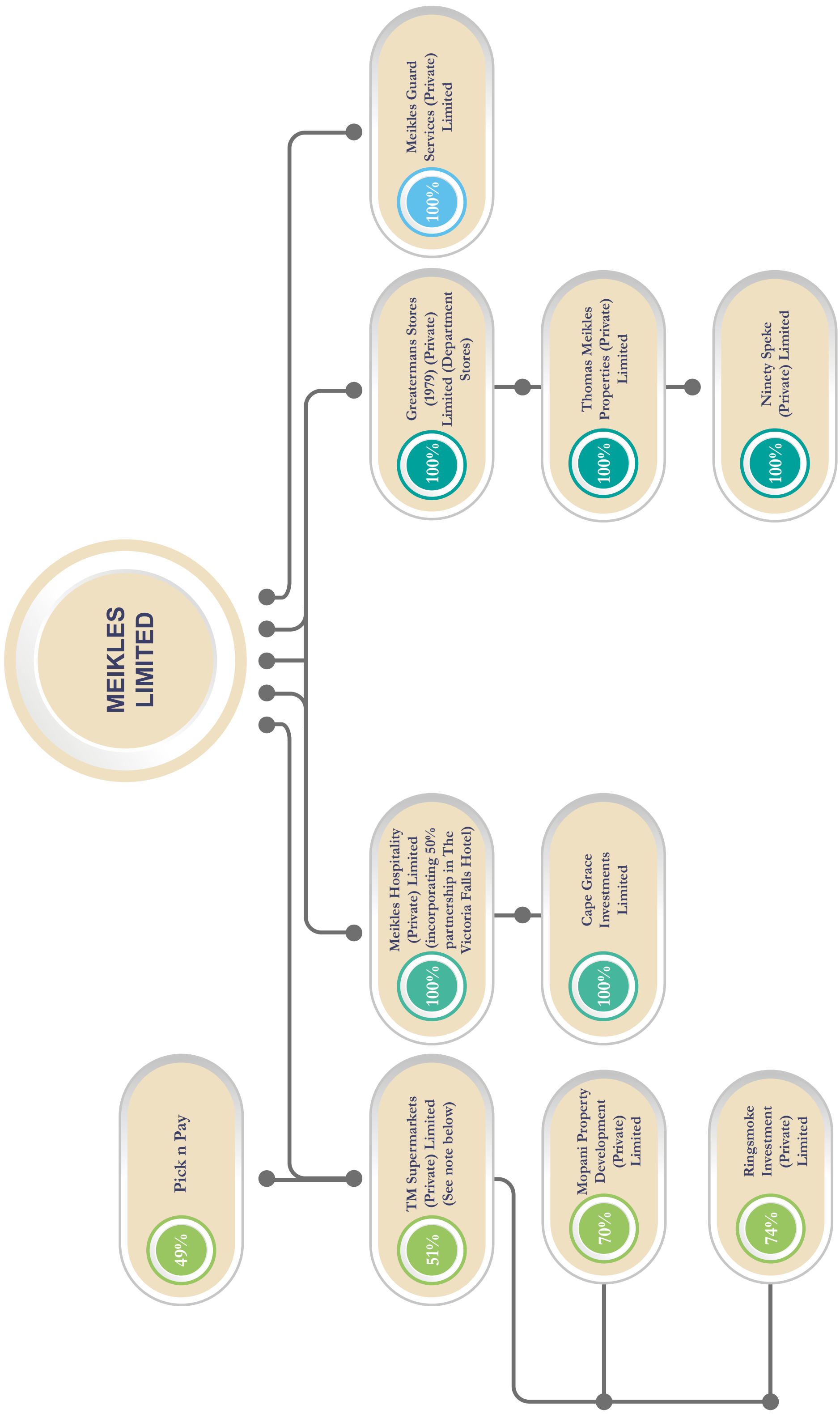
1892	John, Stewart and Thomas Meikle, brothers migrated from Scotland to Southern Africa, opening trading business in Fort Victoria (now Masvingo) in now Zimbabwe.
	Business spread to Bulawayo, Umtali (Mutare) and Salisbury (Harare).
1915	Thomas Meikle opens hotel business in now present day Harare.
1920s	Tanganda Tea Estate established.
1978	TM Supermarkets ("TMSM") established.
1996	Meikles family businesses are listed on the Zimbabwe Stock Exchange and London Stock Exchange under Meikles Africa Limited.
	Pick n Pay South Africa acquires 25% of TM Supermarkets.
1998	Meikles Limited purchases 50% of The Victoria Falls Hotel lease and operations.
1999	Meikles Limited purchases 50% of the Cape Grace Hotel business and property.
2001	Meikles Limited purchases the remaining 50% of the Cape Grace Hotel business and property.
2007	Merger of Meikles Limited, Tanganda Tea Company Limited, Cotton Printers (Private) Limited, and Kingdom Financial Holdings Limited.
2010	Demerger of Kingdom Financial Holdings Limited from Meikles Limited.
2012	Meikles Limited acquires 35% shareholding in Mentor Africa (Pty) Limited ("Mentor") through a merger of the Cape Grace Hotel into Mentor.
2013	Pick n Pay South Africa increases shareholding in TMSM to 49%.
2014	Meikles Guard Services (Private) Limited formed as a wholly owned subsidiary company.
2019	Closure of Departmental Stores trading as Meikles Stores, Barbours and Greatermans.
2020	Meikles Limited disposes Meikles Hotel in Harare.
2022	Tanganda Tea Company unbundled.
	Disposal of 35% shareholding in Mentor.

The Group still operates businesses in the following sectors:

Retail	TM Supermarkets trading as TM Pick n Pay.
Hospitality	The Victoria Falls Hotel (Operated in partnership with African Sun Limited).
Real Estate and Property	Thomas Meikle Properties.
Security Services	Meikles Guard Services.

MEIKLES LTD AT A GLANCE (continued)

GROUP STRUCTURE



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

Meikles Group Footprint in Zimbabwe

TM Pick n Pay Branches:

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

- Meikles Hospitality has The Victoria Falls Hotel in Victoria Falls
- Thomas Meikle Properties has properties in Harare, Gweru, Masvingo, Mutare and Bulawayo

MEIKLES

LIMITED

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

www.meiklesltd.com

MEIKLES LTD AT A GLANCE (continued)

OUR BUSINESS VALUE SYSTEMS

BUSINESS ASSOCIATIONS MEMBERSHIP

Some of our subsidiaries are members of the following associations:

TM Pick n Pay Supermarkets	Meikles Hospitality	Meikles Guard Services
• Confederation of Zimbabwe Industries (CZI) • Employers Confederation of Zimbabwe (EMCOZ) • Retailers Association of Zimbabwe (RAZ) • National Employment for Engineering Sector • Employment Association of Zimbabwe • National Employment Council for the Commercial Sector (NECCSZ)	• Tourism Business Council of Zimbabwe (TBCZ) • Hospitality Association of Zimbabwe (HAZ) • Leading Hotels of the World (LHW) • Africa Travel and Tourism Association (ATTA) • National Employment Council for Hotel and Catering Industry • Zimbabwe National Chamber of Commerce (ZNCC) • We are Africa • Africa's Eden – Kaza Region	• Security Association of Zimbabwe (SAZ) • National Employment Council for the Security Industry (NECSI)

STANDARDS

Some of our subsidiaries subscribe to the following standards:

TM Pick n Pay Supermarkets	Meikles Hospitality	Meikles Guard Services
• Health Registration Certificate – Ministry of Health and Child Welfare Zimbabwe • Factory Registration Certificate – Local Authorities • Air Emission Licence – Environmental Management Agency (EMA) Zimbabwe • Liquor Licence – Local Authorities Zimbabwe • Music Licence – Zimbabwe Music Rights Association (ZIMURA) • Seller of Seeds, Pesticides Retailers, Radio, and Municipal licences. • Shop licences • Agricultural inputs and livestock products retail registration – Agricultural Marketing Authority (AMA)	• Leading Quality Assurance – Leading Hotels of the World (Global) • Five Star Hotel Grading – Zimbabwe Tourism Authority (ZTA) • Designated Tourist Facility – Zimbabwe Tourism Authority (ZTA) • Designated Health Facility (clinic) – Medical Control Authority of Zimbabwe (MCAZ)	• Guard Securities Licence – Ministry of Home Affairs (Zimbabwe)

AWARDS & RECOGNITIONS

Received during FY2023:

TM Pick n Pay Supermarkets

Buy Zimbabwe Awards:
- Insignia Award 2023
- Best company of the year Award 2023
- Champion Award 2023
- Retailer of the year 2023

Contact Centre Association of Zimbabwe
- Excellence in the Retail Service Award

Marketers Association of Zimbabwe SuperBrand Awards
- Runner up in the Retail Supermarkets Sector

CSR Network Zimbabwe
- Excellence in community empowerment and social impact award

MEIKLES LTD AT A GLANCE (continued)

GROUP PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue (ZWL '000')
278,948,650
191,734,157 in FY2022
45% Increase

Historical
FY2023: 230,859,025
FY2022: 50,666,982

Profit for the period (ZWL '000')
3,090,079
8,096,274 in FY2022
62% Decrease

Historical
FY2023: 12,335,125
FY2022: 8,875,613

Total Assets (ZWL '000')
104,401,481
70,351,000 in FY2022
48% Increase

Historical
FY2023: 78,124,165
FY2022: 17,453,812

Net Cash Flow from Operating Activities (ZWL '000')
2,281,586
6,885,964 in FY2022
67% Decrease

Historical
FY2023: 12,367,409
FY2022: 2,811,316

SHARE PERFORMANCE

	Inflation Adjusted			Historical		
	28 Feb 2023 ZWL Cents	31 Mar 2022 ZWL Cents	31 Mar 2021 ZWL Cents	28 Feb 2023 ZWL Cents	31 Mar 2022 ZWL Cents	31 Mar 2021 ZWL Cents
Share Price	19,440.00	40,962.94	22,619.17	19,440.00	14,076.62	4,500.94
Basic and Diluted Earnings Per Share from continuing and discontinued operations	307.59	1,721.64	484.98	2,392.52	2,755.53	1,051.90
Basic and Diluted Earnings Per Share from continuing operations	307.59	2,370.16	41.55	2,392.52	2,591.81	547.83

SUSTAINABILITY PERFORMANCE

Corporate Responsibility (ZWL '000')
98,940
19,559 in FY2022
406% Increase

Total Employees (Headcount)
6,280
6,013 in FY2022
4% Increase

Electricity (MWh)
40,499
41,197 in FY2022
2% Decrease

Water (m³)
105,825
158,344 in FY2022
33% Decrease

STRATEGIC REVIEW

CHAIRMAN'S STATEMENT

It gives me pleasure to present the Chairman's Report for the eleven months ended 28 February 2023.

OPERATING ENVIRONMENT

The economy faced elevated levels of inflation, depreciating exchange rate and rising interest rates during the period under review. The resultant impact was reduced disposable income and contraction in consumer demand. The interventions implemented by both fiscal and monetary authorities led to a slowdown of inflation. However, the high interest rates brought in challenges in the supply chain and specifically unfavourable changes in supplier trading terms. Furthermore, frequent power outages during the period under review increased the cost of business operations.

GROUP FINANCIAL PERFORMANCE

The Company changed its financial year-end from March to February to align with the year-end of the main subsidiary, TM Supermarkets (Private) Limited. Therefore, the financial results presented are for eleven months to 28 February 2023 alongside twelve months to 31 March 2022. Reference to "like for like" is a comparison of eleven months ended 28 February 2023 to eleven months period of the previous financial year.

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

The Group demonstrated resilience to adverse changes in the operating environment as it was able to adapt and respond to the aforesaid challenges.

The Group revenue grew to ZWL 278.9 billion (Previous year: ZWL 191.7 billion) representing a 45% increase (60% on a like for like basis). In historical cost terms, revenue grew by 356% (420% on a like for like basis) to ZWL 230.9 billion (Previous year: ZWL 50.7 billion). Growth in sales units was achieved at the supermarket segment under tough operating conditions characterised by declining customer disposable income during the greater part of the period under review.

Gross profit margin decreased by 2% points to 23% from 25% in the previous year, partly reflecting the impact of the Supermarket segment's strategic thrust on responsible pricing to support customers during the challenging times. In addition, the sales mix was dominated by grocery items that have low margins.

Group net operating costs increased by 63% to ZWL 67.1 billion (Previous year: ZWL 41.3 billion). The Group reviewed employee remuneration on a regular basis to cushion employees from the rising cost of living. Consequently, employee costs increased by 64% and were 50% of total operating costs. In addition, the increases in costs denominated in foreign currency, as well as electricity and water, were ahead of revenue growth.

The Group made an operating loss of ZWL2.0 billion (Previous operating profit: ZWL 6.5 billion) which was due to the reduction in gross profit margin combined with the increase in operating costs. On a positive note, the operating loss was surpassed by the gains from the management of the monetary assets and liabilities. In historical cost terms, operating profit increased by 299% to ZWL 14.8 billion on a like for like basis.

Investment income is largely interest on funds on deposit with banks. Last year's investment income was boosted by ZWL 3.6 billion recovered on funds placed with Reserve Bank of Zimbabwe in prior years. Finance costs are primarily interest charges on lease liabilities and increased by 72% due to inflation driven rent reviews.

Profit after tax (excluding investment income of ZWL 3.6 billion and ZWL 179.0 million profit on distribution of subsidiary equity to shareholders in the previous year) declined by 48% to ZWL 3.1 billion. In historical cost terms, profit after tax increased by 206% on a like for like basis.

Total comprehensive income was boosted by the exchange rate impact on the translation of foreign subsidiary and increased to ZWL 25.4 billion (Previous year: ZWL 11.1 billion).

Capital expenditure during the period under review was ZWL7.9 billion (approximately US$15 million) and was all financed from internally generated cash flows. The Group had strong levels of liquidity and solvency at the end of the reporting period. The current assets ratio was 1.74 times up from 1.62 times in the previous year. Debt-to-equity ratio was flat year-on-year at 9% (Historical cost: 13%). Lease liabilities for the various store leases accounted for 84% (Previous year: 90%) of the total debt.

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

REVIEW OF OPERATIONS

Supermarkets – trading as TM Pick n Pay

Revenue grew by 44% (60% on a like for like basis) to ZWL 275.6 billion (Historical cost, on a like for like growth of 414% to ZWL 228.0 billion). Despite the declining consumer disposable income, units sold grew by 2%. "Click and collect", an online portal, was introduced during the period under review and there is an ongoing improvement of the offering.

For the greater part of the period under review, the segment focused on striking a balance in advancing the needs of all stakeholders in a tough trading environment. Supplier payment terms tightened, and the cost of goods escalated in response to high interest rates and inflation.

Profit after tax decreased by 40% to ZWL 4.2 billion (Last year: ZWL 7.0 billion). In historical terms, profit after tax increased by 254% (310% on a like for like basis) to ZWL 11.8 billion.

Despite the reduction in profit margins, the segment funded its store expansion and refurbishments from operating cash flows. Three new stores, Highlands Park, Madokero and Simon Mazorodze, were completed and opened during the period under review. In addition, two new stores were at an advanced stage of completion at the reporting period. The segment demonstrated resilience in working capital management as the frequent changes in supplier trading terms during the period did not adversely affect the level and quality of stocks in the stores.

Hospitality

Revenue increased by 242% (271% on a like for like basis) to ZWL 2.6 billion from ZWL 750 million last year. Revenue growth was 107% in US$ terms. The growth was on the back of an increase in room occupancy of 11.57% points to 28.33%, combined with a 15% increase in the average room rate in United States Dollar terms.

Profit after tax increased to ZWL 1.3 billion from ZWL 563 million in the previous year.

The refurbishment of 47 rooms of The Victoria Falls Hotel was completed during the period under review, a development which bodes well for the hotel's competitive positioning in the market.

Properties

The planned development and repurposing of the main property in Mutare was completed during the period under review and all the available space was taken up by tenants. In addition, the mall along South Avenue in Harare was completed and is fully occupied by tenants. The refurbishment of the building along Robert Mugabe Road in Harare was at an advanced stage of completion at the reporting period. The works were subsequently completed in May 2023 with the anchor tenant being TM Pick n Pay. Refurbishment works on the main building in Bulawayo will commence in due course.

STRATEGIC REVIEW (continued)

CHAIRMAN'S STATEMENT (continued)

REVIEW OF OPERATIONS (continued)

Security Services

Meikles Guard Services generated sufficient cash flows to fund its operations during the year under review. The segment benefits from the expansion of the supermarkets segment.

SUSTAINABILITY

We are implementing ongoing actions across our operating segments to reduce any negative impact on the environment. Some of the activities include annual tree planting, upgrades in refrigeration equipment, promoting use of biodegradable carrier bags and changes in methods of waste handling.

CORPORATE SOCIAL RESPONSIBILITY

The Group's corporate social responsibility activities are primarily conducted through the Meikles Foundation and TM Pick n Pay. Meikles Foundation's main source of funding is donations from Meikles Limited.

During the period under review, Meikles Foundation, in conjunction with its partners, increased their support for underprivileged children suffering from cancer through sponsorship of the Rainbow Children's Village. Moreover, the Foundation supported vulnerable groups with food hampers on a regular basis.

TM Pick n Pay supported old people's homes and children's homes through grocery gift vouchers and blankets. Sixty-eight homes benefited from donations of grocery gift vouchers during the period under review. Two thousand, five hundred blankets were donated to twenty homes during the winter months. Fifteen schools, spread across the country were supported with writing books, pens and other ancillary items benefiting seven thousand learners.

DIVIDEND

The Board declared a final dividend of 0.80 US$ cents per share, taking the total dividend for the financial year to 1.65 US$ cents per share, inclusive of two interim dividends of 0.25 US$ cents and 0.60 US$ cents.

DIRECTORATE

There were no changes in directorship during the period under review.

OUTLOOK

The economic direction of the country during our forthcoming financial year is difficult to assess in terms of a determination of possible financial performance of the Group, primarily due to volatile exchange rates and high inflation.

The Group sales for the first three months of the financial year and trends to the date of the release of this report have exceeded expectation, as has trading profit.

The Group will continue with the planned development projects. It has the technical resources and skills together with a substantial cash resource to undertake its objectives.

APPRECIATION

I would like to extend my appreciation to our customers and suppliers 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 gratitude and appreciation to fellow Board members, management and staff for their dedication and commitment.

John Moxon

J.R.T. MOXON
Chairman
14 July 2023

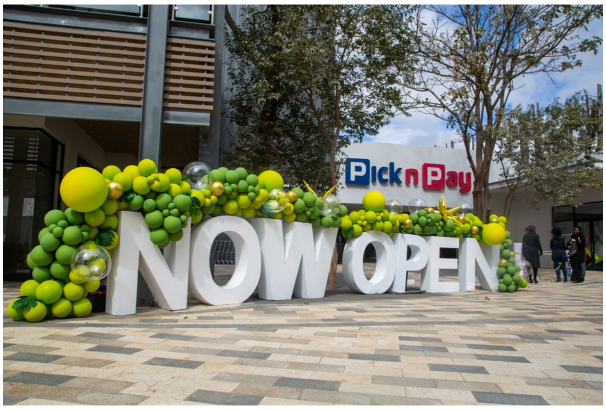
The Centenary Room at The Victoria Falls Hotel

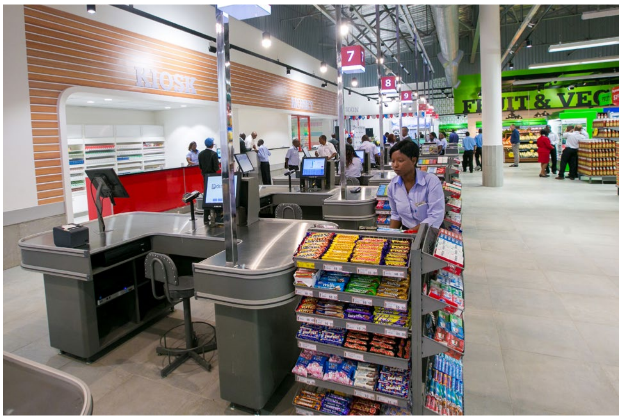
STRATEGIC REVIEW (continued)

OVERVIEW OF MAJOR SUBSIDIARIES

TM SUPERMARKETS trading as TM PICK 'n' PAY

Meikles Limited owns 51% of TM Supermarkets (Private) Limited and the remaining 49% is owned by Pick n Pay South Africa. TM Supermarkets is a chain of fifty-nine (59) stores across Zimbabwe of which thirty-one (31) are branded and trade as "TM" while twenty-eight (28) stores are branded and trade as "Pick n Pay". The supermarkets chain retails a wide range of groceries and perishables, with a limited range of general merchandise and a fresh offering that caters specifically to the communities they serve. TM Supermarkets draws its customers from all communities and income groups across Zimbabwe, while store formats range from convenient small supermarkets to larger supermarkets.





STRATEGIC REVIEW (continued)

OVERVIEW OF MAJOR SUBSIDIARIES (continued)

MEIKLES HOSPITALITY

The Group leases and operates The Victoria Falls Hotel through a joint venture arrangement with African Sun Limited. The Victoria Falls Hotel was built in 1904 and is a 5-star hotel situated in a prime location overlooking the Victoria Falls in Zimbabwe, and has 149 guest rooms. The hotel property is owned by Emerged Railways Properties (Private) Limited. The hotel has recently completed the refurbishment of 47 rooms, bringing them to international standards.

The Victoria Falls Hotel

CORPORATE GOVERNANCE

Our Corporate Governance is an indication of our commitment to the highest ethical and corporate practices. The Company is governed through its Articles of Association. The Group continues to review and realign its corporate governance practices to meet the requirements of the Companies and Other Business Entities Act [Chapter 24:31], SI134 of 2019 – Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).

GROUP GOVERNANCE

The Group operates a decentralised subsidiary structure and each subsidiary has a formal operating Board with a clear definition of roles and responsibilities and operates within well-defined policies. The main Board works closely with Directors in each subsidiary ensuring that strategies are formulated and approved based on documented procedures. There is comprehensive financial reporting with actual results reported monthly against budget and prior year.

Business Ethics

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

Stakeholder communication with the Board

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

Declaration of Interests

In line with the Company's Articles of Association and the Companies and Other Business Entities Act (24:31), Directors are required to declare their beneficial interests in the company. The beneficial interests of the Directors for the year are presented in note 25.2 of the Group financial statements.

BOARD STRUCTURE

There were no changes to the structure of the Board of Directors during and after the current financial year. The Board consists of 10 members, a non-executive Chairman, five Non-Executive Directors, and four Executive Directors. The Board is made up of nine male Directors and one female Director.

CORPORATE GOVERNANCE (continued)

DIRECTORATE

Board Committees

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

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

J.R.T. MOXON
Chairman

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

R. CHIDEMBO
Non-executive Director

Rugare is an extensively experienced business leader, Entrepreneur and Business Turnaround Strategist. He has held executive management and senior finance positions at Lonrho Zimbabwe, Econet Group local as well as regional operations and First Transfer Secretaries.

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

C.C. CHITIYO
Non-Executive Director

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

J.A. MUSHORE
Non-Executive Director

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

Prior to that James spent 6 years in the United Kingdom from 2004 to 2010, as a financial advisor to companies doing business in Southern Africa. Prior to NMB Bank Limited, he was a partner with Coopers and Lybrand in Zimbabwe and Zambia. Whilst at Coopers and Lybrand, he served as the Managing Partner of the Zambia Practice where he had responsibility for the Corporate Finance practice. James is a past director of the Zimbabwe Revenue Authority, past Chairman of the Zimbabwe Tourism Authority and past President of the Institute of Chartered Accountants of Zimbabwe (ICAZ).

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

S. J. HAMMOND
Non-Executive Director

Simon is a Chartered Accountant and seasoned business leader. He joined the Old Mutual Group in 1999 and served in various positions including Group Finance Director for Zimbabwe, Chief Operating Officer for Old Mutual Africa and Managing Director for CABS, a position he held until retirement in March 2020. Prior to joining Old Mutual, Simon was a Partner at KPMG Zimbabwe from 1989 to 1999 and is a past President of the Institute of Chartered Accountants ("ICAZ"). Simon has held various positions of responsibility for ICAZ, is a past director of Delta Corporation Limited and is the chairman of the Executive Committee of Peterhouse Group of Schools. He is also a director of Tanganda, Zimswitch Holdings Limited and Old Mutual Insurance Company Limited.

S. P. CRANSWICK
Non-Executive Director

Stewart had a distinguished career as a stockbroker in Johannesburg. He brings a wealth of business insights having significant experience in a wide range of industries from travel and tourism to property and farming in various countries over the 21 years including operating a successful hotel business in Africa and Australia. He is a director of Tanganda and was previously a director of African Sun Limited.

M.J.S. MOXON
Executive Director

Matthew is the Managing Director of Thomas Meikle Properties and was appointed to the Board on 1 April 2022. Matthew is a holder of a Bachelor of Arts Degree from Stellenbosch University and a Bachelor of Laws from the University of Cape Town. He joined Shoprite Checkers Proprietary (Limited) in their Management Training programme and after a stint in project management and operations within their Mozambique Division, Matthew joined Meikles Limited in 2017. He is a non-executive director of Tanganda.

T. MUZVAGWANDOGA
Finance Director

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

M.R. MYCROFT
Group CEO

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

K. NCUBE
Executive Director

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

CORPORATE GOVERNANCE (continued)

DIRECTORATE (continued)

Meeting Attendance

DIRECTOR	Board (10 Meetings)	Audit Committee (5 Meetings)	Risk Committee (1 Meeting)	Remuneration Committee (3 Meetings)	Nomination Committee (0 Meetings)
J.R.T Moxon	8	-	-	3	-
R. Chidembo	10	5	1	-	-
C.C. Chitiyo	10	-	-	3	-
S. P. Cranswick	9	-	-	3	-
S. J. Hammond	10	5	1	-	-
J.A. Mushore	10	5	1	-	-
T. Muzvagwandoga	10	-	-	-	-
M.R. Mycroft	8	-	-	-	-
K. Ncube	10	-	1	-	-
M.J.S. Moxon*	7	-	-	-	-

*Mr. M.J.S. Moxon was appointed to the Board on 1 April 2022.

DIRECTORS AND SENIOR MANAGEMENT

GROUP/HOLDING COMPANY

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

SUBSIDIARIES

TM SUPERMARKETS

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

MEIKLES HOSPITALITY

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

CORPORATE GOVERNANCE (continued)

DIRECTORS AND SENIOR MANAGEMENT (continued)

MEIKLES GUARD SERVICES

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

THOMAS MEIKLE PROPERTIES

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

COMPLIANCE

The Group complies with all applicable laws and regulations in every jurisdiction of operation. In addition, management takes cognisance of the obligation to comply with both mandatory and voluntary guidelines, standards and regulations governing sectors covering our business. The Group Internal Audit department carries out audit procedures to help identify instances of non-compliance with laws and regulations that may have a material effect on the operations of the business. During FY2023, the Group complied with provisions of the following instruments:

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

The Group did not experience material fines for non-compliance with laws and regulations on social and economic norms.

Ethical Compliance

Meikles believes in strong business values that demonstrate moral practices of being fair, transparent and ethical. The Group participates and encourages all employees to uphold best practices of ethics to protect its reputation and values.

ANTI-CORRUPTION

The Group has zero tolerance for corruption in any form whether bribery, extortion or any inducement. Meikles Limited adopted the Anti-bribery and Corruption laws, regulations and policies of Zimbabwe regarding the management of anti-corruption and these include the following:

- The Prevention of Corruption Act [Chapter 9.16]
- The Companies and Other Business Entities Act [Chapter 24.31]
- The Criminal Procedure and Evidence Act [Chapter 9.07]

To curb any corrupt activities within the organisation, the Group does not offer, receive or give bribes or improper payments. It will not participate in any kind of corrupt or anti-competitive collusive activity in order to obtain new business, retain existing business or secure any improper advantage, either directly or indirectly through any third party.

We have a Code of Ethics Policy applicable mostly to TM Supermarkets. These policies aim to prevent anti-competitive collusion, bribery and corruption in the various jurisdictions where the Group operates. The prevention, detection and reporting of bribery, corruption and conflicts of interest is the responsibility of every employee and associate of the Group. Any unethical or corrupt practices are reported through the internal audit and whistle-blower facility hotlines.

CYBER SECURITY AND DATA PRIVACY

Meikles Limited prides itself in the handling and protection of sensitive personal information provided by customers in the course of everyday transactions. Security of sensitive company and external information gives the business an upper hand over competition and avoids lawsuits from third parties. This allows trade partners to be confident in sending confidential information. As an entity with extensive databases, it is vital that information be protected as data breaches could compromise customers, suppliers, employees and the business.

As part of data security, the subsidiaries ensure:

- Staff awareness on customer privacy and data protection.
- Limited access to critical information is maintained and only specific individuals are tasked with collection and processing.
- Close guarding and correct disposal of customer information so it does not end up in public domain.
- Software is updated frequently to prevent cyber-attacks.

CORPORATE GOVERNANCE (continued)

CYBER SECURITY AND DATA PRIVACY (continued)

- Password access is required to log in systems.
- Staff security awareness bulletins are shared weekly to the entire network on customer privacy and data protection.
- Policy documents are signed by employees to reduce exposure.
- Ongoing vulnerability tests by external experts.

Various processes are used to track the effectiveness of actions taken to manage customer privacy and data security and related impacts. These processes include internal and external audits and reviews on user access rights periodically. The Group aims to achieve zero cyber security breaches and to raise the level of staff awareness on data security and privacy. Key performance indicators used to manage customer data privacy and security include reduction of data losses and breaches to information security, constant reviews, updating of procedures and continued safe holding of information. The level of understanding for staff on data protection has improved as themes like password management are socialised.

At TM Supermarkets, progress has been made towards achieving set goals and targets through:

- Weekly updates.
- Information Security Champion programme, and
- Information security awareness sessions conducted with the units and branches covering data protection themes.

HUMAN RIGHTS

As Meikles Limited, we place significant importance on upholding of human rights, as such, our operations are guided by the principles of human rights management with a priority on equity and transparency. Management of human rights ensures that the Company retains employees, motivates and therefore increase their level of productivity. We apply the principles stated in our Code of Conduct, Labour Act [Chapter 28:01] and Collective Bargaining Agreements in all our business relationships to ensure we do not violate human rights.

To monitor issues related to human rights, we assess the incidents of disciplinary hearings. We are working towards reducing disciplinary hearings by 10%, and for the period under review we had a significant reduction in labour cases and costs with legal firms associated with human rights violations. Actions taken regarding management of human rights have been effective as appeals to Courts and requests for arbitration have decreased.

RISK MANAGEMENT

The Board, through the Group's Risk Committee, plays an oversight role on the Company's overall risk management. The Committee members are mainly Non-Executive Directors who meet on quarterly basis with senior management to review risks and opportunities for value creation. The Group has a Risk Champion responsible for facilitating the risk management process through using risk registers to record identified risks and how they were assessed in terms of impact and likelihood of occurrence. A high impact, high likelihood risk is prioritised and given more attention. In managing risks, the Group considers risk reduction, risk avoidance, risk sharing as well as risk retention.

Financial Risk Management

The Group manages its financial risks through capital management, credit management, liquidity management, market risk management, foreign currency risk management, interest rate risk management, insurance cover, budgeting, internal and external audit reviews, employing qualified finance personnel, and reviews by tax experts. More details on financial risk management are contained in note 34 of the Group financial statements.

Sustainability Risk

The Group has processes and procedures for detecting significant business and stakeholder-related economic, environmental, social and governance risks and opportunities.

CORPORATE GOVERNANCE (continued)

RISK MANAGEMENT (continued)

Significant risks identified during the year as well as opportunities for value creation

	Risk Category	Risk Factors	Mitigation Strategies	Opportunities for value creation
1.	**Unfavourable macro-economic environment**	The macro-economic environment continues to pose challenges to our ability to meet customer needs by adding further financial pressure on the already burdened consumers. Such challenges include; • Exchange rate distortions • Foreign currency liquidations • Inconsistencies in currency regulation • Shrinking disposable income • High unemployment rate • Liquidity constraints • High Inflation	Ongoing engagements with policy makers.	
2.	**Supply Chain Disruptions**	• Product availability is being impacted by power outages, price increases, Russia/ Ukraine war as well as legislative restrictions on certain imports. • The company procures some of its products from distributors whose prices are high because of macro-economic challenges being faced. • Some suppliers require shorter payment terms, and payment in advance in certain instances impacting on working capital.	• Bulk buying of basic commodities • Strategic partnerships with suppliers • Ongoing engagement with suppliers	To come up with policies to support women owned Companies and vulnerable community groups.
3.	**Competition**	The company may not be able to retain and attract customers as a result of the following; • Increase in informal market activities that evade tax and offer lower prices than formal retail. • Suppliers favouring informal sector in exchange for foreign currency.	We have economies of scale achieved through a network of 59 stores throughout the country. We are continuously improving our operations through; • Ongoing refurbishment/ expansion program. • Continuous market research and review of marketing strategies. • Customer loyalty programs; in-store promotions. • Ongoing price surveys and competitor monitoring	Strategic daily and weekly sales & marketing promotions.
4.	**Energy Management**	Constant power outages increase the cost of doing business which is unfortunately being passed on to the consumer. This cost arises from the high cost of fuel; the high cost of procuring generators as well as the related maintenance. In addition, power challenges affect the quality of yield from the agricultural sector.	• We make use of alternative energy sources through use of generators, LP gas and biogas. • We continue to provide staff awareness campaigns on energy saving and have appointed energy champions in each branch. • We installed smart meters in stores to better monitor electricity consumption.	Considering solar investment.
5.	**Water Management**	The company has been facing challenges due to scarcity of water resulting from failure by City Council to supply clean, safe water. There is also an impact on the ecosystem of water withdrawn and consumed by the organization and the quality of its discharges. There is risk of water pollution because of oil leaks from generators.	• The company has been drilling boreholes to improve water supplies in our stores. Where this is not possible, we make use of bulk water purchases. • We conduct regular testing of our water from both borehole and municipality sources to mitigate the risk of using contaminated water. • We recently purchased a water tanker to use in bulk deliveries to our stores. • We are investing in water bars to provide affordable clean water to the nation. • We have in place processes to measure water consumption on a monthly basis.	To monitor water consumption from boreholes.

CORPORATE SUSTAINABILITY

Corporate sustainability is a business strategy for Meikles Limited that helps us manage and account for our social, economic and environmental impacts in the way we operate and create value for our stakeholders. It allows us to identify and adequately manage our operational material impacts. By adopting corporate sustainability, the Group will continue to recalibrate and build a sustainable business that delivers long term value.

Our sustainability strategy rests upon minimising negative impacts while maximising business opportunities from sustainability issues. The management of sustainability risks and opportunities is fostered by adhering to best practices. In addition, engagements with internal and external stakeholders enable us to assess our performance and the identification of areas of improvement. These values define how management implement the strategy by setting targets and benchmarks that must be achieved.

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

Responsible Sourcing

Operating responsible supply chain is critical for Meikles Limited. Supply chain present both risks and opportunities for the business. The Group strives to operate inclusive supply chains that incorporate smallholder suppliers and producers. We try to ensure negative impact like bad reputation and unsustainable practices do not end up in our supply chain, by screening all suppliers before they are registered on our suppliers list. It is our ambition to ensure our supply chain management is consistent with international standards on responsible sourcing.

Security Practices

Security Practices are important to Meikles Limited as they involve managing the conduct of security personnel towards third parties, to prevent the risks of using excessive force or human rights violations. The Group operates Meikles Guard Services (MGS) which provides security for the Group and third parties. Security employees are alerted during training on how to conduct themselves, respect others and react where there is a force that may threaten others' rights. Additionally, we take disciplinary actions on employees who fail to honor these values. The Group ensures all security practices are consistent with international best practices, and security laws in Zimbabwe. Every site has event books that keep track of all incidents, and management reviews them to make sure that actual and potential problems are resolved in a way that respects and complies with human rights regulations.

Environmental Stewardship

Meikles Limited has a long history of caring for nature and the environment, which is reflected in our environmental stewardship. To demonstrate our environmental care, we take it upon ourselves to manage the environmental aspects of our operations. The Group adheres to several environmental standards, policies, and processes to reduce negative environmental consequences arising from our corporate value chain activities.

Human Capital Management

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

CORPORATE SUSTAINABILITY (continued)

STAKEHOLDER RELATIONS AND ENGAGEMENT

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

Engaging with our stakeholders helps us to translate stakeholder needs into organisational goals and creates the basis of effective strategy development, management of risk, inclusive decisions and ensure meaningful outcomes of investments.

Stakeholder groups

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

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

Engaging with stakeholders

Meikles Limited ensures that communication with stakeholders is formal and conducted in a two-way process. We have follow-up mechanisms and opportunities for engaging with senior management on matters of concern.

Stakeholder	Material Issues Raised	Mitigation Measures	Communication Channel	Frequency
Customers	• Pricing. • Parking space. • Products and services.	• Internal branch transfers and central buying. • Ongoing engagements with policy makers.	• Flyers, social media, email, newspapers, and direct phone calls.	Weekly, monthly and yearly promotions.
Suppliers	• Timely payment. • Business ethics. • Sustainable business practices. • Tax compliance.	• Supplier audits and supplier screening. • Distribution of withholding tax certificates. • Supplier training.	• Face to face meetings • Emails and telephone calls. • Annual declaration forms. • Supplier's visits.	Monthly reconciliations, adhoc meetings and engagements.
Employees	• Employee benefits and awards. • Cost of Living Adjustments (COLA). • Accommodation and loans • Skills development. • Health and safety.	• Regular review of the COLA. • Recruitment of Health and Safety Officers and Formation of Health and Safety Committees. • Short term loans considered for emergency issues.	• Updates • National Works Council meetings. • Face to face meetings • Notice boards.	Monthly, Quarterly and Yearly.
Shareholders and Investors	• Competitive returns-value on investment.	• Engaging investors.	• Trading updates, interim reports, annual reports and meetings.	Quarterly, half-yearly and yearly.
Government and Regulators	• Foreign currency funding. • Compliance. • Taxation – intermediated money transfer tax (IMTT).	• Foreign currency bidding at auction. • Full compliance with regulations. • Engaging with line Ministries.	• Monthly reviews. • Annual reports and AGM. • Statutory returns. • Face to face meetings.	Monthly, Quarterly and yearly.
Industry	• Pricing. • Competitiveness. • Labour collective bargaining. • Safety, health and the environment. • Fair competition.	• Competitive procurement • Full time Health and safety Officer. • Industry association engagements.	• Newspapers, radio, flyers. • Visits. • Meetings.	Quarterly.
Local Communities	• Social responsibilities. • Employment opportunities.	• Donations and promotions. • Employing from local communities.	• Radio and newspaper adverts. • Meetings.	Weekly and Monthly.

CORPORATE SUSTAINABILITY (continued)

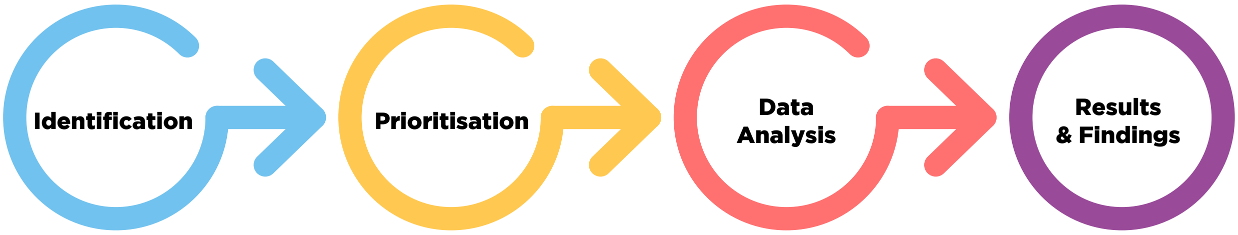
OUR SUSTAINABILITY CONTEXT

Meikles's sustainability strategy aims at creating a positive social, economic and environmental impact through specific activities that help address some of the most pressing concerns of its stakeholders.

Sustainability and sustainable business practices are embedded at every level of our business. We believe that our most important contribution to sustainable development is to operate an effective and profitable Meikles Group.

Sustainability Materiality Assessment Process

The sustainability materiality assessment is a concept that helps to identify relevant topics with the aim of creating a positive social, economic and environmental impact through our activities. We have identified the issues that may materially impact on our business, values and ability to achieve our strategic aspirations. The materiality assessment is conducted through a questionnaire survey by the Group. Data collected from the survey is processed in phases that includes identification of issues (the business identifies issues relevant to the nature of operations through stakeholder assessment and benchmarking). The survey assessed the perceptions of management on the relative impact or importance of the identified issues to Meikles Limited and their influence on the decisions of stakeholders. The final assessment presents results and findings.



Material Topics

The material issues identified during the year were affirmed as being the most relevant to Meikles Limited and were categorised into economic, environmental, social and governance topics as presented below:

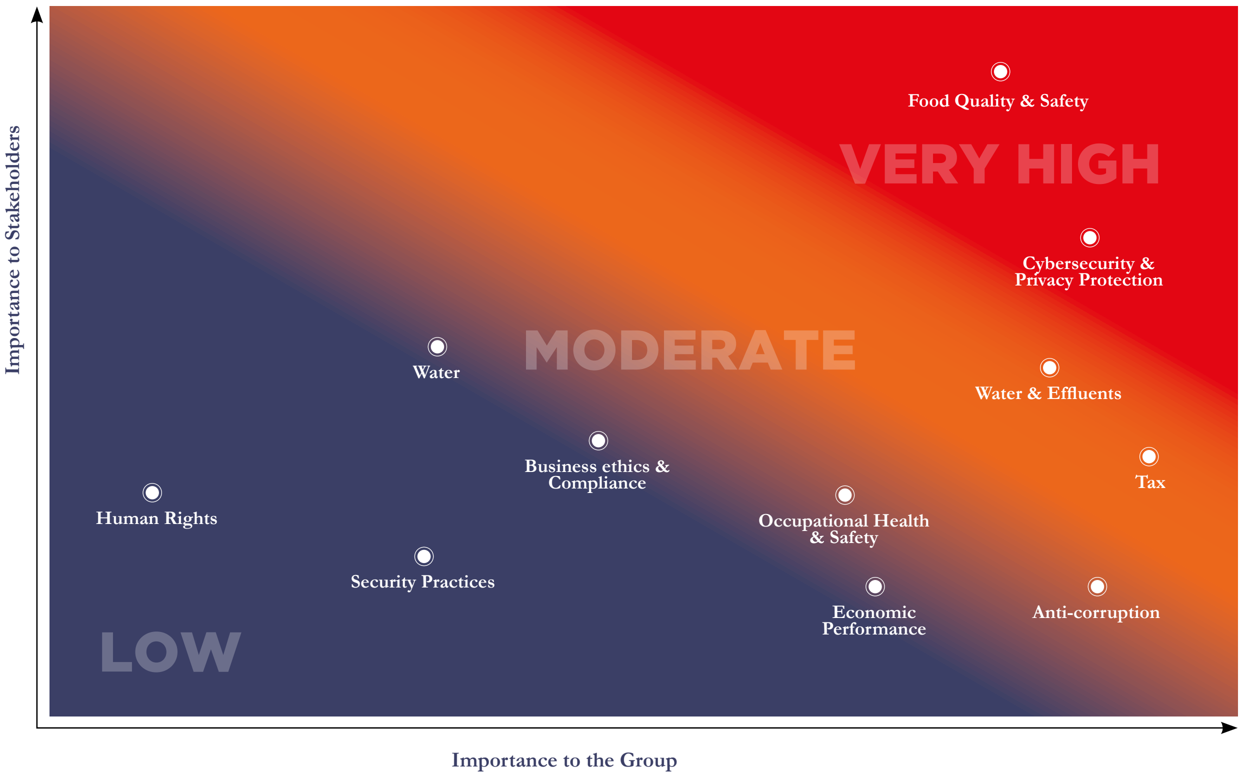
- **Economic category** – topics that cover the flow of capital among different stakeholders, and the main economic impacts of the company throughout society.
- **Social category** – topics that relate to impacts on the social systems and human rights in the company's area of operations.
- **Environmental category** – covers impacts on living and non-living natural systems, including land, air, water, and ecosystems.
- **Governance category** – refers to topics covering impacts on ethical and corporate conduct to manage corporate image.

Environment	Economic	Social	Governance
• Climate Change • Water • Energy • Waste • Biodiversity • Green Properties	• Economic Performance • Supply Management • Tax	• Occupational Health and Safety • Diversity and Inclusion • Education and Training. • Labour Relations • Human rights • Tenant Satisfaction • Corporate Social Responsibility • Security Practices	• Business ethics and compliance • Anticorruption • Cybersecurity and Data Privacy • Risk Management

CORPORATE SUSTAINABILITY (continued)

MATERIALITY MATRIX

The matrix below illustrates the outcomes of our materiality assessment and points out the most significant sustainability issues and their relative significance to the business and stakeholders.



The matrix above illustrates that topics considered 'Very High' are those with significant impacts and opportunities to warrant management attention. Those considered 'Moderate' reflect those under management and monitoring while 'Low' reflect those with least material impact to both the business and stakeholders.

During the reporting period, food quality and safety, tax, water and effluents and cybersecurity were the most significant issues for the business and our stakeholders.

RESPONSIBLE OPERATIONS

PRODUCT QUALITY AND SAFETY

We aim to consistently promote product quality and safety through our processes that ensure health and nutrition promotion, safety, and product expiry management. Through good quality management we benefit from associated positive impacts such as customer loyalty, improved employee morale and improved economic performance. By nature, the business has numerous key impact points such as rooms management, food and beverage and associated services in the hospitality subsidiary as well as takeaway, bakery and fruit and vegetables in the retail business. All these areas contribute to products and services which are addressed through our quality management procedures.

Management Approach

To ensure product quality and safety at our supermarkets, we conducted ISO 9001 Quality Management System Lead Auditor training for our quality champions and customer complaints procedures implementation training for all. Additionally, we conduct weekly communication sessions to improve awareness of quality management. We have drafted food handling procedures which provide a framework for us to conduct daily cleanliness checks and monthly hygiene monitoring through swab testing. All food handlers are tested and certified as per regulatory requirements and our premises operate under the appropriate health permits.

Through internal and external process audits, we evaluate the effectiveness of our product quality and safety management procedures at the supermarkets and hospitality subsidiaries. The audit scope covers our operations as well as suppliers and where departmental reviews are done, service tickets may be issued. All supermarkets conduct a Quality review meeting every first week of the month to track progress on system processes, customer feedback forms and corrective action forms. The number of complaints and score cards per branch and products are also monitored. Weekly unannounced 'dawn visits' are carried out independently by management as well as field managers on food quality and safety at all TM Supermarket branches. Our goals for product quality and safety include; participation of workers and their representatives in Safety, Health and Environment and Quality ("SHEQ") and integration of SHEQ into daily business decisions and processes. We also guarantee the provision of welfare facilities, emergency preparedness, incident/accident investigation and occupational hygiene.

Our target for the Victoria Falls hotel is to achieve an 85 % and above on all quality inspections. Each segment of the hotel operations has maintained its score rankings and where issues have been raised, action plans are established for correction. We source our products and process inputs from Standards Association of Zimbabwe approved suppliers. We ensure that most of our products are certified and remove out-of-date stock to ensure customer safety. Our policies have been updated to reflect the new health and safety standards that have resulted from adaptation to the evolving trends.

CUSTOMER GRIEVANCE MANAGEMENT

While we take all measures necessary to ensure good quality of our products and services, grievances may still arise. Customers and guests give feedback and reports through our different subsidiaries' websites and publicly available telephone lines. The Group has hotlines for contacting any of our subsidiaries on matters of concern or recommendation. Once reports are received, the cases are investigated to ensure improvement of our processes and to avoid recurrence.

RESPONSIBLE SOURCING

In the supply chain management of Meikles Limited, procurement plays a vital role. The business gains value from effective procurement, which also increases profitability and controls risks. All suppliers are chosen based on their capacity to deliver high-quality products and services at reasonable costs. TM Supermarkets also supports small-scale farmers and business owners.

Management Approach

Meikles Limited has a collaborative and inclusive approach to procurement, with regular reviews of our procedures. Our procurement teams actively seek out company and product profiles from both prospective and existing suppliers. Within our organisation, a Senior Manager oversees the implementation of procurement policies. At our supermarkets, we actively support small-scale suppliers and farmers, providing them with opportunities to be part of our supply chain. We have implemented various policies and commitments to manage our supply chain and sourcing impacts. Our policies include guidelines that prohibit our buyers from accepting gifts from suppliers and ensure that only registered suppliers are allowed to supply. Additionally, we have policies related to trade agreements, price adjustments, and corporate governance and ethical buying. In terms of commitments, our buyers have received negotiating training, and we have dedicated departments focusing on supply chain management.

To ensure transparency and inclusivity, we maintain an approved supplier list that undergoes continuous reviews. This list includes a diverse range of suppliers, including marginalised groups, women-owned businesses, and small to medium enterprises. We perform due diligence before registering suppliers and separate duties to avoid conflicts of interest. We also de-list suppliers who fail to meet our standards and procedures. Product quality checks are carried out upon delivery at the branch level to ensure compliance with our required standards. Before adding suppliers to the list, we conduct thorough due diligence, which may include supplier visits. We engage in ongoing evaluations and monitoring to ensure that our suppliers adhere to our standards. This approach fosters collaboration, transparency, and mutual growth between us and our suppliers, contributing to responsible and sustainable procurement operations. Additionally, our buying team stays updated with new statutory instruments to ensure suppliers adhere to any changes.

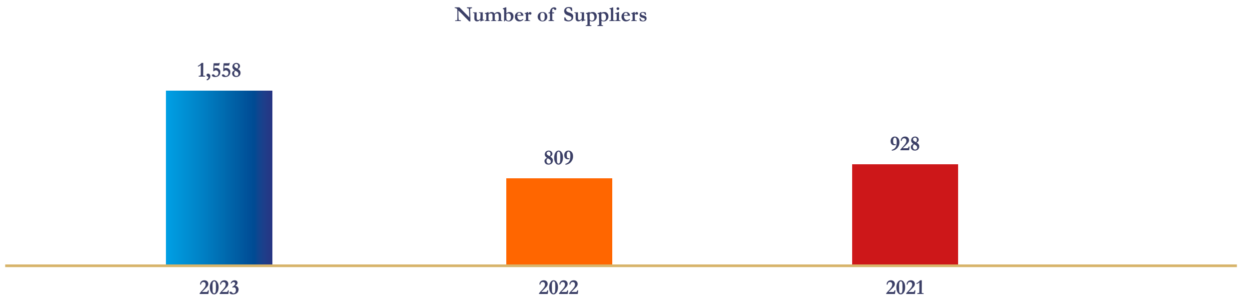
To manage our impacts, we rely on stock levels report, renew trade agreements annually, and gather customer feedback through social media platforms and verbal communication. We ensure system efficiency through internal and external audits, analysis of stock reports, and monthly product valuation and margin reports. Key performance indicators such as inventory turnover days, on-time delivery, and average stock days are used to evaluate progress. When procurement systems are efficient, it is evidenced by customer satisfaction, long-term relationships with suppliers, a good business reputation, and improved operational efficiency. We have made progress in developing a skilled workforce through training, establishing long-term relationships with key suppliers, and adopting data analytical tools and supply chain software.

RESPONSIBLE OPERATIONS (continued)

RESPONSIBLE SOURCING (continued)

Customer feedback has helped us meet demands and expectations, while engagement with authorities has ensured compliance with laws and regulations, thereby enhancing our business reputation. Long-term relationships with key suppliers have resulted in a stable supply of a wide range of products.

During FY2023, our suppliers were as below:



Data source: TM Supermarkets and Meikles Hospitality

Our suppliers increased by 93 % to increase bargaining power and reduce over dependency on any one supplier.

We have a 'Best Buy' policy which considers cash preservation, quality and availability. Further the Group carries out the following as means to ensure sustainable procurement:

- Monitoring outsourced activities on whether they continuously meet the required quality of service.
- Training local communities on sustainable agriculture to meet quality and needs in the case of The Victoria Falls Hotel and TM Supermarkets.
- Periodically reviewing supply chain and availability. Negotiating and using the three-quote system for leverage and compliance.
- Conducting site visits for suppliers to verify locations and facilities.
- Carrying out monthly management performance review meetings.

The Group actively manages the supply chain by setting budgets and targets. We strive to ensure that we have multiple suppliers for any product and reduce our transportation footprint.

	Historical Cost		
	2023 ZWL 000	2022 ZWL 000	2021 ZWL 000
Spending on local Suppliers	222,434,326	45,600,130	21,195,728
Spending on foreign Suppliers	401,590	25,562	5,510
Total Procurement Spend	**222,835,916**	**45,625,692**	**21,201,238**

Data: TM Supermarket and The Victoria Falls Hotel

Our spending increased by 388% due to inflation coupled with the opening of three new stores and refurbishment of one store in 2023 which increased spending on trading inventory and captial expenditure.

PACKAGING MATERIALS

We took heed of regulations to discontinue use of kaylite packaging and adopted use of recycled carrier bags to reduce litter and negative environmental impacts. For non-biodegradable products, we promote waste segregation and recycling programmes as part of our sustainability initiatives. The Victoria Falls Hotel switched from using plastic water bottles to reusable glass water bottles.

Management Approach

We are committed to migrating to sustainable and climate friendly products, packaged with the environment in mind. TM Supermarkets provides waste bins outside all shops to reduce littering in all the areas that it operates. Employees are trained on disposal of plastics, boxes, and bottles. Engagements are also done with stakeholders to migrate or make use of biodegradable products and packaging, and this has been fruitful for several suppliers in bringing environmentally friendly packaging for fast foods.

Audits are carried out by the Safety Health Environment "SHE" Manager and feedback is given to executives, to ensure tracking of the effectiveness of actions taken to manage packaging. We aim to eliminate use of plastic carrier bags made from virgin plastic and replace them with reusable carrier bags by end of the year 2023. The Group participates in national clean up campaigns, raising awareness among communities on responsible disposal of waste.

RESPONSIBLE OPERATIONS (continued)

GREEN AND ECO-FRIENDLY PROPERTY MANAGEMENT

As Meikles Limited we are actively involved in the management of green and eco-friendly properties, which focuses on maintaining environmentally sustainable structures that harmonise with nature. This approach has led to increased customer retention and various benefits such as resource conservation, cost efficiency, improved human health, reduced environmental degradation, minimised waste pollution, and enhanced employee productivity.

We have demonstrated our commitment to eco-friendly practices through initiatives like transitioning to energy-saving lighting and implementing recycling programs across our properties. Meikles Limited adheres to relevant regulations and acts, including the Model building bylaws of 1977, the Environmental Management Act [Chapter 20:27], the Urban Councils Act [Chapter 29:15] on waste and effluent discharge and the Zimbabwe Energy Regulatory Authority "ZERA" law. To effectively manage green and eco-friendly properties, we have implemented measures such as grease trapping systems, utilisation of solar and gas power, installation of power stabilizers for energy conservation, and the use of heat reflective roofs. Meikles Limited strives to adopt sustainable practices in waste disposal, procurement, and day-to-day operations, employing a comprehensive approach that involves local authority monitoring, timely renewal of trade waste discharge licenses, and analysis of electricity consumption patterns across branches.

In addition, our two key performance indicators for evaluating progress in the management of green and eco-friendly properties include valid occupational licenses (trading licenses) from local authorities, valid trade waste discharge licenses and energy consumption. We actively collaborate with communities impacted by our operations, fostering synergies, and facilitating the sharing of ideas and resources.

HUMAN CAPITAL MANAGEMENT

EMPLOYEES

Employees are our most valued resource and they are the driving force behind our service and product delivery and the overall success of the Company. We lean towards the recruitment of highly skilled individuals who will likely have a higher quality of work output. Our employee management processes are guided by the Labour Act [Chapter 28:01] and international best practices. Our employment strategies are such that we reward good performance and hold each individual accountable for their contribution to the Group.

All subsidiaries are encouraged to be gender inclusive during recruitment and staff development processes. To ensure good performance all prospective employees must meet certain minimum entry requirements and evidence of qualifications is verified prior to engagement. The Group, through the different subsidiaries, offers equal opportunities, salary, and training programme without discrimination as a proactive approach towards attrition.

Employee Welfare

The Group places value on employee welfare as their performance directly impacts our brand image. A motivated workforce performs better and demonstrates commitment leading to better profitability. To contribute towards employee welfare, we provide medical aid, funeral cover, and pensions for permanent employees. Further, the business ensures that employees are provided with fair remuneration, necessary Personal Protective Equipment ("PPEs") and a good work environment. Fair remuneration is provided in line with National Employment Councils (NEC") and Collective Bargaining Agreements ("CBA") gazetted salaries and additional recommendations. During the reporting period, the Group paid cost of living allowances to cushion employees from inflationary pressures. Our measures towards employee welfare ensure good employee retention and reduced turnover.

Meikles Limited encourages continuous engagement of employee representatives to address any employee grievances. The retail business ensures regular engagement of all stakeholders and monthly meetings with both management and staff are now part of the policy. Meetings have become more precise, cordial, and productive. Outcomes from the meetings are incorporated into the Group's operational policies and procedures. While the hospitality and retail segments have low employee turnover rate and can retain important personnel, the security industry has a high employee turnover rate.

LABOUR PRACTICES

Meikles Limited's labour practices include managing major labour concerns in the retail, hospitality, real estate and security sectors. Topical issues include working conditions, work hours, labour rights, and minimum pay. The Group has taken substantive measures to address all in order to improve employee motivation which in turn leads to improved business profitability.

Policies and Commitments

The Group has various policies and commitments regarding the management of labour practices and related impacts. We adhere to national labour laws, Labour Act [Chapter 28:01], Collective Bargaining Agreements for commercial, hotel and catering, and security sectors. Additionally, the business is dedicated to encouraging employee participation, holding works council meetings, and guaranteeing general compliance with policies and procedures connected to labour practices management within the Group.

Meikles Limited seeks to provide a good and fair working environment, with wages that are fair and in line with the minimum wage requirements and in some cases above the national minimum wage where possible. Fair working hours are also provided per week, with paid overtime for hours beyond normal shift hours and public holidays.

HUMAN CAPITAL MANAGEMENT (continued)

HUMAN CAPITAL BASE

During FY2023, our total employees were as follows:

Total Employees Per Subsidiary	Supermarkets	Corporate	Hospitality	Security Services	Properties	Totals
2023	5,417	24	181	651	7	**6,280**
2022	5,280	26	126	574	7	**6,013**
2021	4,986	27	61	564	7	**5,645**

Employees by Contract Type and gender

	2023		2022		2021	
Contract Type and Gender	Male	Female	Male	Female	Male	Female
Permanent	2,218	790	2,125	702	1,906	573
Contract	1,782	1,490	1,737	1,420	1,399	1,767
Casuals	-	-	13	16	-	-
Totals by gender	**4,000**	**2,280**	**3,875**	**2,138**	**3,305**	**2,340**
Total Employees	**6,280**		**6,013**		**5,645**	

Third party employees

	2023	2022
Interns	197	140
Apprentices	-	4
Graduate Trainee	1	-

Our Impacts

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

Key Skills Base

Our employees subscribe to the following professional bodies:

- Zimbabwe Institute of Management;
- Institute of Chartered Accountants Zimbabwe (“ICAZ”);
- Association of Chartered Certified Accountants (“ACCA”);
- Institute of Internal Auditors “IIA” Zimbabwe;
- Institute of Directors Zimbabwe (“IoDZ”);
- Chartered Governance and Accountancy Institute in Zimbabwe;
- Chartered Institute of Purchasing and Supply (“CIPS”);
- Zimbabwe Institute of Engineers (“ZIE”);
- Engineering Council of Zimbabwe (“ECZ”);
- Occupational Health and Safety Engineers (“OSHE”);
- Nurses Council of Zimbabwe;
- Zimbabwe Chefs Association;
- Security Association of Zimbabwe (“SAZ”).

HUMAN CAPITAL MANAGEMENT (continued)

COLLECTIVE BARGAINING

The Group's policy is to grant employees the freedom of association and collective bargaining rights as enshrined in the Universal Bill of Rights and the International Labour Organisation "ILO" Standards. As such, employees are allowed to form associations and join trade unions or employment councils following due processes. These associations provide opportunities for collective engagement with our employees within their rights to build a coherent team of management and employees. Our employees are members of the Commercial Workers Union of Zimbabwe, the Security Association of Zimbabwe, and National Employment Council of Security Industry ("NESCI") and the Hotel and Catering Industry.

During FY2023, employees under collective bargaining agreements by business unit were as follows:

Employees under Collective Bargaining Agreements ("CBA's")	2023	2022	2021
Security Industry	647	569	559
Hotel and Catering Industry	149	14	13
Retail Industry	3,420	3,401	3,114
Commercial Sector	7	7	7
Total Number Employees under Collective Bargaining Agreements	**4,223**	**3,991**	**3,693**
Percentage of Total employees	**67%**	**66%**	**65%**

POST-EMPLOYMENT WELFARE

The Group contributes to pension fund to support post-employment welfare of permanent employees under the Meikles Group Pension Fund.

Pension contributions

The business operates pension schemes in terms of the Pension and Provident Funds Act [Chapter 24:09] and current contributions to defined contribution schemes are charged against income as incurred. The Group participates in the National Social Security Authority scheme, the Meikles Group Pension Fund "MGPF" and the Workman's Compensation "WCIF".

OCCUPATIONAL HEALTH AND SAFETY ("OHS")

As employees are the backbone of our operations, we are committed to ensuring their health and safety. Good management of occupational health and safety result in several benefits for the Group, including decreased medical costs, increased productivity, and low turnover. Inadequate OHS management may result in workplace accidents, employee absenteeism, and bad publicity, all of which harm the Group's reputation.

Management Approach

As part of our strategy, we provide necessary protective clothing for staff at regular intervals and promote keeping clothing and premises clean. We test our premises for cleanliness through conducting periodic inspections as well as swab tests. Food handlers undergo the statutory periodic food handlers' examinations to ensure they are in good health. The Group's hospitality division has a 24hr ambulance service and a health care centre. Availability of ambulance and clinic services allow easier and quicker response to any emergency services at The Victoria Falls Hotel for guests and employees. During our operations, very few workplace accidents occurred, and when they have, the Group has intervened timely.

Hazards Identification, Risk Assessment and Incidence Investigation

The Victoria Falls Hotel uses fire drills, swab tests and food handler's medical examination to identify work-related hazards and assess risks on a routine and non-routine basis. These are done by external service providers qualified in the field and this improves quality while reducing bias. Employees are trained to report work related hazards as soon as they occur or are observed to the Supervisor/Head of Department of the specific departments. Once incident reports are submitted, investigations and appropriate corrective actions are implemented to prevent reoccurrence.

Occupational health and services

In our subsidiaries, particularly the Hospitality division, we promote employee participation, consultation, and communication on occupational health and safety through various meeting and training platforms. Trainings include counselling and hygiene training, First Aid, fire drills and evacuation training to ensure adequate emergency preparedness at the work place. Additionally, we offer counselling, clinic accessibility, awareness campaigns, and fitness activities for promotion of employee health and wellness. We ensure use of friendly chemicals, adequate waste management and regular fumigation of staff quarters.

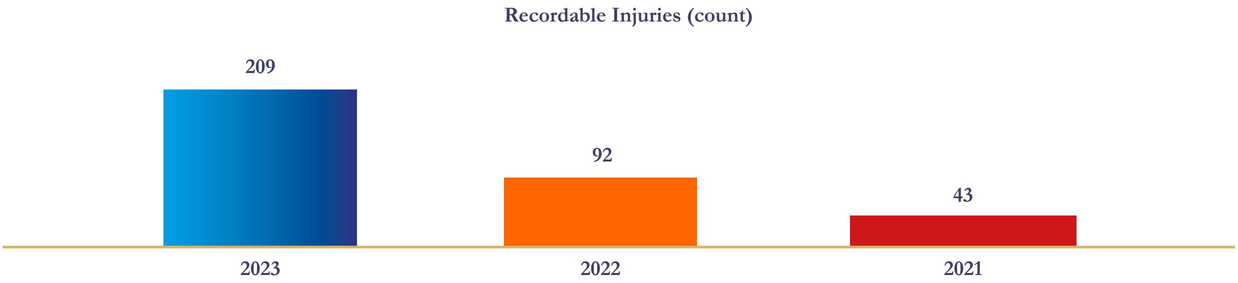
Further, we continuously monitor work hours and ensure that employees are given time off to reduce risks associated with fatigue. Our key performance measures include number of work-related injuries and frequency of employee's absenteeism from work due to illness and customer input on health-related concerns in service areas. The Group will continue to review and enhance tests and checks relating to hygiene.

HUMAN CAPITAL MANAGEMENT (continued)

OCCUPATIONAL HEALTH AND SAFETY ("OHS") (continued)

Occupational health and services (continued)

During FY2023, work related injuries were as follows:



Data Source: TM Supermarkets and The Victoria Falls Hotel

There was a 127% increase in number of cases because of improved reporting and record keeping. Some of the minor injuries were not recorded in the prior year.

TRAINING AND EDUCATION

We understand that a skilled staff drives the performance and overall image of the business. As such, the training and education process begins with identifying the ability of a candidate to develop skills for other future roles. Meikles Limited engages in staff education and training, which paves room for the following:

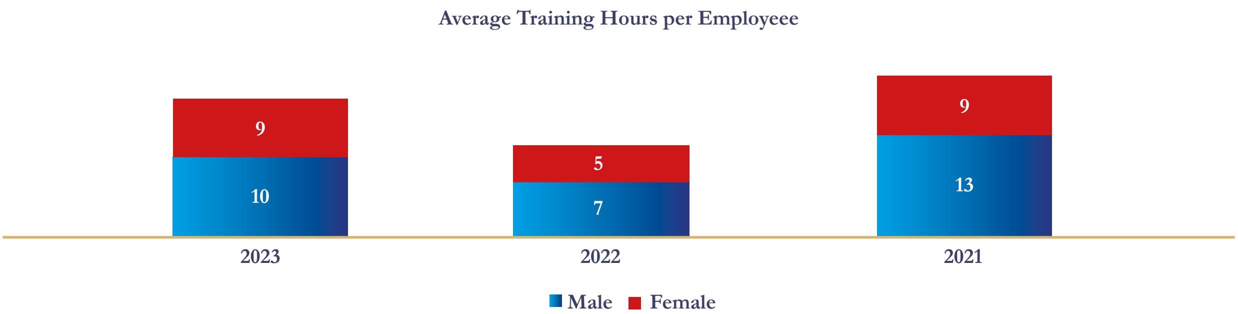
- skills rejuvenation
- performance augmentation across the different corporate echelons
- career progression
- work-related mind-set
- reputable corporate culture
- long-term employee engagement
- Career plateau management and post-retirement life management.

Management Approach

We have consistent and well- crafted policies and commitments which are in sync with the education and training needs across the entire Group. Meikles Limited is guided by the Human Resources Policy on minimum competencies when selecting new employees who go for further training to enhance their skills. To add on to that, the supermarkets conduct training for filling roles in succession plan. As such, a financial budget is allocated for training activities for the year. In case of unforeseeable eventualities, programme flexibility and re-alignment is made so as not to abandon what has been planned.

The Group carries out specific follow-up to determine whether training and education activities have positively impacted employees and the business. We use monthly reports to identify areas requiring more training and improvements. Further, work evaluation, succession plan, turnover rate, training budget utilisation, and attendance registers have been instrumental in evaluating and tracking the success of our training programmes. Our target is to ensure departmental training takes place monthly and annually.

During FY2023, average training hours per employee by gender were as follows:



Average training hours per employee increased in FY2023 due to opening of new branches.

HUMAN CAPITAL MANAGEMENT (continued)

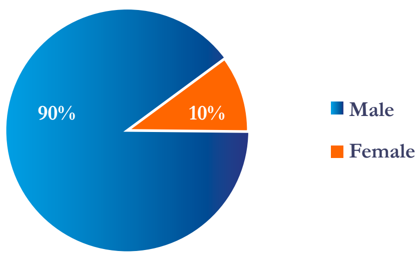
GENDER DIVERSITY AND EQUAL OPPORTUNITY

Meikles Limited considers gender diversity and equal opportunity as essential to the growth of the Group, and is working towards a balanced gender working environment. TM Supermarkets plans to increase female managers by 10% within the next 3 years. Currently, we have seven female Branch Managers.

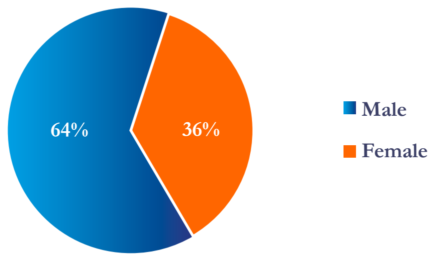
The supermarkets have a Recruitment and Promotion Policy, together with the Discipline and Grievance procedure regarding the management of gender diversity and equal opportunity impacts. Our job advertisements by the business are gender sensitive as they do not discriminate. Positions are open for all who qualify based on qualification and experience. There is also a deliberate selection of the marginalised gender in some instances, to create a gender balance or equilibrium. The supermarket provides a feedback mechanism on matters relating to gender diversity and inclusion through works councils and open-door policy where issues are raised.

We aim to retain employees through commitment to gender diversity and equal opportunities and ensure gender representation in all departments, including managerial positions. A combination of women and men have advanced through the ranks of the Company to fill managerial positions. The current male-to-female ratio stands at 64:36 respectively.

Board Gender Diversity



Employees Gender Diversity



SUSTAINABLE OPERATIONS

Meikles Limited is committed to responsible and sustainable business operating strategies across all operations. The Group has policies and procedures to ensure that our management of energy, water, waste, emissions, security practices, supply chain and property management does not result in negative impacts. Our sustainability strategy is to ensure the business operations continue to evolve by adopting best practices on sustainable business value chains.

ENERGY

Managing energy is part of our efforts towards being a sustainable and responsible business as energy costs may have a significant impact on our downstream operations. It is therefore important to adopt strategies that can optimise energy consumption, reduce wastages, and increase efficiency.

The Group uses electricity as its main source of power, however, due to supply challenges in Zimbabwe, we have had to rely on back-up generators to bridge the power shortage gap. Electricity is used for heating, lighting, air conditioning, ventilation, cooking (including baking), and refrigeration while gas fryers are also used for food preparation.

Management Approach

We seek to rely more on alternative and cleaner energy sources and while reducing usage of non-renewable energy sources. We have taken various actions to manage energy and related impacts, and these include the following:

- Awareness campaigns to save energy across all business locations.
- Securing staff support for participation in energy efficiency.
- Building plinths and secure housing for generators at the branches to avoid oil leakage which may pollute water sources.
- Appointing energy and water champions per branch.
- Adhering to regulations and paying subscriptions to EMA.
- Branches switch on gadgets only when they are ready to use them.

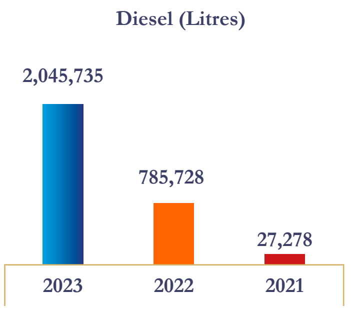
The Group's goals include lowering electricity and avoiding any regulatory fines and penalties by ensuring compliance. Our subsidiaries verify electricity consumption monthly and use the information to evaluate and monitor energy management system efficiencies.

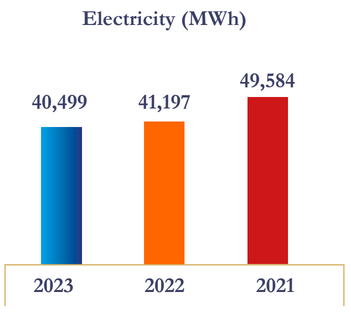
Energy and water saving campaigns started in 2021 and have been ongoing since then. Meikles Limited is currently putting in place a system to measure energy consumption accurately by all subsidiaries. We considered ongoing peer learning by engaging businesses that have made strides in integrating clean energy into their operations.

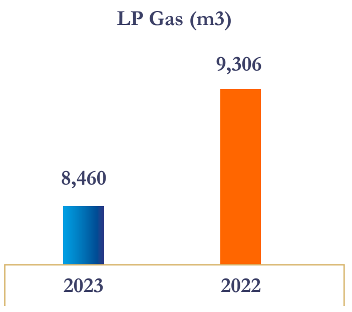
SUSTAINABLE OPERATIONS (continued)

ENERGY (continued)

During the year our energy usage was as follows:







Data: TM Pick n Pay Supermarkets

Diesel usage increased due to use of generators as a result of power outages affecting mostly the Harare branches. A power fault at the Harare Street Supermarket led to heavy reliance on generator usage in December 2022. Two new branches, Madokero and Simon Mazorodze have been operating on generator since trading commenced in December 2022.

WATER

Water is a vital resource in our various business and we therefore commit to ensuring usage efficiency. We source water from municipal supplies as well as ground sources such as boreholes. Part of our water saving initiatives include training of employees on efficient water use and conservation, particularly in our supermarket operations.

We have managed to drill our own boreholes at most premises to cushion water supply challenges as council supplies are erratic and this has stabilised water supply and production has been kept at maximum. Through our water management initiatives, we have improved our environmental credentials and are exploring new business opportunities.

Guided by our SHEQ Policy, our commitments towards water and effluents management are as follows:

- Respect national resolutions which recognise the right to safe and clean drinking water.
- Continuously work with our suppliers to improve efficiency measures in high water-stressed areas.
- Ensure water efficiency and sustainable use of water across our operations.
- Seek innovative ways to reduce water use as well as continue to work with other stakeholders in educating consumers about ways to save water.
- Meet or exceed all applicable legislative and regulatory requirements with respect to water quality and consumption.
- Continue to work collectively with all our stakeholders to mitigate the risks associated with water scarcity

During the year we installed basic water and effluent filtration infrastructure such as grease traps for trapping oily fats in takeaways and canteens at most premises as part of our effluent management. These initiatives reduce our discharge of pollutants to mainstream pipes as skimmed fats are discharged into septic tanks and taken out by honey suckers once tanks are full. A contracted supplier is directly responsible for the provision of water filters and chemicals to purify the water before consumption and water consumed is periodically sent for tests to ascertain cleanliness and fit for consumption. The Supermarket management regularly meets contracted service providers to discuss the water management operations.

We conduct training and retraining on water usage and waste disposal to ensure that clean water is being provided to all branches and effluents are disposed separately.

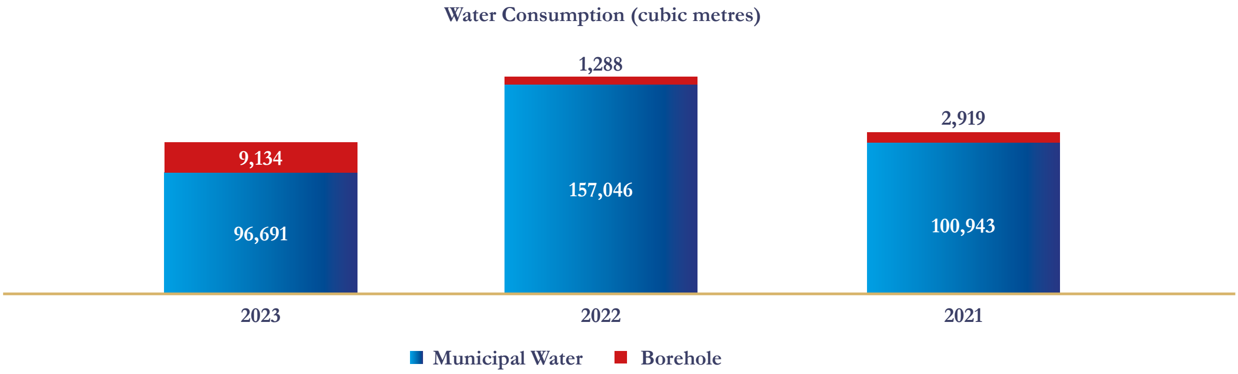
Our goal is to conduct our operations in a sustainable manner with minimum environmental disturbances and to provide clean sources of water to employees and the final consumer. We have ensured that our water quality meets the following standards:

- World Health Organisation- Drinking Water Quality Guidelines - 4th edition.
- SAZ-Potable Water Quality Standards ZWS 560:1997.
- Food and Standards Regulations SI 5 OF 2015.

SUSTAINABLE OPERATIONS (continued)

WATER (continued)

During the reporting period, our water consumption was as follows:



Data: TM Pick n Pay Supermarkets

WASTE

As Meikles Limited we are conscious that our operations generate waste and therefore ensure we have appropriate waste management processes. We strive to be compliant to the waste management's 3R strategy which are Reduce, Reuse and Recycle. We encourage visitors to our operations to refrain from leaving trash and litter in undesignated locations.

Management Approach

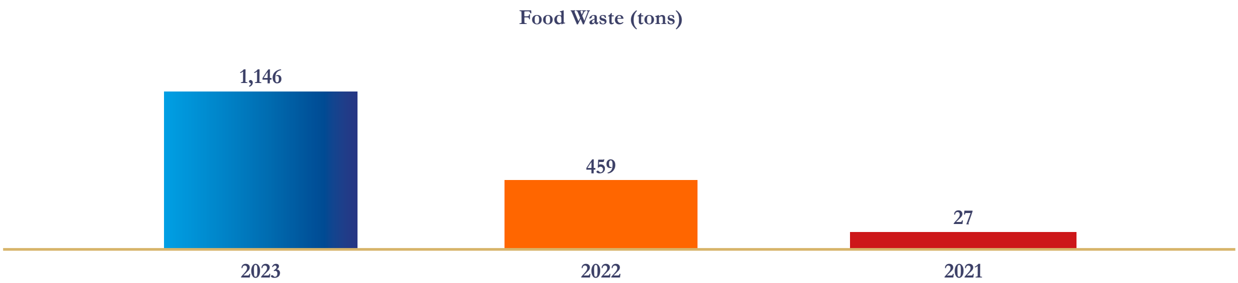
Our policies and commitments are to operate in a sustainable manner that promotes environmental conservation and redefines the carbon footprint. Meikles Limited is compliant with the laws and regulations under the Environmental Management Agency on prevention of pollution and environmental degradation and the Urban Councils Act [Chapter 29:15] on waste and effluent discharge. The Victoria Falls Hotel created a green garden initiative where all waste from the hotel operations is managed and graded according to classes for composting.

As part of our values, we take accountability for our actions regarding waste management. These actions include mandatory use of grease traps in service areas, collection of all non-sellable waste by designated waste collectors, disposal of all non-sellable waste to designated dumping sites, ensuring all sellable waste is properly stored before being sold and regular checks of grease traps to ensure they are working. The Group tracked the effectiveness of the actions it took to manage waste through the revenue generated from our activities, such as from our Green Garden, by selling the waste to recycling companies. The amount of litter and garbage from The Victoria Falls Hotel decreased due to producing as little waste as possible.

The Health and Safety department conducts regular inspections in all our supermarkets. Our goal is to reduce food waste and solutions to packaging problems. TM Pick n Pay targets to reduce food waste by 20% by the end of 2024 and eliminate non-biodegradable plastic bags by December 2023. For the reporting period we have two sets of bio-degradable bags now in use and attained 8% reduction in food waste in the first six months.

As Meikles Limited, we learnt that segregating waste based on its grade reduce waste to landfills. We encourage our staff to pick up rubbish or litter and take it to the nearest waste collection point. Our goal is to lower and remove the trash harmful to the environment and human health, to promote economic growth and improve quality of life.

During the reporting period, food waste generated was as follows:



Data Source: TM Pick n Pay Supermarkets

Increase in wastage figures was due to the increase in the number of stores and improved system in waste data record keeping.

CLIMATE ACTION

Climate change, a current topical issue, presents a global risk for businesses, more so in Zimbabwe hence the need for proactive management initiatives. However, Meikles Limited's commitment to environmental protection inspires our subsidiaries to be proactive. The use of renewable energy, reduction of emissions and biodegradable materials form part but not all the key areas of opportunity for the business to mitigate against climate change. Use of solar systems and gas has helped in reducing our contributions to global warming.

Management Approach

The Group adheres to the Environmental Management Act [Chapter 20:27] which alludes to the prevention of pollution and environmental degradation. We are committed to being a leader in sustainability practices and use our position to train communities around us. TM Supermarkets has an environmental plan which involves tree planting activities to maintain a positive carbon footprint. Sustainable agricultural projects are conducted, and training facilities are provided by the hotel. The garden project at The Victoria Falls Hotel has done well in creating awareness on how to look after the land better. The Group will continue to partner and work with the Ministry of Environment, Climate, Tourism and Hospitality and other climate friendly organisations in advancing climate actions.

We have a Safety and Health Environment Policy, which is fully compliant to the specifications stipulated by the Environmental Act. TM Supermarkets is committed to the country's target of reducing greenhouse gas emissions of 40% reduction in per capita energy-sector emissions. Our aim is to meet all applicable legislative and regulatory requirements with respect to environmental management and its effects to climate change.

EMISSIONS

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

Carbon Footprint

To determine our carbon footprint, we calculated our carbon emissions using activity data collected from our business operations. Activity data is multiplied by an energy conversion factor (where necessary) and emission factors to derive the energy consumption and Green House Gas "GHG" emissions associated with a process or an operation.

Scope 1: Direct Emissions

The emissions under Scope 1 relate to GHG generated directly or controlled by Meikles Limited primarily from fuel energy consumed through generators. Emission factors were obtained from United Kingdom ("UK") Government GHG Conversion Factors. All fuels were considered average fuel blends and the scope 1 emissions were as follows:

Energy Type	Unit	2023	2022	2021
Scope 1- Diesel	Kg CO2e/Litre	4,398,330	1,689,317	58,583

Scope 2: Indirect Emissions

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

Energy Type	Unit	2023	2022	2021
Electricity	Kg CO2e/MwH	14,239,511	14,483,138	17,431,626

Environmental Initiatives

During the year, we were involved in the following environmental initiatives in response to climate change imperatives:

- Tree planting initiative.
- Use of recyclable carrier bags and paper bags.
- Environmental clean-up exercises.

ECOLOGY AND BIODIVERSITY

Our hospitality operations have a direct impact on a wide range of plant and animal species. The business recognises the importance of biodiversity and takes appropriate measures to manage its effects on flora and animals in the vicinity of The Victoria Falls Hotel, which is located in the globally recognised high biodiversity area. The hotel helps to manage biodiversity at the following location:

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

CORPORATE SOCIAL RESPONSIBILITY

INVESTING IN OUR COMMUNITY

At Meikles, we believe in the importance of supporting and giving back to the communities in which we operate. As a responsible corporate citizen, our Corporate Social Responsibility ("CSR") activities are focused on various areas, including community development, education, supporting vulnerable groups, assisting public institutions, and promoting sustainable initiatives. By investing in our community, we do not only fulfil our ethical obligations but also contribute to building a shared vision and values that bring positive publicity to our business.

We recognise that the success and sustainability of our organisation are closely tied to the well-being and prosperity of the communities we serve. Our CSR activities, are primarily carried out through TM Supermarkets and Meikles Foundation. By identifying and supporting the less privileged members of society, we aim to transform lives and promote business continuity and sustainable development. Our efforts include assisting the vulnerable through initiatives like the Food, Blanket Drive, Christmas Wish, and Christmas box for Charity. We also support schools with stationery through the Stationery Drive and collaborate with community leaders to find solutions to community challenges. Furthermore, we sponsor students and carry out various charitable donations, while also supporting initiatives that protect wildlife.

One of our notable achievements was the construction of the first phase of Rainbow Children's Village ("RCV"), a partnership between Meikles Foundation, Roundtable JV Zimbabwe, and KidzCan Zimbabwe. RCV provides a safe home environment for children with cancer, and we contributed significantly to its development. We measure the impact of our initiatives through regular reviews, budget assessments, and follow-ups on completed projects. Our goal is to complete one major self-sustaining project annually and continue our monthly community development efforts. We firmly believe that the success of our business is intricately connected to the well-being of our communities, and we are dedicated to making a positive difference in people's lives.

We are committed to making a positive impact on our community through strategic CSR initiatives. By investing in the well-being of the less privileged, supporting education, collaborating with community leaders, empowering individuals, donating to charitable causes, and promoting wildlife conservation, we aim to create a sustainable future for all. We understand that our success as a corporation is intertwined with the prosperity of our communities, and we are dedicated to being a responsible corporate citizen that drives positive change.

During FY2023, the Group was involved in the following initiatives: [Historical cost].

Thematic Need	Purpose	Material/Support	ZWL 000
Education	Enabling access to education and learning.	Stationery, Groceries and Furniture (tables)	5,383
Health	Supporting and improving the health system and access by society.	Cash, Groceries, Medicines, medical bill, Wheelchair Refurbishment of Children's ward- Victoria Falls Hospital (tiles, plumbing ,painting, tiles accessories, bed dividers curtains and animination)	25,290
Old People's homes and orphanages	Assisting the vulnerable, orphaned children and the elderly.	Blankets, Wheel Chairs, Groceries , Deep Freezer, Gas Stove, Cash, Laptop, Printer, Gift cards, Movie Tickets, LP Gas, Funeral cover contributions, Party, Gift cards, 1 Deep freezer	60,387
Environment	Protect the environment, and training the community on green project	Trees, green project, clean up campaigns, Clean up protective clothing	967
Sport	Support sporting activities and social cohesion.	Groceries, sports equipment, vouchers for auction	24
Community	Support awareness campaign against drug and substance abuse	Drinks	85
Public Institutions Support	Supporting and strengthening public institutions.	Cash, Groceries, office furnishing, office furniture, aircon installation	6,804
Total			**98,940**

The Group will continue to uplift the lives of the communities we do business with who are both customers and business partners.

CORPORATE SOCIAL RESPONSIBILITY (continued)

SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

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

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

Sustainable Development Goals	SDG Target	Business Actions	Impact
2 ZERO HUNGER	Target 2.1; 2.3	Meikles donated several groceries, to children's home, schools and the elderly.	Promote nutrition and good health among the vulnerability.
3 GOOD HEALTH AND WELL-BEING	Target 3.4	Donation was made towards a cancer association to provide assistance to those in palliative care.	Improving access to quality health.
4 QUALITY EDUCATION	Target 4.1	The Group donated stationery, tables, and groceries amounting to ZWL 5.4 million to several schools.	Promote education.
8 DECENT WORK AND ECONOMIC GROWTH	Target 8.1; 8.3; and 8.8	Meikles Group supports decent work and creates employment opportunities and have 6,280 employees. For the year 2023, 2,294 new employees were added to the Group. Meikles contributed ZWL 16.4 billion in taxes and ZWL 904 million in pension contribution for employees.	Economic development, and employee welfare.
15 LIFE ON LAND	Target 15.2	An amount of ZWL 967,000 was donated towards afforestation. The Foundation also participated in clean up campaigns, provided cleaning protective clothing and training on green projects.	Promote afforestation.

ECONOMIC CONTRIBUTIONS

ECONOMIC PERFORMANCE

Meikles Limited is dedicated to fostering a positive and sustainable economic performance approach that brings about beneficial outcomes. We strive for excellence, aiming to generate robust net profits that contribute to overall economic growth. We firmly believe in the value of our employees, ensuring that they are rewarded generously and motivated to achieve their best. Meikles Limited is committed to providing goods and services of exceptional value, catering to the diverse needs and preferences of our customers. By fulfilling our tax obligations diligently, Meikles Limited plays a vital role in supporting the country's financial stability. Moreover, through our operations, we actively contribute to reducing the unemployment rate, creating job opportunities and fostering economic prosperity for the local community.

Economic performance analysis ensures that we are in the right direction in terms of continuous economic value addition. We also invest in continuous staff training programmes to enhance the skills and knowledge of our workforce. We are fully committed to complying with regulatory requirements set forth by various governing bodies, demonstrating our dedication to responsible and ethical business practices. By upholding the principle of delivering real value, we strive to exceed customer expectations and build long-lasting relationship. Meikles Limited aims to have healthy financial ratios and be consistently profitable. Budget targets are done per operational department and branch. Financial ratios are used as key performance indicators in the management of economic performance within the business. Performance of the business has been stable and steadily improving, with all supermarket branches achieving the shrinkage targets during the financial year 2023. Internal audit report follow ups have also been very effective in managing economic performance.

Meikles Limited takes proactive measures to address its economic performance impacts and continuously improve its operations. We have established a Tip-off Anonymous call centre, workers union committees, and customer feedback channels via email and social media platforms. These avenues provide valuable insights and enables us to address concerns promptly and effectively. Regular board meetings are held to monitor performance-related matters and ensure that appropriate actions are taken to enhance performance and achieve strategic objectives. By implementing these measures, Meikles Limited demonstrates its unwavering commitment to managing our economic performance in a responsible and sustainable manner, ultimately contributing to the overall well-being and success of the company and its stakeholders.

ECONOMIC CONTRIBUTIONS (continued)

ECONOMIC PERFORMANCE (continued)

There is need for engagements and exchanging of information to remain abreast with economic factors that directly or indirectly affect the business performance. This is done through involvement in various industry associations that operate within our environment. Negotiating and sharing of information has resulted in best buy and response to market forces.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

As Meikles Limited we generate significant economic value through our products and services for a wide range of stakeholders. The business remains committed to driving growth while improving performance innovation, service excellence, relevant products and capacitating our access channels to stakeholders. The direct economic value generated and distributed is presented on pages 46 to 49 of the financial statements.

TAX MANAGEMENT

At Meikles Limited, we prioritise effective tax management practices to ensure compliance with tax laws while optimising our financial resources. Our approach to tax is twofold, we aim to claim maximum possible allowances provided in the tax legislations while also ensuring that we pay what is due to the tax authorities. By making timely tax payments, we contribute to the effective functioning of public services and infrastructure, particularly in an inflationary environment. Additionally, timely payments reduce the risk of incurring interests and penalties that may arise from late payment.

Stakeholder Engagement on Tax Matters:

We actively engage with tax authorities to address concerns and ensure alignment with tax regulations. Our regular correspondences with the Zimbabwe Revenue Authority "ZIMRA" are primarily conducted through emails. We also utilise the expertise of tax consultants to advocate on our behalf during review meetings and tax seminars. These engagements allow us to understand the taxman's perspective, stay updated on changes in tax regulations, and ensure that our tax management practices align with the requirements set by regulatory authorities.

Management Approach

The Board, through the Finance Director is responsible for reviewing and approving our tax strategy. This review occurs annually through engagements with our tax consultants. By conducting regular health check reviews, we verify our compliance with tax laws and identify any areas of legislative interpretation that may require clarification. We stay updated on changes in tax laws by regularly checking the ZIMRA website for any updates or amendments. At Meikles Limited, we have policies in place to guide our tax management practices. We are committed to adhering to applicable laws and regulations while safeguarding our legitimate interests, reputation, and brand. Acting as a good corporate citizen, we prioritise honesty, integrity, and fairness in all our dealings. Our commitment is to manage our tax affairs efficiently, effectively, and within the confines of the law.

To effectively manage tax and related impacts, we take proactive actions. Our employees receive regular training to stay updated on tax regulations, and we actively participate in seminars for continuous professional development in the tax field. We engage our tax consultants to address areas of legislative interpretation that may be unclear. In addressing any actual negative impacts, we communicate with tax authorities through written correspondence, and we utilise our tax consultants to resolve any outstanding queries. We have implemented various processes to track the effectiveness of our tax management actions. These include ZIMRA ledger reconciliations to ensure timely payments and returns, healthy check reviews conducted by our tax consultants to assess compliance and identify risks, external audits of tax computations, and internal audit reviews. Through these processes, we evaluate the effectiveness of our tax management practices and identify areas for improvement. To evaluate our progress, we have set goals, targets, and key performance indicators ("KPIs"). Our goals include timely payment of taxes, correct calculation of taxes, and timely submission and filing of tax returns. Key performance indicators such as the quantum of interest and penalties from regulatory authorities and any additional assessments from tax authorities help us assess our progress toward meeting these goals.

We recognise the importance of effective tax management practices and stakeholder engagement on tax matters. By adhering to tax laws, engaging with tax authorities, and continuously improving our tax management processes, we aim to contribute to the sustainable growth of our company and maintain positive relationships with all stakeholders.

During the reporting period our tax contributions were as follows:

	2023 ZWL 000	2022 ZWL 000	2021 ZWL 000
Corporate Tax	5,016,065	1,612,358	638,171
Value Added Tax (VAT)	2,648,381	616,743	257,068
Import Duty	14,792	6,337	1,707
PAYE	4,191,622	422,579	239,104
Withholding Tax on Tenders	142,324	64,185	22,672
Withholding Tax on VAT	4,461,568	1,106,805	499,818
Total	**16,474,752**	**3,829,007**	**1,658,540**

REPORT OF THE DIRECTORS

The Directors of the Company and the Group have pleasure in presenting their report and the audited financial statements of the Company and the Group for the period ended 28 February 2023.

Principal activities

The main activities of the Group are those of supermarkets, hotels, property and security guard services.

Financial results

The results for the period ended 28 February 2023 are set out in the accompanying inflation-adjusted consolidated financial statements. The Group changed its year-end from 31 March to 28 February to align with the year-end of its major subsidiary, TM Supermarkets. Comparative information is as reported at 31 March 2022, after adjusting for the hyperinflation effects to 28 February 2023.

Going concern

As of 28 February 2023, the Directors have assessed the Group's ability to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. Further details are included in note 5 to the financial statements.

Share capital

Details of the authorised and issued share capital are set out in note 25.1 to the financial statements.

Directors and their interests

As provided by the Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listings Requirements, the Directors are bound to declare at any time during the period, in writing, whether they have any interest in any contract of significance with the Company or any of its subsidiaries or joint ventures. No Director confirmed having, during or at the end of the period, any material interest in any contract of significance in relation to the Group's businesses except as disclosed in note 30. Executive Directors have employment contracts with the Company or its subsidiaries.

The direct and indirect beneficial interests of the Directors in the shares of the Company are given in note 25.2 to the financial statements.

Substantial shareholdings

According to information received by the Directors, the following were the top ten shareholders of the Company as of 28 February 2023:

Top ten shareholders	No. of shares	%
At 28 February 2023		
Meikles Consolidated Holdings (Private) Limited	126,301,590	48.38
Mega Market (Private) Limited	25,874,580	9.91
Old Mutual Life Assurance Company Zimbabwe Limited	21,411,808	8.20
Stanbic Nominees (Private) Limited – account 140043470003	8,298,294	3.18
LHG Malta Holdings Limited	5,677,014	2.17
Old Mutual Zimbabwe Limited	2,896,272	1.11
Meikles Pension Fund – ABC	2,861,210	1.10
Stanbic Nominees (Private) Limited – NNR account 140043470002	2,749,628	1.05
Mundell Family Trust	2,466,231	0.94
Public Service Commission Pension Fund – ABC	1,884,685	0.72
Total for top ten shareholders	**200,421,312**	**76.76**
Other	60,643,278	23.24
Total	**261,064,590**	**100.00**

Dividend

The Directors declared two interim dividends totalling 0.85 US$ cents per share and a final dividend of 0.8 US$ cents bringing the total dividend to 1.65 US$ cents for the period ended 28 February 2023. This is equivalent to a total of 1,467.07 ZWL cents based on closing exchange rates as at 28 February 2023.

Independent auditors

Messrs. Ernst and Young, the auditors of the Group for the period ended 28 February 2023, have indicated their willingness to continue in office for the year ending 29 February 2024. Shareholders will be asked to reappoint them, and to approve their fees for the period ended 28 February 2023, at the Annual General Meeting.

John Moxon

J.R.T. MOXON
Chairman
14 July 2023

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

The Directors have reviewed the Group's budgets and cash flow forecasts for the period to 28 February 2025 and, in light of this review and the current financial position, they are satisfied that the Group will have access to adequate resources to continue in operational existence for the foreseeable future. However, the Directors believe that under the current economic environment, a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed. Further details are included in note 5.

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

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

J.R.T. MOXON
Chairman
14 July 2023

R. CHIDEMBO
Non-executive Director
14 July 2023

INDEPENDENT AUDITOR'S REPORT

Building a better working world

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Chartered Accountants (Zimbabwe)
Registered Public Auditors
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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 46 to 91, which comprise the inflation adjusted consolidated statement of financial position as at 28 February 2023, 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 period then ended, and 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 inflation adjusted consolidated financial position of the group as at 28 February 2023, and its inflation adjusted consolidated financial performance and inflation adjusted consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of 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' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The prior year consolidated inflation adjusted financial statements for the year ended 31 March 2022 where audited by another auditor who issued an unmodified opinion on 31 August 2022.

INDEPENDENT AUDITOR'S REPORT (continued)

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the *Inflation adjusted* consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Inflation adjusted consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying *Inflation adjusted* consolidated financial statements.

Meikles Limited

Key Audit Matters	How the matter was addressed in the audit
Expected Credit Losses on Financial Assets and Trade Receivables	
The Group has recorded an inflation adjusted expected credit loss ("ECL") allowance on financial assets measured at armotised cost of ZWL$1 055 060 000 at 28 February 2023 (2022: Restated inflation adjusted expected credit loss ("ECL") allowance of ZWL$169 002 000) as disclosed in Note 21 and an inflation adjusted expected credit loss ("ECL") allowance on Trade Receivables of ZWL$50 166 000 at 28 February 2023 (2022: Restated inflation adjusted expected credit loss ("ECL") allowance of ZWL$50 375 000) as disclosed in Note 23. These amounts are significant to the annual financial statements due to their magnitude. The determination of a loss allowance involves several estimates and assumptions of a technical nature, such as incorporation of Macroeconomic Variables (inflation rates, unemployment rates and exchange rates) as forward-looking information and determination of probability weighted loss rates. This requires inputs by specialists. In addition, there is a growing trend of collection challenges because of increased liquidity challenges which makes it diffcult to forcast the future out turn.	We performed audit procedures to assess the adequacy of the expected credit loss model which included the following: Engaged our Internal EY Quantitative experts to assumptions, review the principal methodology and computations applied by management in developing their Expected Credit Loss model for reasonableness for the determination of the expected credit losses provision for financial assets and trade receivables. We assessed the expected credit loss model, input data and related management's assumptions on the impact of macroeconomic trends and judgemental overlays for financial assets and trade receivables. We evaluated these assumptions by considering various factors including the period of historical data used in the model, observable economic data, market information and specific industry trends. We also performed testing on the relevant data quality by sample checking to the relevant data source and re-computed management's calculation of the allowance for expected credit losses.

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INDEPENDENT AUDITOR'S REPORT (continued)

Meikles Limited

Key Audit Matters	How the matter was addressed in the audit
Expected Credit Losses on Financial Assets and Trade Receivables	
Refer to the notes 21 and 23 of the consolidated inflation adjusted financial statements.	Obtained third party balance confirmations for financial assets and trade receivables as at 28 February 2023 to confirm accuracy of the exposure at default used in the expected credit losses at year end.
Modification of Right of Use Assets and Lease Liabilities	
The Group, has recorded Right of Use Assets in Note 20 and lease liabilities in Note 28 as at 28 February 2023 amounting to an inflation adjusted amount of ZWL12 946 651 000 and ZWL4 611 463 000 (2022: ZWL11 062 817 000 and ZWL3 380 119 000) respectively. These amounts are significant to the annual financial statements due to their magnitude. Accounting for lease modifications was a matter of most significance to our audit due to the volume of lease contracts and transactions, the level of manual intervention in the process of determining lease modifications, and the complexity surrounding the determination of the incremental borrowing rates that were used to discount lease payments.	We performed audit procedures to assess the completeness and accuracy of lease modifications which included the following: Obtaining a list of all modified leases during the audit period and tested for completeness of the list. For a sample of modifications, we determined whether the entity has appropriately accounted for the modification as a change in accounting for the existing lease, a termination of the lease or a separate lease. For a sample of modifications that resulted in a change in accounting for the existing lease, we determined that the group appropriately remeasured and reallocated the remaining consideration in the contract, remeasured the lease liabilities, and adjusted the Right of Use Assets as applicable. Engaging EY Valuation Experts to validate the incremental borrowing rate used by management to discount lease payments at each lease modification date.

Other Information

Other information consists of the Chairman's Statement, Report of the Directors, the Director's Responsibility for Financial Reporting and Company Financial Statements. Other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Meikles Limited

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

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

- 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

INDEPENDENT AUDITOR'S REPORT (continued)

Meikles Limited

- 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.

Meikles Limited

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 outweight the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (continued)

Meikles Limited

The engagement partner on the audit resulting in this independent auditor's report is Mr Fungai Kuipa (PAAB Practising Certificate Number 335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

20 July 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2023

		INFLATION ADJUSTED		HISTORICAL COST*	
CONTINUING OPERATIONS	Notes	**11 months to 28 February 2023 ZWL 000**	12 months to 31 March 2022 ZWL 000	**11 months to 28 February 2023 ZWL 000**	12 months to 31 March 2022 ZWL 000
Revenue	6.1	**278,948,650**	191,734,157	**230,859,025**	50,666,982
Cost of sales	7	**(213,816,504)**	(143,949,119)	**(163,549,481)**	(36,559,717)
Net operating costs	8	**(67,141,889)**	(41,279,416)	**(52,511,707)**	(9,854,985)
Operating (loss) / profit		**(2,009,743)**	6,505,622	**14,797,837**	4,252,280
Investment income	13.1	**271,318**	3,618,416	**269,407**	874,082
Finance costs	13.2	**(1,211,044)**	(704,525)	**(1,014,795)**	(149,046)
Net exchange gains		**847,805**	2,514,265	**400,421**	770,992
Profit on distribution of subsidiary equity to shareholders	15.3	**-**	178,906	**-**	3,894,624
Net monetary gain		**9,688,933**	2,260,730	**-**	-
Profit before tax		**7,587,269**	14,373,414	**14,452,870**	9,642,932
Income tax expense	14.1	**(4,497,190)**	(4,584,098)	**(2,117,745)**	(1,194,709)
Profit for the period from continuing operations		**3,090,079**	9,789,316	**12,335,125**	8,448,223
DISCONTINUED OPERATIONS					
(Loss) / profit for the period from discontinued operations	15.1	**-**	(1,693,042)	**-**	427,390
PROFIT FOR THE PERIOD		**3,090,079**	8,096,274	**12,335,125**	8,875,613
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain on investments in equity instruments designated as at FVTOCI		-	1,902,169	**-**	1,902,169
Items that may be reclassified subsequently to profit or loss:					
Exchange rate adjustments on translation of foreign operations	26.1	**22,359,214**	1,060,770	**22,359,214**	1,060,770
Other comprehensive income for the period, net of tax		**22,359,214**	2,962,939	**22,359,214**	2,962,939
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**25,449,293**	11,059,213	**34,694,339**	11,838,552
Profit for the period attributable to:					
Owners of the parent		**803,004**	4,494,604	**6,246,020**	7,193,701
Non-controlling interests		**2,287,075**	3,601,670	**6,089,105**	1,681,912
		3,090,079	8,096,274	**12,335,125**	8,875,613
Total comprehensive income attributable to:					
Owners of the parent		**23,162,218**	7,457,543	**28,605,234**	10,156,640
Non-controlling interests		**2,287,075**	3,601,670	**6,089,105**	1,681,912
		25,449,293	11,059,213	**34,694,339**	11,838,552
Earnings per share in cents					
Basic and diluted earnings per share	17	**307.59**	1,721.64	**2,392.52**	2,755.53
From continuing operations	17	**307.59**	2,370.16	**2,392.52**	2,591.81
From discontinued operations	17	**-**	(648.52)	**-**	163.72

**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.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

		INFLATION ADJUSTED		HISTORICAL COST*	
ASSETS	Notes	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Non-current assets					
Property, plant and equipment	18	26,278,494	25,976,478	8,817,283	2,508,572
Investment property	19	1,322,794	48,355	447,333	221
Right of use assets	20	12,946,651	11,062,817	2,239,903	947,664
Other financial assets	21	9,558,621	1,851,379	9,558,621	1,622,653
Deferred tax	14.2	14,908	8,346	2,844,441	194,105
Total non-current assets		50,121,468	38,947,375	23,907,581	5,273,215
Current assets					
Inventories	22	22,552,810	18,067,820	22,504,128	5,848,875
Trade and other receivables	23	6,583,572	4,249,672	6,568,825	1,411,562
Other financial assets	21	58,778	132,652	58,778	45,651
Cash and bank balances	24	25,084,853	8,953,481	25,084,853	4,874,509
Total current assets		54,280,013	31,403,625	54,216,584	12,180,597
Total assets		104,401,481	70,351,000	78,124,165	17,453,812
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	25.1	561,450	561,450	2,611	2,611
Share premium		700,617	700,617	3,925	3,925
Other reserves	26	22,725,363	366,149	26,560,254	4,201,040
Retained earnings		22,031,923	22,911,018	8,556,174	3,468,750
Equity attributable to equity holders of the parent		46,019,353	24,539,234	35,122,964	7,676,326
Non-controlling interests	21.2	18,411,549	16,351,362	7,942,309	2,032,541
Total equity		64,430,902	40,890,596	43,065,273	9,708,867
Non-current liabilities					
Deferred tax	14.2	4,911,808	7,033,520	121	79,807
Lease liabilities	28	3,836,869	3,077,524	3,836,869	1,006,660
Total non-current liabilities		8,748,677	10,111,044	3,836,990	1,086,467
Current liabilities					
Trade and other payables	29	29,567,044	18,687,573	29,567,044	6,430,729
Borrowings	27	880,264	359,127	880,264	123,591
Lease liabilities	28	774,594	302,660	774,594	104,158
Total current liabilities		31,221,902	19,349,360	31,221,902	6,658,478
Total liabilities		39,970,579	29,460,404	35,058,892	7,744,945
Total equity and liabilities		104,401,481	70,351,000	78,124,165	17,453,812

**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.*

J.R.T. MOXON
Chairman
14 July 2023

R. CHIDEMBO
Non-executive Director
14 July 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2023

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
2023							
Balance at 1 April 2022	**561,450**	**700,617**	**366,149**	**22,911,018**	**24,539,234**	**16,351,362**	**40,890,596**
Profit for the period	-	-	-	803,004	803,004	2,287,075	3,090,079
Other comprehensive income for the period	-	-	22,359,214	-	22,359,214	-	22,359,214
Dividend paid – ordinary shareholders	-	-	-	(1,682,099)	(1,682,099)	-	(1,682,099)
Dividend paid – non-controlling interests	-	-	-	-	-	(226,888)	(226,888)
Balance at 28 February 2023	**561,450**	**700,617**	**22,725,363**	**22,031,923**	**46,019,353**	**18,411,549**	**64,430,902**
2022							
Balance at 1 April 2021	561,450	700,617	(2,473,379)	41,352,521	40,141,209	14,096,671	54,237,880
Profit for the year	-	-	-	4,494,604	4,494,604	3,601,670	8,096,274
Transfer from non-distributable reserves	-	-	(123,411)	123,411	-	-	-
Other comprehensive income for the year	-	-	2,962,939	-	2,962,939	-	2,962,939
Dividend paid – ordinary shareholders	-	-	-	(2,455,709)	(2,455,709)	-	(2,455,709)
Dividend in specie – ordinary shareholders	-	-	-	(20,603,809)	(20,603,809)	-	(20,603,809)
Dividend paid – non-controlling interests	-	-	-	-	-	(1,346,979)	(1,346,979)
Balance at 31 March 2022	561,450	700,617	366,149	22,911,018	24,539,234	16,351,362	40,890,596

HISTORICAL COST*	Share capital ZWL 000	Share premium ZWL 000	Other reserves ZWL 000	Retained earnings ZWL 000	Attributable to owners of parent ZWL 000	Non-controlling interests ZWL 000	Total ZWL 000
2023							
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	-	-	-	6,246,020	6,246,020	6,089,105	12,335,125
Other comprehensive income for the period	-	-	22,359,214	-	22,359,214	-	22,359,214
Dividend paid – ordinary shareholders	-	-	-	(1,158,596)	(1,158,596)	-	(1,158,596)
Dividend paid – non-controlling interests	-	-	-	-	-	(179,337)	(179,337)
Balance at 28 February 2023	**2,611**	**3,925**	**26,560,254**	**8,556,174**	**35,122,964**	**7,942,309**	**43,065,273**
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 in specie – ordinary shareholders	-	-	-	(6,669,556)	(6,669,556)	-	(6,669,556)
Dividend paid – non-controlling interests	-	-	-	-	-	(449,947)	(449,947)
Balance at 31 March 2022	2,611	3,925	4,201,040	3,468,750	7,676,326	2,032,541	9,708,867

*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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2023

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	11 months to 28 February 2023 ZWL 000	12 months to 31 March 2022 ZWL 000	11 months to 28 February 2023 ZWL 000	12 months to 31 March 2022 ZWL 000
Net cash generated from operating activities	16.1	**2,281,586**	6,885,964	**12,367,409**	2,811,316
Cash flows from investing activities					
Payment for property, plant, equipment and investment property – continuing operations	18;19	**(7,894,347)**	(6,314,788)	**(7,313,799)**	(1,861,145)
Payment for property, plant and equipment – discontinued operations		**-**	(963,329)	**-**	(283,843)
Proceeds from disposal of property, plant and equipment – continuing operations		**23,637**	1,091,771	**19,799**	133,354
Proceeds from disposal of property, plant and equipment – discontinued operations		**-**	11,104	**-**	2,394
Proceeds from disposal of Mentor Africa (Pty) Limited		**-**	2,483,339	**-**	2,483,339
Net movement in service assets	18	**(3,403)**	(1,267)	**(3,403)**	(435)
Net movement in other investments – continuing operations		**(279,699)**	(365,461)	**(175,937)**	(118,680)
Net movement on biological assets – discontinued operations		**-**	1,354,966	**-**	(13,950)
Investment income – continuing operations		**211,606**	3,542,511	**222,305**	847,960
Investment income – discontinued operations	15.1	**-**	5	**-**	1
Net cash (used in) / generated from investing activities		**(7,942,206)**	838,851	**(7,251,035)**	1,188,995
Cash flows from financing activities					
Net (decrease) / increase in interest bearing borrowings – continuing operations		**-**	(4,213)	**-**	104
Net (decrease) / increase in interest bearing borrowings – discontinued operations		**-**	(70,300)	**-**	110,057
Finance costs – continuing operations		**185,448**	87,656	**151,884**	23,140
Finance costs – discontinued operations	15.1	**-**	(285,986)	**-**	(67,803)
Lease payments – continuing operations		**(1,190,055)**	(964,618)	**(1,013,627)**	(182,907)
Dividend paid – ordinary shareholders		**(1,645,433)**	(2,455,335)	**(1,121,930)**	(580,495)
Dividend paid – non-controlling interests	21.2	**(226,888)**	(131,976)	**(179,337)**	(31,813)
Net cash used in financing activities		**(2,876,928)**	(3,824,772)	**(2,163,010)**	(729,717)
Net (decrease) / increase in cash and bank balances		**(8,537,548)**	3,900,043	**2,953,364**	3,270,594
Cash and bank balances at the beginning of the period		**8,953,481**	3,907,681	**4,874,509**	839,289
Cash and bank balances distributed to shareholders	15.3	**-**	(499,735)	**-**	(151,191)
Translation of foreign entity		**14,481,100**	244,284	**14,481,100**	244,284
Net effect of exchange rate changes on cash and bank balances		**2,462,070**	2,251,078	**2,775,880**	671,533
Effects of inflation adjustments		**7,725,750**	(849,870)	**-**	-
Cash and bank balances at the end of the period		**25,084,853**	8,953,481	**25,084,853**	4,874,509
Comprising:					
Cash and bank balances from continuing operations	24	**25,084,853**	8,953,481	**25,084,853**	4,874,509
Cash and bank balances from discontinued operations	15	**-**	-	**-**	-
Total cash and bank balances at the end of the period		**25,084,853**	8,953,481	**25,084,853**	4,874,509

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

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Meikles Limited, (the Company), is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe and London Stock Exchanges. The address of the Company's registered office and principal place of business is disclosed on page 101. The principal activity of the Company is investments holding and the principal activities of its subsidiaries are disclosed in note 21.1.

The Group changed its year-end from 31 March to 28 February. As a result, these financial statements are for an 11-month period while the comparatives are for a 12-month period.

These inflation adjusted financial statements are presented in Zimbabwe Dollar ("ZWL"), which is the presentation currency of the Group. Foreign operations are included in accordance with the policies set out in note 3.

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

2.1 New and revised IFRSs that are effective for the current period

Amendments to IFRS 3 – *Reference to the Conceptual Framework*
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use*
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – *Onerous Contracts—Cost of Fulfilling a Contract*
The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018–2020
The Annual Improvements include amendments to four standards.

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

IFRS 9 *Financial Instruments*
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 *Leases*
The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 *Agriculture*
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

2.2 New and revised IFRSs in issue but not yet effective

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

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors do not anticipate that the application of the amendments in the foreseeable future will have an impact on the Group's consolidated financial statements.

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Directors do not anticipate that implementation of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies*

The amendments change the requirements in IAS 1 with regard to the disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted, and are applied prospectively. The Directors have early adopted this amendment in the prior year. Impact of this amendment has been immaterial.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in an accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The Directors do not anticipate that implementation of this amendment will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 12 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Under the new amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. An entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria of IAS 12.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The Directors do not anticipate that implementation of this amendment will have a material impact on the Group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies

3.1 Statement of compliance

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

3.2 Basis of accounting

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

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

The Public Accountants and Auditors Board ("PAAB") pronounced on 11 October 2019 that the Zimbabwean economy was now trading under hyperinflationary conditions from 1 July 2019. Consequently, these financial statements are prepared and presented in line with the requirements of IAS 29, per pronouncement from the PAAB. The Directors have made appropriate adjustments to reflect the changes in the general purchasing power on the ZWL and for the purposes of fair presentation in accordance with IAS 29, these changes have been made on the historical cost financial information. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. The historical cost financial statements are provided as supplementary information and as a result the auditors have not expressed an opinion on them.

Various assumptions have been made by the Directors, with the significant assumption being the use of a general price index that reflects changes in general purchasing power. IAS 29 encourages the use of the same index to achieve the comparability objective between the financial statements of different entities operating within the same hyperinflationary economy. For the years March 2020, March 2021, and March 2022, the Group used the Consumer Price Index ("CPI") as published by the Zimbabwe National Statistical Agency ("Zimstat"). However, in February 2023, Zimstat stopped publishing the ZWL CPI opting for a blended inflation rate through the promulgation of Statutory Instrument ("SI") 27 of 2023.

At 28 February 2023, Zimstat published a blended CPI which failed to meet the requirements of a general price index for the purposes of IAS 29. In the absence of a reliable index, IAS 29 allows the use of an estimated index for the purposes of the restatement. The Group opted to estimate the index using the movement in the Total Consumption Poverty Line ("TCPL") index as published by Zimstat. This approach was chosen as the TCPL is a publicly available index and had a high correlation to the previously unblended general price index as published by Zimstat. Moreover, the Institute of Chartered Accountants of Zimbabwe has recommended the use of the TCPL index for the CPI estimation to achieve the comparability objective of financial statements in the country.

Below are the indices and adjustment factors used up to 28 February 2023:

	Indices	Adjustment Factor
CPI as at 28 February 2023	**13,849.20**	**1.00**
CPI as at 31 March 2022	**4,766.10**	**2.91**
Average CPI 2023	**11,328.55**	
Average CPI 2022	**3,582.86**	

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

In addition, for financial reporting purposes and in accordance with the guidance provided by IFRS 13, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described in detail on note 3.20.5.

The consolidated inflation adjusted financial statements for the period ended 28 February 2023 were prepared under the supervision of Thempson Muzvagwandoga CA(Z), MBL (UNISA), the Finance Director of Meikles Limited.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies

3.3 Basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

<u>3.3.1 Changes in the Group's ownership interests in existing subsidiaries</u>

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

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

3.4 Business combinations

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.4 Business combinations (continued)

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

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

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

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

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

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

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

3.5 Goodwill

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.6 Investments in associates and joint ventures

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

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

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

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

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

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

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

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

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

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

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

3.7 Interests in joint operations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.7 Interests in joint operations (continued)

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

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

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

3.8 Non-current assets held for sale or distribution to owners

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

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

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

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

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

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

3.9 Revenue recognition

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

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

<u>3.9.1 Sale of goods</u>
The Group's sale of goods includes supermarket merchandise, hotel food, beverages and other merchandise.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.9 Revenue recognition (continued)

3.9.2 Accommodation and venue hiring services

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

3.9.3 Security guard services

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

3.10 Leases

The Group as lessor

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

The Group as lessee

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

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

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

The Group as lessee

The lease liability is presented as a separate line in the consolidated statement of financial position.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.10 Leases (continued)

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

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

The Group tests the right-of-use asset for impairment at each reporting date and accounts for any identified impairment loss as described in note 3.17 below.

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

3.11 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

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

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

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

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

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

3.12 Retirement benefit costs

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

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

3.13 Taxation

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

<u>3.13.1 Current tax</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.13 Taxation

3.13.2 Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

3.14 Property, plant and equipment

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

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.14 Property, plant and equipment (continued)

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

Buildings	50 - 60 years
Leasehold improvements	shorter of the useful life and the lease period
Furniture and equipment	3 - 15 years
Motor vehicles	3 -10 years

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

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

3.15 Investment property

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

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

3.16 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.17 Impairment of tangible assets

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.18 Inventories

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

Costs of inventories are determined as follows:
- Retail merchandise is valued on a weighted average basis. The inventories are then assessed for impairment based on the net realisable value.
- Consumables are valued at the lower of cost and net realisable value on a first-in-first-out basis.
- Goods in transit are valued at actual cost.
- The cost of manufactured goods for resale includes the cost of raw materials (as disclosed above, in the case of tea), the cost of packaging materials, direct labour and an appropriate proportion of factory overhead expenses.

3.19 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

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

3.19.2 Contingent liabilities acquired in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.20 Financial instruments

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

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

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

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

3.20.2 Classification of financial assets and financial liabilities
The Group classifies its financial instruments in the following categories:
- At fair value through profit and loss ("FVTPL"),
- At fair value through other comprehensive income ("FVTOCI") or
- At amortised cost.

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

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

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

3.20.3 Measurement

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

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

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

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

The Group assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortised cost. Forward looking information considered at arriving at the impairment amount includes but not limited to, inflation rates, interest rates, and exchange rates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

For trade receivables, the Group applies the simplified approach as permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

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

The Group considers the following as constituting an event of default:
- The financial asset is 120 days past due on any material credit obligation to the Group; or
- The financial asset has a significant probability of default.

The definition of default is tailored to the asset. The Group uses a variety of qualitative and quantitative indicators to assess default, depending on the type of asset. These indicators include, but are not limited to, the borrower's financial condition, the borrower's credit history, and the borrower's industry. The Group also considers information from both internal and external sources.

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

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

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

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

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

3.20.4 Derecognition

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

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

3.20.5 Fair values
Fair values are determined for measurement and/or disclosure purposes based on the fair value hierarchy below.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

3.20 Financial instruments (continued)

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

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

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

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

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

4.1 Critical judgements in applying accounting policies

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

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

4.1.2 Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

4.1 Critical judgements in applying accounting policies (continued)

4.1.3 Credit risk assessment

In measurement of financial assets, the Group measures ECL as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group considers qualitative and quantitative reasonable and supportable forward-looking information.

4.1.4 Establishing groups of assets with similar credit risk characteristics

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

4.1.5 Models and assumptions used in measuring fair value of financial assets

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

4.1.6 Barkpest Investments (Private) Limited and Liftbrok Investments (Private) Limited

Barkpest Investments (Private) Limited and Liftbrok Investments (Private) Limited were executive share purchase scheme vehicles whose shareholders were former Directors of the Company and former key executives. The Company granted loans to these two entities for the purchase of the Company's shares. At the time the former Directors and executives left the employ of the Group, the recoverability of loans became subject of certain disputes. During the year ended 31 March 2019, the disputes between the Group and former executives were resolved. Processes to recover the amount due to the Group from the share purchase vehicles are currently underway through dividend income accruing to the share purchase vehicles. The collateral held of 1,500,000 shares in the Company is more than sufficient to cover the Group's maximum exposure. The Group has no intention of controlling the two entities after recovery of the amounts owed. The Directors are satisfied that there is no control of these share purchase schemes and resultantly, their financial statements have not been consolidated.

4.1.7 Determination of spot exchange rates

The Group uses the Zimbabwe Dollar ("ZWL") as its presentation currency. The ZWL is also the functional currency of the Company and its subsidiaries, with the exception of the operations of Cape Grace Investments Limited, which is domiciled in the British Virgin Islands. All foreign currency denominated transactions and balances are translated to the ZWL in accordance with IAS 21- "The Effects of Changes in Foreign Exchange Rates" at the interbank rate prevailing on the transaction dates. The interbank rates as determined by the Reserve Bank of Zimbabwe are used for spot rates by the Group's subsidiaries.

During the current period and prior years, there was prevalence of multiple exchange rates in the Zimbabwe economy, with a combination of both official and unofficial exchange rates. The bulk of the Group's trading transactions are at its supermarkets segment, which is required by law to abide by set regulations regarding compliance with official exchange rates, and under strict monitoring and surveillance. Whilst there is country wide evidence of lack of exchangeability of foreign currency at the prevailing official exchange rates, the Directors believe this is a market wide economic situation and as such exchange rates must be set at the level of the economy and not entity specific. During the period under review the Group had adequate foreign currency to finance its operations. Use of the interbank rate as spot rate is a management judgement and the Directors are satisfied that it is appropriate for use as a spot rate.

4.2 Key sources of estimation uncertainty

4.2.1 Funds due from Meikles Consolidated Holdings Private Limited

Meikles Consolidated Holdings Private Limited ("MCH"), a shareholder entity, currently owes the Group funds. These funds were owed by another shareholder entity, Gondor Capital Limited ("Gondor") in prior years. On 1 September 2022, MCH assumed the obligation to settle the ZWL 10.4 billion (US$11,737,067) to Cape Grace Investments Limited ("BVI") through an Assignment and Assumption of Debt with Release Agreement that Gondor and MCH concluded. The funds are denominated in US$ and are non-interest bearing. The funds are due and repayable to the Group on 30 June 2025. A provision for credit losses has been made based on the lifetime ECL model to comply with the standard (Refer to note 21). When measuring expected credit losses on the funds due from MCH, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. For the current period, MCH confirmed that funds amounting to ZWL 10.4 billion are owed to Cape Grace Investments Limited (BVI), a wholly owned foreign subsidiary of the Group.

4.2.2 Useful lives and residual values of property, plant and equipment

As described in note 3.14 above, the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. The remaining useful lives and residual values are reassessed based on business trends, technological developments, asset conditions and management's future plans. The useful lives and residual values so determined involved the exercise of significant levels of judgement based on data that is not readily observable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

4.2 Key sources of estimation uncertainty (continued)

4.2.3 Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses Level 2 inputs to perform the valuation. Refer to note 3.20.5 for descriptions of Level 1 and 2 inputs. Where appropriate, the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 21, 23 and 35.

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

4.2.5 Calculation of expected credit losses ("ECLs")
When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

4.2.6 Determination of the Consumer Price Index ("CPI")
In the absence of a reliable index for hyperinflation accounting, IAS 29 allows the use of an estimated index for the purposes of the restatement. The Group considered various methodologies accepted by IAS 29 to estimate the CPI. The Group considered the movement in exchange rates for both the interbank rates (Willing Buyer, Willing Seller rates) as well as the official auction rates. The Group opted to estimate the inflation rate index using the movement in the Total Consumption Poverty Line ("TCPL") index as published by Zimstat. This approach was chosen as the TCPL is a publicly available index and had a high correlation to the previously unblended general price index as published by Zimstat. Moreover, the Institute of Chartered Accountants of Zimbabwe has recommended the use of the TCPL index for the CPI estimation to achieve the comparability objective of financial statements in the country. The Directors are satisfied that the use of this approach for estimating the CPI is appropriate for the Group's IAS 29 reporting requirements.

However, had the Group used exchange rates methodologies to estimate the CPI, the potential impact on the results and financial position of the Group would be as highlighted in the scenarios below:

		Scenario A		Scenario B	
	Index based on the TCPL	**Index based on interbank exchange rates**	**Impact on conversion factor**	**Index based on official auction exchange rates**	**Impact on conversion factor**
Estimated index as at 28 February 2023	**13,849.20**	15,426.47	**11%**	15,636.28	**13%**
Estimated average index for the period	**11,328.55**	11,471.93	**1%**	11,491.01	**1%**

The above illustrates the percentage impact the two scenarios have on the reported index, whilst the table below shows the effect of the two scenarios on the reported financial result and the financial position.

Impact on the financial results	Effect of Scenario A 28 Feb 2023 ZWL 000	Effect of Scenario B 28 Feb 2023 ZWL 000
Increase in operating loss	(25,436)	(28,821)
Increase in profit for the period	39,110	44,314
Impact on financial position		
Increase in total assets	11,890,169	13,471,811
Increase in total liabilities	4,552,205	5,157,744
Increase in equity	7,337,964	8,314,067

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Going concern

The Directors assess the ability of the Group to continue in operational existence in the foreseeable future on a continuous basis and at each reporting date. As at 28 February 2023, and subsequently, the Directors assessed the Group's ability to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is appropriate.

In making the assessment for the financial statements for the period ended 28 February 2023, the Directors conducted a comprehensive review of the Group's affairs including but not limited to:

- The Group's financial performance for the period ended 28 February 2023;
- The Group's financial position as at 28 February 2023; and
- The Group's forecasts for the period up to 28 February 2025.

The supermarkets segment traded throughout the financial period and had fully recovered from the effects of COVID-19 in the previous years. The segment opened three new branches during the financial period, and this contributed positively to the segment's profitability. In addition, two new stores were completed and opened after the reporting period but before these financial statements were authorised for release. The segment funded the capital expenditure from operating cash flows. The Group envisages further growth in the segment's branch network which will further boost the segment's revenue and profitability.

The hospitality segment continued to recover gradually from the effects of COVID-19 in prior years. International arrivals continued with an upward trajectory from key source markets around the world. Business levels were yet to fully recover by the end of the financial period, but the Directors are optimistic about the outlook period based on the current business momentum. The hotel had completed the first phase refurbishment exercise of 49 rooms and the newly renovated rooms were well received by the market.

The Group had considerable cash and cash equivalent resources at its disposal at the reporting date that are sufficient to support the Group's operating capital expenditure plans for the period to 31 August 2024. This is further evidenced by the fact that the Group has declared and paid cash dividends to its shareholders consistently over the last few years. As such, the Directors are satisfied that the Group has adequate resources to continue to operate for at least twelve months from the date of approval of these financial statements.

6. Segment information

For purposes of resource allocation and assessment of segment performance, the Group is organised into segments based on their operational activities and geographical location. The operating segments comprise supermarkets, hotels, properties and security guard operations. Security guard operations and properties, whose revenues are predominantly internal, are immaterial to warrant separate disclosure. The Group is organised into two geographical segments, Zimbabwe and non-Zimbabwe.

6.1 Segment financial performance

	INFLATION ADJUSTED				
CONTINUING OPERATIONS	Supermarkets	Hotels	Corporate*	Eliminations	Group
28 February 2023	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Sale of goods	**275,553,073**	**844,399**	**-**	**-**	**276,397,472**
Sale of services	**-**	**1,723,670**	**2,062,778**	**(1,235,270)**	**2,551,178**
Total revenue	**275,553,073**	**2,568,069**	**2,062,778**	**(1,235,270)**	**278,948,650**
Operating (loss) / profit	**(343,296)**	**246,766**	**(1,115,155)**	**(798,058)**	**(2,009,743)**
Investment income	**62,609**	**7,482**	**201,227**	**-**	**271,318**
Finance costs	**(1,131,499)**	**(1,390)**	**(96,995)**	**18,840**	**(1,211,044)**
Net exchange (losses) / gains	**(722,616)**	**1,461,832**	**14,998,812**	**(14,890,223)**	**847,805**
Net monetary adjustment	**11,264,066**	**(732,399)**	**(3,046,780)**	**2,204,046**	**9,688,933**
Income tax (expense) / credit	**(4,927,136)**	**364,425**	**65,521**	**-**	**(4,497,190)**
Profit for the period	**4,202,128**	**1,346,716**	**11,006,630**	**(13,465,395)**	**3,090,079**
31 March 2022					
Sale of goods	191,835,372	365,814	-	(1,093,268)	191,107,918
Sale of services	-	384,598	819,123	(577,482)	626,239
Total revenue	191,835,372	750,412	819,123	(1,670,750)	191,734,157
Operating profit / (loss)	8,143,195	(113,953)	21,065,183	(22,588,803)	6,505,622
Investment income	2,202	1,518	3,614,696	-	3,618,416
Finance costs	(763,806)	(4,480)	(2,414)	66,175	(704,525)
Profit on distribution of subsidiary equity to shareholders	-	-	178,906	-	178,906
Net exchange gains	76,909	940,848	1,496,508	-	2,514,265
Net monetary adjustment	4,448,336	(895,379)	(10,278,236)	8,986,009	2,260,730
Income tax (expense) / credit	(4,895,710)	635,050	(323,438)	-	(4,584,098)
Profit for the year	7,011,126	563,604	15,751,205	(13,536,619)	9,789,316

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Segment information (continued)

6.1 Segment financial performance (continued)

CONTINUING OPERATIONS — **HISTORICAL COST**

	Supermarkets ZWL 000	Hotels ZWL 000	Corporate* ZWL 000	Eliminations ZWL 000	Group ZWL 000
28 February 2023					
Sale of goods	**227,969,827**	**678,615**	**-**	**-**	**228,648,442**
Sale of services	**-**	**1,492,462**	**1,782,045**	**(1,063,924)**	**2,210,583**
Total revenue	**227,969,827**	**2,171,077**	**1,782,045**	**(1,063,924)**	**230,859,025**
Operating profit / (loss)	**16,066,972**	**218,395**	**(575,936)**	**(911,594)**	**14,797,837**
Investment income	**62,444**	**7,033**	**199,930**	**-**	**269,407**
Finance costs	**(944,675)**	**(1,131)**	**(82,652)**	**13,663**	**(1,014,795)**
Net exchange (losses) / gains	**(837,010)**	**1,461,832**	**14,665,822**	**(14,890,223)**	**400,421**
Income tax (expense) / credit	**(2,526,353)**	**198,278**	**210,330**	**-**	**(2,117,745)**
Profit for the period	**11,821,378**	**1,884,407**	**14,417,494**	**(15,788,154)**	**12,335,125**
31 March 2022					
Sale of goods	50,681,063	92,056	-	(269,441)	50,503,678
Sale of services	-	100,252	214,714	(151,662)	163,304
Total revenue	50,681,063	192,308	214,714	(421,103)	50,666,982
Operating profit / (loss)	4,671,436	(29,993)	6,802,959	(7,192,122)	4,252,280
Investment income	409	422	873,251	-	874,082
Finance costs	(163,348)	(1,521)	(792)	16,615	(149,046)
Profit on distribution of subsidiary to shareholders	-	-	3,894,624	-	3,894,624
Net exchange gains	25,490	284,835	460,667	-	770,992
Income tax (expense) / credit	(1,197,228)	135,151	(132,632)	-	(1,194,709)
Profit for the year	3,336,759	388,894	11,898,077	(7,175,507)	8,448,223

*Corporate includes other operating segments not material enough to warrant separate disclosure.

6.2 Segment assets and liabilities

INFLATION ADJUSTED

	Supermarkets ZWL 000	Hotels ZWL 000	Corporate* ZWL 000	Eliminations ZWL 000	Group ZWL 000
28 February 2023					
Segment assets	**71,387,216**	**4,950,275**	**58,196,520**	**(30,132,530)**	**104,401,481**
Segment liabilities	**(36,211,982)**	**(1,193,263)**	**(18,222,396)**	**15,657,062**	**(39,970,579)**
Capital expenditure	**6,814,366**	**605,792**	**474,189**	**-**	**7,894,347**
Depreciation and impairment	**(6,476,334)**	**(98,717)**	**(227,286)**	**156,057**	**(6,646,280)**
31 March 2022					
Segment assets	58,589,333	5,360,787	49,919,912	(43,519,032)	70,351,000
Segment liabilities	(27,389,340)	(1,405,305)	(6,887,450)	6,221,691	(29,460,404)
Capital expenditure	5,292,637	654,797	367,354	-	6,314,788
Depreciation and impairment	(4,791,916)	(3,179)	(211,938)	19,375	(4,987,658)

HISTORICAL COST

	Supermarkets ZWL 000	Hotels ZWL 000	Corporate* ZWL 000	Eliminations ZWL 000	Group ZWL 000
28 February 2023					
Segment assets	**48,042,355**	**1,965,925**	**43,513,303**	**(15,397,418)**	**78,124,165**
Segment liabilities	**(32,336,902)**	**(1,129,593)**	**(16,988,296)**	**15,395,899**	**(35,058,892)**
Capital expenditure	**6,386,786**	**414,711**	**512,302**	**-**	**7,313,799**
Depreciation and impairment	**(925,635)**	**(17,794)**	**(35,962)**	**4,537**	**(974,854)**
31 March 2022					
Segment assets	11,615,989	860,808	9,101,132	(4,124,117)	17,453,812
Segment liabilities	(7,552,578)	(381,582)	(1,122,086)	1,311,301	(7,744,945)
Capital expenditure	1,569,093	172,711	119,341	-	1,861,145
Depreciation and impairment	(244,084)	(948)	(9,495)	4,868	(249,659)

*Corporate includes other operating segments not material enough to warrant separate disclosure.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Segment information (continued)

6.3 Geographical segments

	INFLATION ADJUSTED			
	28 February 2023		31 March 2022	
CONTINUING OPERATIONS	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000
Revenue	278,948,650	-	191,734,157	-
Operating (loss) / profit	(1,990,983)	(18,760)	6,507,351	(1,729)
Segment assets	77,622,438	26,779,043	66,106,464	4,244,536
Segment liabilities	(39,970,579)	-	(29,460,404)	-

	HISTORICAL COST			
	28 February 2023		31 March 2022	
	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000	Zimbabwe ZWL 000	Non-Zimbabwe ZWL 000
Revenue	230,859,025	-	50,666,982	-
Operating profit / (loss)	14,816,597	(18,760)	4,254,009	(1,729)
Segment assets	51,345,122	26,779,043	13,209,276	4,244,536
Segment liabilities	(35,058,892)	-	(7,744,945)	-

		INFLATION ADJUSTED		HISTORICAL COST	
7. Cost of sales CONTINUING OPERATIONS		28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Retail cost of sales		(209,097,321)	(141,047,387)	(159,848,921)	(35,824,688)
Supplier recoveries and rebates		(1,977,682)	(1,399,795)	(1,608,044)	(368,242)
Shrinkage and wastage		(1,050,506)	(898,259)	(719,031)	(208,459)
Wages and other related costs		(1,106,116)	(536,213)	(952,515)	(140,081)
Property utilities and maintenance		(154,842)	-	(132,055)	-
Depreciation for investment properties		(109,334)	-	(3,272)	-
Food and beverages		(193,472	(54,397)	(172,929)	(14,833)
Other		(127,231)	(13,068)	(112,714)	(3,414)
		(213,816,504)	(143,949,119)	(163,549,481)	(36,559,717)
8. Net operating costs					
Net operating costs are arrived at after (charging)/ crediting:					
Other income	9	1,301,509	1,559,485	1,148,079	386,131
Employee costs	10	(34,242,819)	(20,858,426)	(29,102,826)	(5,470,717)
Occupancy costs	11	(13,618,219)	(7,961,713)	(11,864,751)	(2,102,770)
Other operating costs	12	(20,582,360)	(14,018,762)	(12,692,209)	(2,667,629)
		(67,141,889)	(41,279,416)	(52,511,707)	(9,854,985)
9. Other income					
Trading income					
Rental income		854,131	679,472	738,985	177,963
Hotels ancillary services		6,090	6,702	4,557	1,702
Commission income		71,032	57,849	43,404	12,002
		931,253	744,023	786,946	191,667
Non trading income					
(Loss) / profit on disposal of property, plant and equipment		(5,214)	595,960	19,610	131,071
Sundry income*		375,470	219,502	341,523	63,393
		1,301,509	1,559,485	1,148,079	386,131

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Other income (continued)

*Due to the nature of the Group's diversified operations in multiple industries, sundry income includes several line items that are not significant enough to be reasonably disaggregated. Examples include waste recovery income, agency fees on flower sales, car park fines and sundry other agency fees.

10. Employee costs

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Wages and salaries	**(27,676,105)**	(17,280,581)	**(23,609,132)**	(4,498,274)
Social security costs	**(2,228,131)**	(1,222,524)	**(1,878,886)**	(326,537)
Retirement benefits – defined contribution plan	**(3,113,354)**	(1,852,296)	**(2,572,896)**	(484,843)
Directors' remuneration:				
- fees for services as Directors	**(127,742)**	(158,194)	**(106,499)**	(42,392)
- remuneration for executive directors	**(1,097,487)**	(344,831)	**(935,413)**	(118,671)
	(34,242,819)	(20,858,426)	**(29,102,826)**	(5,470,717)

11. Occupancy costs

	INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Included in occupancy costs are the following:				
Lease rentals for property	**(2,825,767)**	(2,093,251)	**(2,287,836)**	(577,947)
Depreciation of right of use assets and property	**(393,668)**	(331,762)	**(438,509)**	(71,534)
Electricity and water	**(5,703,789)**	(2,592,706)	**(5,142,023)**	(675,258)
Cleaning and fumigation	**(2,183,403)**	(1,388,538)	**(1,838,018)**	(367,974)
Rates	**(1,177,089)**	(734,177)	**(1,023,354)**	(189,913)
Premises repairs and maintenance	**(1,313,531)**	(808,956)	**(1,116,591)**	(216,901)
Other	**(20,972)**	(12,323)	**(18,420)**	(3,243)
	(13,618,219)	(7,961,713)	**(11,864,751)**	(2,102,770)

12. Other operating costs

Included in other operating costs are the following:				
Depreciation of plant and equipment	**(6,143,278)**	(4,655,813)	**(533,073)**	(177,208)
2% IMT Tax	**(4,717,296)**	(3,334,778)	**(3,931,941)**	(883,132)
Repairs and maintenance – other assets	**(2,138,955)**	(1,262,098)	**(1,798,534)**	(335,667)
Marketing and advertising	**(893,620)**	(241,840)	**(747,483)**	(62,699)
Bank charges	**(873,981)**	(664,681)	**(729,337)**	(174,653)
Printing and stationery	**(808,112)**	(401,894)	**(681,879)**	(106,702)
Transport, motor vehicle and communication costs	**(749,521)**	(512,703)	**(633,197)**	(136,019)
Information and technology	**(603,181)**	(497,709)	**(527,299)**	(128,067)
Auditors' remuneration and expenses	**(547,193)**	(261,132)	**(466,016)**	(69,265)
Legal and professional fees	**(531,951)**	(439,544)	**(431,581)**	(123,890)
Insurance	**(442,396)**	(361,491)	**(391,066)**	(93,328)
Packaging and wrapping	**(297,268)**	(115,138)	**(268,964)**	(30,080)
Travel expenses	**(233,836)**	(99,268)	**(195,857)**	(26,265)
Security	**(208,558)**	(134,227)	**(177,281)**	(35,939)
Licenses	**(164,799)**	(136,297)	**(143,330)**	(36,374)
Secretarial and listing fees	**(126,613)**	(93,596)	**(106,741)**	(24,947)
Guest supplies and entertainment	**(105,025)**	(14,939)	**(97,878)**	(3,972)
Provision for expected credit losses	**(41,404)**	(28,824)	**(32,829)**	(6,673)
Donations	**(17,444)**	(4,149)	**(16,037)**	(1,098)
Debt collection commission	**-**	(151,002)	**-**	(34,729)
Impairment of property, plant, and equipment	**-**	(83)	**-**	(916)
Other*	**(937,929)**	(607,556)	**(781,886)**	(176,006)
	(20,582,360)	(14,018,762)	**(12,692,209)**	(2,667,629)

**Due to the nature of the Group's diversified operations in multiple industries, other expenses include several line items that are not material enough to be reasonably disaggregated.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Investment income/finance costs

	INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
13.1 Investment income				
Interest on bank deposits	**202,139**	3,599,538	**201,723**	868,811
Interest on receivables	**1,462**	-	**1,504**	-
Interest on short term loans	**2,432**	14,400	**1,679**	4,177
Interest on staff loans	**65,285**	4,478	**64,501**	1,094
	271,318	3,618,416	**269,407**	874,082
13.2 Finance costs				
Comprising interest payable on:				
Lease liability	**(1,121,873)**	(703,763)	**(938,643)**	(148,848)
Overdrafts and short-term borrowings	**(88,936)**	(410)	**(75,978)**	(104)
Other finance costs	**(235)**	(352)	**(174)**	(94)
	(1,211,044)	(704,525)	**(1,014,795)**	(149,046)

Interest from bank deposits is based on interest rates fixed by the banks from time to time. Interest on short-term loans, short-term borrowings and lease liability is calculated using the effective interest rate method.

14. Income taxes

	INFLATION ADJUSTED		HISTORICAL COST	
CONTINUING OPERATIONS **14.1 Income tax recognised in profit for the period**	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Tax expense comprising the following:				
Current tax expense in respect of the current period	**(6,624,383)**	(5,173,711)	**(4,846,739)**	(1,362,769)
Deferred tax arising from temporary differences	**2,128,274**	977,765	**2,730,022**	288,890
Capital gains tax	**-**	(387,987)	**-**	(120,788)
Withholding tax on investment revenue	**(1,081)**	(165)	**(1,028)**	(42)
Total tax expense	**(4,497,190)**	(4,584,098)	**(2,117,745)**	(1,194,709)
The income tax expense for the period can be reconciled to the accounting profit as follows:				
Profit before tax	**7,587,269**	14,373,414	**14,452,870**	9,642,932
Income tax calculated at 24.72%	**(1,875,573)**	(3,553,108)	**(3,572,749)**	(2,383,733)
Effect of revenue that is exempt from income tax	**647,940**	1,901,645	**439,736**	1,275,788
Effect of expenses that are not deductible in determining taxable profit*	**(5,654,779)**	(2,924,655)	**(603,502)**	(81,411)
Effect of rebasing tax bases	**2,384,181**	-	**1,618,065**	-
Effect of expired and unrecognised tax losses	**-**	(8,009)	**-**	(5,373)
Effect of revenue and expenditure taxed at other rates	**1,041**	29	**705**	20
Income tax expense recognised in profit for the period	**(4,497,190)**	(4,584,098)	**(2,117,745)**	(1,194,709)

**Expenses that are not deductible in determining taxable profit includes mostly accounting provisions that are not recognised as deductible expenses by the tax legislation.*

The income tax rate used for the reconciliation above, is the corporate tax rate of 24.72% (2022: 24.72%), payable by corporate entities in Zimbabwe. The deferred tax rate used is the corporate tax rate of 24.72% (2022: 24.72%).

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Income taxes (continued)

14.2 Deferred tax balances (continued)

14.2 Deferred tax balances

INFLATION ADJUSTED

The deferred tax balance is arising from the following:	Beginning of the year ZWL 000	Recognised in profit or loss ZWL 000	End of the year ZWL 000
At 28 February 2023			
Assessed losses	**(49,883)**	**(1,264)**	**(51,147)**
Property, plant and equipment	**4,077,097**	**(1,278,273)**	**2,798,824**
Exchange differences	**235,583**	**(277,907)**	**(42,324)**
Provisions	**(98,242)**	**(23,862)**	**(122,104)**
Receivables and prepayments	**40,391**	**(36,139)**	**4,252**
Inventory	**264,900**	**(393,294)**	**(128,394)**
Lease liability	**2,057,332**	**122,920**	**2,180,252**
Other	**26,616**	**(15,944)**	**10,672**
Deferred capital gains tax on land	**471,380**	**(224,511)**	**246,869**
	7,025,174	**(2,128,274)**	**4,896,900**
At 31 March 2022			
Assessed losses	(76,419)	26,536	(49,883)
Property, plant and equipment	4,921,757	(844,660)	4,077,097
Exchange differences	1,046,641	(811,058)	235,583
Provisions	(90,544)	(7,698)	(98,242)
Receivables and prepayments	1,392	38,999	40,391
Inventory	66,887	198,013	264,900
Lease liability	1,633,495	423,837	2,057,332
Other	25,859	757	26,616
Deferred capital gains tax on land	473,871	(2,491)	471,380
	8,002,939	(977,765)	7,025,174

HISTORICAL COST

The deferred tax balance is arising from the following:	Beginning of the year ZWL 000	Recognised in profit or loss ZWL 000	End of the year ZWL 000
At 28 February 2023			
Assessed losses	**(17,322)**	**(33,981)**	**(51,303)**
Property, plant and equipment	**(108,791)**	**(1,715,567)**	**(1,824,358)**
Exchange differences	**85,656**	**(85,656)**	**-**
Provisions	**(26,231)**	**(261,879)**	**(288,110)**
Receivables and prepayments	**69**	**(43,043)**	**(42,974)**
Inventory	**-**	**-**	**-**
Lease liability	**(48,168)**	**(588,760)**	**(636,928)**
Other	**(2,639)**	**(97)**	**(2,736)**
Deferred capital gains tax on land	**3,128**	**(1,039)**	**2,089**
	(114,298)	**(2,730,022)**	**(2,844,320)**

HISTORICAL COST

At 31 March 2022	Beginning of the year ZWL 000	Recognised in profit or loss ZWL 000	End of the year ZWL 000
Assessed losses	(15,228)	(2,094)	(17,322)
Property, plant and equipment	27,919	(136,710)	(108,791)
Exchange differences	208,428	(122,772)	85,656
Provisions	(15,558)	(10,673)	(26,231)
Receivables and prepayments	69	-	69
Inventory	2	(2)	-
Lease liability	(25,393)	(22,775)	(48,168)
Other	(8,784)	6,145	(2,639)
Deferred capital gains tax on land	3,137	(9)	3,128
	174,592	(288,890)	(114,298)

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Income taxes (continued)

14.2 Deferred tax balances (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Comprising:				
Deferred tax asset	**(14,908)**	(8,346)	**(2,844,441)**	(194,105)
Deferred tax liability	**4,911,808**	7,033,520	**121**	79,807
Deferred tax liability / (asset)	**4,896,900**	7,025,174	**(2,844,320)**	(114,298)

15. Discontinued operations

Tanganda Tea Company ("Tanganda")

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 the 3rd of 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 were disclosed as discontinued operations in the 31 March 2022 financial statements, with details included below.

Greatermans Stores

As reported in the prior years' financial statements, the Group exited the departmental stores' segment. All assets which had been disclosed as non-current assets held for sale in the prior years' financial statements have been disposed of. The summary of the profit / (loss) position from Greatermans Stores in the prior year have been disclosed as discontinued operations in the comparative period, with details included below. The segment's financial results no longer meet the recognition criteria for discontinued operation presentation in the current period financial statements.

	INFLATION ADJUSTED		HISTORICAL COST	
15.1 Profit / (loss) for the period from discontinued operations	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Revenue	-	9,821,228	-	2,366,545
Net operating costs	-	(9,508,971)	-	(1,942,862)
Other operating income	-	(195,999)	-	46,613
Operating profit	-	116,258	-	470,296
Investment income	-	5	-	1
Interest expense	-	(285,986)	-	(67,803)
Exchange gains	-	641,356	-	171,345
Profit on disposal of property, plant and equipment	-	8,963	-	2,288
Impairment of property, plant and equipment	-	(88)	-	-
Fair value adjustments on biological assets	-	(324,773)	-	(111,381)
Net monetary adjustment	-	(1,774,354)	-	-
(Loss) / profit before tax	-	(1,618,619)	-	464,746
Taxation	-	(74,423)	-	(37,356)
(Loss) / profit for the period from discontinued operations	-	(1,693,042)	-	427,390
15.2 Cash flows from discontinued operations				
Net cash flows from operating activities	-	(752,614)	-	(254,023)
Net cash flows from investing activities	-	(773,484)	-	(235,630)
Net cash flows from financing activities	-	958,666	-	368,345
Net cash flows from discontinued operations	-	(567,432)	-	(121,308)

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Discontinued operations (continued)

15.3 Analysis of assets distributed to shareholders	INFLATION ADJUSTED 28 February 2023 ZWL 000	INFLATION ADJUSTED 31 March 2022 ZWL 000	HISTORICAL COST 28 February 2023 ZWL 000	HISTORICAL COST 31 March 2022 ZWL 000
Assets				
Cash and bank balances	-	(499,735)	-	(151,191)
Trade and other receivables	-	(2,151,207)	-	(646,801)
Inventories	-	(4,070,934)	-	(1,200,405)
Other financial assets	-	(2,289)	-	(692)
Intangible	-	(26,826)	-	(124)
Biological assets	-	(2,297,996)	-	(695,241)
Property, plant and equipment	-	(15,889,958)	-	(817,727)
Total assets	-	(24,938,945)	-	(3,512,181)
Liabilities				
Trade and other payables	-	1,368,348	-	413,983
Borrowings	-	706,774	-	213,829
Deferred tax	-	2,438,920	-	109,437
Total liabilities	-	4,514,042	-	737,249
Net assets distributed to shareholders	-	(20,424,903)	-	(2,774,932)
Net consideration on distribution - dividend *in specie**	-	20,603,809	-	6,669,556
Profit on discontinuance	-	178,906	-	3,894,624

*For the purpose of the Tanganda unbundling transaction, the Directors obtained a valuation report from an independent valuer not connected with the Group. The valuer prepared a business valuation of Tanganda, using valuation approaches and models consistent with generally accepted valuation techniques for determining the fair value of a business. The valuation amount was a weighted average of two valuation methodologies: the Discounted Cash Flows ("DCFs") and Enterprise value multiples ("EV").

For the EV valuation method, the significant unobservable level 3 input used in this valuation was the average EV proxy multiple obtained from comparable agricultural entities listed on the Zimbabwe Stock Exchange, Johannesburg Stock Exchange, and the Nairobi Stock Exchange. A 20% non-trading discount was applied to the proxy multiples to reflect the non-tradability of the Tanganda shares as they were not listed on a stock exchange at the time.

For the DCF valuation method, the discount factor was the significant unobservable input. The discount factor was calculated as the weighted average cost of capital, combining the cost of equity and cost of debt. For the cost of equity the Capital Asset Pricing Model was used, whilst for the cost of debt Tanganda's internal interest rates of similar long term borrowings was used.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Cash flow information

16.1 Net cash generated from operating activities

		INFLATION ADJUSTED		HISTORICAL COST	
Cash flows from operating activities	**Notes**	**11 months to 28 February 2023 ZWL 000**	12 months to 31 March 2022 ZWL 000	**11 months to 28 February 2023 ZWL 000**	12 months to 31 March 2022 ZWL 000
Profit before tax – continuing operations		**7,587,269**	14,373,414	**14,452,870**	9,642,932
(Loss) / profit before tax – discontinued operations	**15.1**	**-**	(1,618,619)	**-**	464,746
		7,587,269	12,754,795	**14,452,870**	10,107,678
Adjustments for:					
- Depreciation and impairment of property, plant and equipment; investment property and right-of-use assets – continuing operations		**6,646,280**	4,987,658	**974,854**	249,659
- Depreciation and impairment of property, plant and equipment – discontinued operations		**-**	553,745	**-**	16,730
- Net interest – continuing operations		**939,726**	(2,913,891)	**745,388**	(725,036)
- Net interest – discontinued operations		**-**	285,981	**-**	67,802
- Net monetary gain – continuing operations		**(9,688,933)**	(2,260,730)	**-**	-
- Net monetary gain – discontinued operations		**-**	1,774,354	**-**	-
- Net exchange gains – continuing operations		**(847,805)**	(2,514,265)	**(400,421)**	(770,992)
- Net exchange gains – discontinued operations	**15.1**	**-**	(641,356)	**-**	(171,345)
-Profit on distribution of subsidiary equity to shareholders	**15.3**	**-**	(178,906)	**-**	(3,894,624)
- Fair value adjustments on biological assets – discontinued operations	**15.1**	**-**	324,773	**-**	111,381
- Loss / (profit) on disposal of property, plant and equipment – continuing operations	**9**	**5,214**	(595,960)	**(19,610)**	(131,071)
- Profit on disposal of property, plant and equipment – discontinued operations	**15.1**	**-**	(8,963)	**-**	(2,288)
- Provision for expected credit losses	**12**	**41,404**	28,824	**32,829**	6,673
- Other non-cash movements		**-**	38,905	**-**	17,121
Operating cash flow before working capital changes		**4,683,155**	11,634,964	**15,785,910**	4,881,688
Increase in inventories – continuing operations		**(4,484,990)**	(5,756,537)	**(16,655,253)**	(3,442,866)
Increase in inventories – discontinued operations		**-**	(19,346)	**-**	(423,567)
Decrease / (increase) in trade and other receivables – continuing operations		**(1,548,874)**	2,478,601	**(4,675,992)**	(2,507)
Decrease / (increase) in trade and other receivables – discontinued operations		**-**	314,298	**-**	(127,166)
Increase in trade and other payables – continuing operations		**10,929,360**	5,341,812	**22,928,809**	3,559,833
Increase in trade and other payables – discontinued operations		**-**	(373,518)	**-**	(21,741)
Cash generated from operations		**9,578,651**	13,620,274	**17,383,474**	4,423,674
Income taxes paid	**16.2**	**(7,297,065)**	(6,734,310)	**(5,016,065)**	(1,612,358)
Net cash generated from operating activities		**2,281,586**	6,885,964	**12,367,409**	2,811,316

16.2 Income taxes paid

Balance at the beginning of the period		**(767,397)**	(1,892,820)	**(264,094)**	(377,196)
Current, capital gains and withholding taxes:					
- current tax, continuing operations	**14.1**	**(6,624,383)**	(5,173,711)	**(4,846,739)**	(1,362,769)
- capital gains tax, continuing operations	**14.1**	**-**	(387,987)	**-**	(120,788)
- withholding tax on investment revenue, continuing operations	**14.1**	**(1,081)**	(165)	**(1,028)**	(42)
- discontinued operations		**-**	(47,024)	**-**	(15,657)
Balance at the end of the period		**95,796**	767,397	**95,796**	264,094
Income taxes paid		**(7,297,065)**	(6,734,310)	**(5,016,065)**	(1,612,358)

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Earnings per share

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

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Profit for the period attributable to owners of the parent used in the calculation of total basic earnings per share from continuing operations	**803,004**	6,187,646	**6,246,020**	6,766,311
Add: (Loss) / profit for the period from discontinued operations	**-**	(1,693,042)	**-**	427,390
	803,004	4,494,604	**6,246,020**	7,193,701
Weighted average number of ordinary shares for the purposes of basic earnings per share	**261,064,590**	261,064,590	**261,064,590**	261,064,590
Basic and diluted earnings per share (cents)	**307.59**	1,721.64	**2,392.52**	2,755.53
From continuing operations	**307.59**	2,370.16	**2,392.52**	2,591.81
From discontinued operations	**-**	(648.52)	**-**	163.72

18. Property, plant and equipment

INFLATION ADJUSTED

At 28 February 2023	**Land and buildings ZWL 000**	**Leasehold improvements ZWL 000**	**Furniture and equipment ZWL 000**	**Motor vehicles ZWL 000**	**Work in progress ZWL 000**	**Total ZWL 000**
Opening carrying value	**8,504,044**	**7,955,792**	**6,906,438**	**277,829**	**2,332,375**	**25,976,478**
Additions	**-**	**947,578**	**567,268**	**23,102**	**6,226,409**	**7,764,357**
Transfer in / (out) of work in progress	**-**	**2,902,368**	**4,226,681**	**102,869**	**(7,231,918)**	**-**
Transfer to investment property	**(942,324)**	**-**	**-**	**-**	**(311,726)**	**(1,254,050)**
Net movement in service assets	**-**	**-**	**3,403**	**-**	**-**	**3,403**
Disposals – cost	**-**	**(28)**	**(499,931)**	**(1,934)**	**-**	**(501,893)**
Disposals – accumulated depreciation	**-**	**19**	**471,775**	**1,249**	**-**	**473,043**
Depreciation	**(86,975)**	**(3,328,734)**	**(2,658,526)**	**(108,609)**	**-**	**(6,182,844)**
Closing carrying value	**7,474,745**	**8,476,995**	**9,017,108**	**294,506**	**1,015,140**	**26,278,494**
At cost	**9,156,943**	**20,787,594**	**20,831,045**	**774,776**	**1,015,140**	**52,565,498**
Accumulated depreciation	**(1,682,198)**	**(12,310,599)**	**(11,813,766)**	**(480,270)**	**-**	**(26,286,833)**
Accumulated impairment	**-**	**-**	**(171)**	**-**	**-**	**(171)**
Carrying value at 28 February 2023	**7,474,745**	**8,476,995**	**9,017,108**	**294,506**	**1,015,140**	**26,278,494**

At 31 March 2022	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	9,122,024	7,669,247	6,986,977	292,285	740,679	24,811,212
Additions	130,681	2,426,330	2,079,016	87,065	1,591,696	6,314,788
Net movement in service assets	-	-	1,267	-	-	1,267
Disposals – cost	(671,439)	(17,380)	(445,765)	(15,256)	-	(1,149,840)
Disposals – accumulated depreciation	176,611	17,380	444,782	15,256	-	654,029
Impairment	-	-	(83)	-	-	(83)
Depreciation	(253,833)	(2,139,785)	(2,159,756)	(101,521)	-	(4,654,895)
Closing carrying value	8,504,044	7,955,792	6,906,438	277,829	2,332,375	25,976,478
At cost	11,182,207	16,937,690	16,533,625	650,739	2,332,375	47,636,636
Accumulated depreciation	(2,386,860)	(8,981,898)	(9,627,016)	(372,910)	-	(21,368,684)
Accumulated impairment	(291,303)	-	(171)	-	-	(291,474)
Carrying value at 31 March 2022	8,504,044	7,955,792	6,906,438	277,829	2,332,375	25,976,478

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Property, plant, and equipment (continued)

HISTORICAL COST

At 28 February 2023	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	126,061	901,994	773,493	34,223	672,801	2,508,572
Additions	-	58,150	30,340	-	7,108,199	7,196,689
Transfer in / (out) of work in progress	-	2,528,612	3,924,683	77,819	(6,531,114)	-
Transfer to investment property	(49,697)	-	-	-	(283,121)	(332,818)
Net movement in service assets	-	-	3,403	-	-	3,403
Disposals – cost	-	(1)	(3,315)	(22)	-	(3,338)
Disposals – accumulated depreciation	-	1	3,135	15	-	3,151
Depreciation	(1,531)	(235,985)	(303,368)	(17,492)	-	(558,376)
Closing carrying value	74,833	3,252,771	4,428,371	94,543	966,765	8,817,283
At cost	86,295	3,601,461	4,883,306	120,874	966,765	9,658,701
Accumulated depreciation	(11,057)	(346,962)	(449,855)	(26,327)	-	(834,201)
Accumulated impairment	(405)	(1,728)	(5,080)	(4)	-	(7,217)
Carrying value at 28 February 2023	74,833	3,252,771	4,428,371	94,543	966,765	8,817,283

At 31 March 2022	Land and buildings ZWL 000	Leasehold improvements ZWL 000	Furniture and equipment ZWL 000	Motor vehicles ZWL 000	Work in progress ZWL 000	Total ZWL 000
Opening carrying value	85,496	343,813	322,007	20,745	55,385	827,446
Additions	44,835	631,224	546,949	20,721	617,416	1,861,145
Net movement in service assets	-	-	435	-	-	435
Disposals – cost	(3,107)	(123)	(2,337)	(71)	-	(5,638)
Disposals – accumulated depreciation	829	123	2,331	71	-	3,354
Impairment	-	(477)	(439)	-	-	(916)
Depreciation	(1,992)	(72,566)	(95,453)	(7,243)	-	(177,254)
Closing carrying value	126,061	901,994	773,493	34,223	672,801	2,508,572
At cost	139,815	1,014,699	928,196	43,077	672,801	2,798,588
Accumulated depreciation	(12,001)	(110,977)	(149,623)	(8,850)	-	(281,451)
Accumulated impairment	(1,753)	(1,728)	(5,080)	(4)	-	(8,565)
Carrying value at 31 March 2022	126,061	901,994	773,493	34,223	672,801	2,508,572

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

19. Investment property

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Opening carrying value	48,355	49,473	221	226
Transfer from property, plant and equipment	1,254,050	-	332,818	-
Additions	129,990	-	117,110	-
Depreciation	(109,601)	(1,118)	(2,816)	(5)
Closing carrying value	1,322,794	48,355	447,333	221
Comprising:				
Land and buildings – cost	2,534,000	67,020	454,060	310
Accumulated depreciation	(911,546)	(10,307)	(5,341)	(51)
Accumulated impairment	(299,660)	(8,358)	(1,386)	(38)
	1,322,794	48,355	447,333	221
Rental income from investment properties (included in revenue and other income)	574,945	2,369	496,521	1,817
Related expenses (included in cost of sales and operating expenses)	(353,306)	(215)	(207,100)	(157)
Profit arising from investment properties carried at cost	221,639	2,154	289,421	1,660

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Investment property (continued)

The carrying value of investment properties was assessed for impairment at 28 February 2023 and no impairment was identified. The Group owns the investment properties through its subsidiaries, TM Supermarkets (Private) Limited ("TM") and Thomas Meikle Properties (Private) Limited ("TMP"). A market valuation was obtained during the period for investment properties with a carrying value of ZWL 1.3 billion belonging to TMP and amounted to ZWL 7.9 billion. The valuation was performed by an independent professional valuer, not connected to the Group. The remaining properties with a carrying value of ZWL 46.6 million are owned by TM and have the following details: Stand number 32, Main Street, Chipinge with a carrying amount of ZWL 7.8 million (2022: ZWL 8.1 million); and stand number 8965, Machipisa, Highfield, Harare with a carrying amount of ZWL 38.9 million (2022: ZWL 40.3 million).

20. Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Opening carrying value	**11,062,817**	8,871,721	**947,664**	420,074
Additions	**-**	2,522,658	**-**	599,074
Lease modification	**2,237,669**	-	**1,705,901**	
Depreciation	**(353,835)**	(331,562)	**(413,662)**	(71,484)
Closing carrying value	**12,946,651**	11,062,817	**2,239,903**	947,664
Comprising				
Cost	**14,933,995**	12,696,326	**2,804,762**	1,098,860
Accumulated depreciation	**(1,987,344)**	(1,633,509)	**(564,859)**	(151,196)
	12,946,651	11,062,817	**2,239,903**	947,664

The Group's leases include leases of offices, retail stores and residential property in Zimbabwe. The corresponding lease liability for the above right of use assets is disclosed on note 28.

21. Other financial assets

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Opening carrying value (short term and long-term portions)	**1,984,031**	1,112,285	**1,668,304**	934,664
Interest accrual	**59,712**	75,905	**47,102**	26,122
Additions	**295,892**	380,110	**188,604**	123,722
Exchange rate gain on foreign translations	**7,878,113**	612,175	**7,878,113**	612,175
Disposals and repayments	**(16,193)**	(14,649)	**(12,667)**	(5,041)
Mark to market loss on initial recognition of staff loansI[4]	**(189,987)**	(88,418)	**(152,057)**	(23,338)
Monetary adjustment	**(394,169)**	(93,377)	**-**	-
	9,617,399	1,984,031	**9,617,399**	1,668,304
Less: Short term portion in current assets	**(58,778)**	(132,652)	**(58,778)**	(45,651)
Non-current closing carrying value	**9,558,621**	1,851,379	**9,558,621**	1,622,653
Comprising:				
Carried at amortised cost:				
Funds due from MCH[1]	**10,435,808**	1,671,637	**10,435,808**	1,671,637
Staff loans[4]	**236,536**	473,664	**236,536**	163,008
Short term loans[2]	**115**	7,732	**115**	2,661
Provision for credit losses	**(1,055,060)**	(169,002)	**(1,055,060)**	(169,002)
	9,617,399	1,984,031	**9,617,399**	1,668,304
Movement in provision for credit losses:				
Opening balance	**(169,002)**	(100,151)	**(169,002)**	(100,151)
Exchange rate adjustment – provision for credit losses on funds due from MCH[3]	**(886,058)**	(68,851)	**(886,058)**	(68,851)
	(1,055,060)	(169,002)	**(1,055,060)**	(169,002)

[1]Refer to note 4.2.1 for further details.

[2]In the current financial period, short term loans are represented by Barkpest Investments (Private) Limited ("Barkpest") and Liftbrok Investments (Private) Limited ("Liftbrok"), collectively the "share purchase vehicles". The share purchase vehicles hold shares in the Company under the name Barkpest. The loans are payable on demand.

[3]Management recognised a provision for credit losses on funds due from MCH based on the lifetime expected credit losses model in-line with the requirements of IFRS 9. In determining the provision for credit losses, management considered the security on this balance and was satisfied that it adequately covers the amount receivable to the Group. This balance is denominated in US$ and hence the provision amount is subject to exchange rate adjustments at each reporting date.

[4]Staff loans relate to amounts advanced to employees for the purchase of motor vehicles at a discounted interest rate. The loans have been discounted to present value using market interest rates, resulting in the recognition of a mark to market loss on initial recognition. The mark to market loss has been included in employee costs per note 10. The loans are secured against the vehicles.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Other financial assets (continued)

21.1 Holdings in subsidiaries

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

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

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

	INFLATION ADJUSTED					
	TM Supermarkets (Private) Limited		Meikles Centar Mining (Private) Limited		TOTAL	
	28 February 2023	31 March 2022	**28 February 2023**	31 March 2022	**28 February 2023**	31 March 2022
Proportion of ownership interests and voting rights held by non-controlling interests	49%	49%	49%	49%		
	ZWL 000	ZWL 000	**ZWL 000**	ZWL 000	**ZWL 000**	ZWL 000
Opening accumulated non-controlling interests	**16,355,516**	14,103,432	**(4,154)**	(6,761)	**16,351,362**	14,096,671
Profit/(loss) allocated to non-controlling interests	**2,284,495**	3,599,063	**2,580**	2,607	**2,287,075**	3,601,670
Dividend paid	**(226,888)**	(1,346,979)	**-**	-	**(226,888)**	(1,346,979)
Closing accumulated non-controlling interests	**18,413,123**	16,355,516	**(1,574)**	(4,154)	**18,411,549**	16,351,362
Summarised financial information:						
(Before intra-group eliminations)						
Current assets	**35,267,479**	24,969,151	**-**	-	**35,267,479**	24,969,151
Non-current assets	**36,119,737**	33,620,182	**-**	-	**36,119,737**	33,620,182
Current liabilities	**(28,456,642)**	(18,915,507)	**(2,860)**	(8,124)	**(28,459,502)**	(18,923,631)
Non-current liabilities	**(7,755,340)**	(8,473,832)	**-**	-	**(7,755,340)**	(8,473,832)
Equity attributable to owners of the parent	**16,762,111**	14,844,478	**(1,286)**	(3,970)	**16,760,825**	14,840,508
Non-controlling interests	**18,413,123**	16,355,516	**(1,574)**	(4,154)	**18,411,549**	16,351,362
Revenue	**276,818,565**	192,594,108	**-**	-	**276,818,565**	192,594,108
Expenses	**(272,616,437)**	(185,582,982)	**5,264**	5,320	**(272,611,173)**	(185,577,662)
Profit for the period	**4,202,128**	7,011,126	**5,264**	5,320	**4,207,392**	7,016,446
Profit attributable to owners of the parent	**1,917,633**	3,412,063	**2,684**	2,713	**1,920,317**	3,414,776
Profit attributable to non-controlling interests	**2,284,495**	3,599,063	**2,580**	2,607	**2,287,075**	3,601,670
Profit for the period	**4,202,128**	7,011,126	**5,264**	5,320	**4,207,392**	7,016,446
Net cash flow from operating activities	**14,737,866**	4,202,383	**-**	-	**14,737,866**	4,202,383
Net cash flow from investing activities	**(7,766,617)**	(2,716,372)	**-**	-	**(7,766,617)**	(2,716,372)
Net cash flow from financing activities	**(3,850,073)**	(646,424)	**-**	-	**(3,850,073)**	(646,424)
Net cash flow	**3,121,176**	839,587	**-**	-	**3,121,176**	839,587

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Other financial assets (continued)

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

	HISTORICAL COST					
	TM Supermarkets (Private) Limited		Meikles Centar Mining (Private) Limited		TOTAL	
	28 February 2023	31 March 2022	28 February 2023	31 March 2022	28 February 2023	31 March 2022
Proportion of ownership interests and voting rights held by non-controlling interests	49%	49%	49%	49%		
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Opening accumulated non-controlling interests	2,033,911	801,889	(1,370)	(1,313)	2,032,541	800,576
Profit/(loss) allocated to non-controlling interests	6,089,137	1,681,969	(32)	(57)	6,089,105	1,681,912
Dividend paid	(179,337)	(449,947)	-	-	(179,337)	(449,947)
Closing accumulated non-controlling interests	7,943,711	2,033,911	(1,402)	(1,370)	7,942,309	2,032,541
Summarised financial information:						
(Before intra-group eliminations)						
Current assets	35,205,585	8,206,206	-	-	35,205,585	8,206,206
Non-current assets	12,836,770	3,409,783	-	-	12,836,770	3,409,783
Current liabilities	(28,456,642)	(6,509,628)	(2,860)	(2,796)	(28,459,502)	(6,512,424)
Non-current liabilities	(3,880,260)	(1,042,950)	-	-	(3,880,260)	(1,042,950)
Equity attributable to owners of the parent	7,761,742	2,029,500	(1,458)	(1,426)	7,760,284	2,028,074
Non-controlling interests	7,943,711	2,033,911	(1,402)	(1,370)	7,942,309	2,032,541
Revenue	229,077,852	50,880,492	-	-	229,077,852	50,880,492
Expenses	(217,256,474)	(47,543,733)	(64)	(117)	(217,256,538)	(47,543,850)
Profit / (loss) for the period	11,821,378	3,336,759	(64)	(117)	11,821,314	3,336,642
Profit / (loss) attributable to owners of the parent	5,732,241	1,654,790	(32)	(60)	5,732,209	1,654,730
Profit / (loss) attributable to non-controlling interests	6,089,137	1,681,969	(32)	(57)	6,089,105	1,681,912
Profit / (loss) for the period	11,821,378	3,336,759	(64)	(117)	11,821,314	3,336,642
Net cash flow from operating activities	11,427,911	2,760,066	-	-	11,427,911	2,760,066
Net cash flow from investing activities	(5,588,060)	(1,559,756)	-	-	(5,588,060)	(1,559,756)
Net cash flow from financing activities	(1,450,896)	(599,554)	-	-	(1,450,896)	(599,554)
Net cash flow	4,088,955	600,756	-	-	4,088,955	600,756

21.3 Interest in joint operations:

The Victoria Falls Hotel

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Non-current assets	1,642,021	1,223,560	582,449	196,375
Current assets	1,246,409	416,123	1,067,121	142,705
Non-current liabilities	-	(84,700)	-	(28,472)
Current liabilities	(745,834)	(272,287)	(745,834)	(93,706)
Revenue	2,357,423	559,016	2,038,638	145,528
Expenses	(1,059,415)	(520,489)	(1,170,101)	(151,042)
Profit / (loss) for the period	1,298,008	38,527	868,537	(5,514)

The Victoria Falls Hotel had no contingent liabilities at year end.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
Inventories comprise:	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Raw materials and consumables	**1,705,601**	1,009,029	**1,701,381**	327,185
Merchandise and manufactured goods	**20,847,209**	17,058,791	**20,802,747**	5,521,690
	22,552,810	18,067,820	**22,504,128**	5,848,875

Cost of inventories recognised as an expense was ZWL 213.8 billion (2022: ZWL 143.9 billion). The cost of inventories recognised as an expense includes ZWL 449 million (2022: ZWL 428 million) in respect of write-offs of inventory due to shrinkage.

23. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Trade receivables	**392,566**	102,081	**392,566**	35,130
Expected credit loss allowance	**(50,166)**	(50,375)	**(50,166)**	(17,337)
Net trade receivables	**342,400**	51,706	**342,400**	17,793
Prepayments and deposits	**1,176,690**	1,269,793	**1,161,943**	381,001
Outstanding proceeds on Meikles Hotel disposal	**-**	530,722	**-**	182,644
Receivables from leased premises	**2,978,676**	514,005	**2,978,676**	176,891
Other receivables	**2,085,806**	1,883,446	**2,085,806**	653,233
	6,583,572	4,249,672	**6,568,825**	1,411,562

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

INFLATION ADJUSTED

28 February 2023	<30	31-60	61-90	91-120	>120	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit losses	10%	10%	10%	7%	35%*	13%
Estimated carrying amount at default	153,935	108,985	69,686	15,825	44,135	392,566
Lifetime ECL	(16,011)	(10,775)	(6,666)	(1,174)	(15,540)	(50,166)
Balance	**137,924**	**98,210**	**63,020**	**14,651**	**28,595**	**342,400**

31 March 2022	<30	31-60	61-90	91-120	>120	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit losses	8%	10%	45%	57%	100%	49%
Estimated carrying amount at default	38,791	15,836	5,816	1,133	42,505	102,081
Lifetime ECL	(3,050)	(1,549)	(2,621)	(650)	42,505	(50,375)
Balance	**33,741**	**14,287**	**3,195**	**483**	**-**	**51,706**

HISTORICAL COST

28 February 2023	<30	31-60	61-90	91-120	>120	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit losses	10%	10%	10%	7%	35%*	13%
Estimated carrying amount at default	153,935	108,985	69,686	15,825	44,135	392,566
Lifetime ECL	(16,011)	(10,775)	(6,666)	(1,174)	(15,540)	(50,166)
Balance	**137,924**	**98,210**	**63,020**	**14,651**	**28,595**	**342,400**

31 March 2022	<30	31-60	61-90	91-120	>120	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit losses	8%	10%	45%	57%	100%	49%
Estimated carrying amount at default	12,661	5,450	2,001	390	14,628	35,130
Lifetime ECL	(1,050)	(533)	(902)	(224)	(14,628)	(17,337)
Balance	**11,611**	**4,917**	**1,099**	**166**	**-**	**17,793**

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Trade and other receivables (continued)

*As per the definition of default on note 3.20.3.5, trade receivables that are 120 days and above are presumed to be in default. However, a significant portion of receivables which fell in the 120-day bucket were subsequently recovered. Historical data was used to assess the default receivables and determine the loss given default percentage, used in the calculation of the lifetime ECL.

24. Cash and bank balances

	INFLATION ADJUSTED		HISTORICAL COST	
Current	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Bank balances	**25,043,828**	8,932,086	**25,043,828**	4,867,146
Cash on hand	**41,025**	21,395	**41,025**	7,363
	25,084,853	8,953,481	**25,084,853**	4,874,509

The Group has an amount of US$ 1,225,000 (ZWL 1,089,184,250), that is not available for use for a period of 6 months from the year end. This amount is a retention amount arising from part of the proceeds on disposal of Mentor Africa (Pty) Limited pursuant to the sale agreement.

25. Share capital and Directors' beneficial interests

25.1 Share capital

Ordinary shares of ZWL1 cent each:

	INFLATION ADJUSTED Group and Company		HISTORICAL COST Group and Company	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Opening issued share capital	**561,450**	561,450	**2,611**	2,611
Closing issued share capital	**561,450**	561,450	**2,611**	2,611

	Number 28 February 2023	Number 31 March 2022	Number 28 February 2023	Number 31 March 2022
Shares in issue	**261,064,590**	261,064,590	**261,064,590**	261,064,590
Unissued shares	**138,935,410**	138,935,410	**138,935,410**	138,935,410
Authorised shares	**400,000,000**	400,000,000	**400,000,000**	400,000,000

Meikles Limited Employee Share Ownership Trust

The Meikles Limited Employee Share Ownership Trust (the Trust) was established in August 2011 with the objective of empowering employees through their acquisition of a shareholding in Meikles Limited. A total of 28 million shares are available for acquisition by the Trust. To date, 10,778,510 shares (2022: 10,778,510) have been issued to the Trust. The purchase consideration of the shares is calculated on the basis of the weighted average price of the Company's shares over the thirty (30) days prior to the date of issue. The composition of the Trust participants is 95% workers and 5% management. The Trust held 1,660,000 shares at 28 February 2023 (2022: 1,860,000).

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

25.2 Directors' beneficial interests

At 28 February 2023 the direct and indirect beneficial interests of the Directors in the ordinary shares of the Company are shown below:

	Fully paid ordinary shares	
	28 February 2023	31 March 2022
J.R.T. Moxon	**27,470,596**	27,933,226
R. Chidembo	**945,930**	945,930
S.P. Cranswick	**94,649**	94,649
S.J. Hammond	**15,497**	15,497
C.C. Chitiyo	**4**	4
T. Muzvagwandoga	**71,778**	71,778

Mr. J.R.T. Moxon's indirect beneficial interests through Meikles Consolidated Holdings (Private) Limited ("MCH") are included in the disclosures above. MCH has a 48.38% shareholding in the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Other reserves

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Non-distributable reserve	**(1,863,739)**	(1,863,739)	**(14,445)**	(14,445)
Investments revaluation reserve	**1,439,734**	1,439,734	**1,439,734**	1,439,734
Foreign currency translation reserve	**23,149,368**	790,154	**25,134,965**	2,775,751
	22,725,363	366,149	**26,560,254**	4,201,040

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

26.1 Foreign currency translation reserve

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

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
As at 1 April 2022	**790,154**	(270,616)	**2,775,751**	1,714,981
Movements during the year	**22,359,214**	1,060,770	**22,359,214**	1,060,770
As at 28 February 2023	**23,149,368**	790,154	**25,134,965**	2,775,751

27. Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Opening balance	**359,127**	1,065,901	**123,591**	227,259
Interest expense	**88,936**	286,022	**75,978**	67,812
Repayments	**-**	(121,153)	**-**	(4,945)
Exchange movements	**436,505**	181,939	**680,695**	47,294
Monetary adjustment	**(4,304)**	(346,808)	**-**	-
Classified as held for distribution	-	(706,774)	**-**	(213,829)
	880,264	359,127	**880,264**	123,591
Less current portion	**(880,264)**	(359,127)	**(880,264)**	(123,591)
Non-current portion	**-**	-	**-**	-
Unsecured:				
Acceptance credits, loans and overdrafts	**880,264**	359,127	**880,264**	123,591
On demand and within one year	**880,264**	359,127	**880,264**	123,591

Summary of borrowing arrangements

- Included in the unsecured borrowings is a loan of ZWL 982,000 (2022: ZWL 2.8 million) from Afghan African Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited. The loan attracted interest of 5% per annum inclusive of an annual management fee. There are no fixed repayment terms.
- Included in the unsecured borrowings is a loan of ZWL 1.4 million (2022: ZWL 3.8 million) from Mr. Ian Hannam, who is part of Afghan African Holdings Limited. The loan attracts interest at 10% per annum and has no fixed repayment terms.
- Included in the unsecured borrowings is a loan of ZWL 878 million (2022: ZWL 353 million) from Barak Fund. The loan is denominated in US$ and attracts interest at 16% per annum. The loan is currently in default and the Group is applying for an exchange control approval to repay the loan.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. Lease liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Opening balance	**3,380,184**	2,907,404	**1,110,818**	528,682
Additions	**-**	2,561,563	**-**	616,195
Interest expense	**1,121,873**	703,763	**938,643**	148,848
Rental payments	**(1,190,055)**	(964,618)	**(1,013,627)**	(182,907)
Lease modifications	**2,237,669**	-	**1,705,901**	-
Exchange rate movements	**1,419,145**	-	**1,869,728**	-
Monetary adjustment	**(2,357,353)**	(1,827,928)	**-**	-
	4,611,463	3,380,184	**4,611,463**	1,110,818
Less current portion	**(774,594)**	(302,660)	**(774,594)**	(104,158)
Non-current portion	**3,836,869**	3,077,524	**3,836,869**	1,006,660
Maturity profile				
On demand	**787,047**	302,660	**787,047**	104,158
Between one and two years	**672,544**	380,962	**672,544**	131,105
Between two and three years	**557,262**	315,045	**557,262**	108,420
Between three and four years	**376,025**	356,329	**376,025**	122,628
Between four and five years	**400,634**	214,069	**400,634**	73,670
After five years	**1,832,632**	1,811,119	**1,832,632**	570,837
	4,626,144	3,380,184	**4,626,144**	1,110,818

29. Trade, other payables, and provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Trade payables	**22,293,028**	13,384,948	**22,293,028**	4,606,328
Accruals and other payables	**4,750,603**	3,356,206	**4,750,603**	1,154,555
Provisions – note 29.1	**2,523,413**	731,415	**2,523,413**	251,712
Dividend payable to Pick n Pay (Proprietary) Limited	**-**	1,215,004	**-**	418,134
	29,567,044	18,687,573	**29,567,044**	6,430,729

The credit period on purchases ranges from 7 to 60 days (2022: 7 to 60 days) from date of statement. Foreign suppliers are paid predominantly on prepayment or cash basis. Interest is charged by certain but not all suppliers on overdue payables.

Trade payables comprise amounts outstanding for trade purchases. The Directors consider that the carrying amount of trade payables approximate their fair values.

29.1 Provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Employee benefits*				
Balance at the beginning of the period	**600,128**	250,483	**206,530**	88,837
Net movements	**1,885,839**	414,109	**2,013,992**	117,693
Monetary adjustments	**(265,445)**	(64,464)	**-**	-
Balance at the end of the period	**2,220,522**	600,128	**2,220,522**	206,530
Audit fees				
Balance at the beginning of the period	**131,288**	81,786	**45,182**	39,873
Net movements	**265,862**	(5,638)	**257,709**	5,309
Monetary adjustments	**(94,259)**	55,139	**-**	-
Balance at the end of the period	**302,891**	131,287	**302,891**	45,182
Total provisions at the end of the period	**2,523,413**	731,415	**2,523,413**	251,712

**The provision for employee benefits represents annual leave entitlements, bonus and gratuities accrued.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. Related party transactions

Balances between the Company and its subsidiaries and joint operations, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below as well as in note 21.

30.1 Related party transactions and balances

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
During the period, group entities entered into the following transactions with related parties that are not members of the Group:				
Interest income – short term loans – see note 13.1	**2,432**	14,400	**1,679**	4,177
Interest payable - Afghan African Holdings Limited	**40**	131	**30**	33
Interest payable – Mr. Ian Hannam	**87**	283	**65**	71
Rentals – Wingray Properties (Private) Limited	**25,110**	14,979	**13,447**	4,628
Donation expense – Meikles Foundation	**17,443**	4,149	**16,037**	1,098
Cost recoveries - Meikles Consolidated Holdings (Private) Limited	**22,982**	14,411	**19,743**	3,771
Cost recoveries – Tanganda Tea Company	**20,197**	2,596	**16,888**	868
Dividend paid to Meikles Consolidated Holdings (Private) Limited	**768,069**	297,056	**537,853**	102,081
Dividend paid to Gondor Capital Limited	**-**	601,654	**-**	185,884
The following balances were outstanding at the end of the reporting date:				
Funds due from MCH (before ECL provisions) – see note 21	**10,435,808**	1,671,637	**10,435,808**	1,671,637
Short term loans – see note 21	**115**	7,732	**115**	2,661
African Afghan Holdings Limited – payable	**982**	2,766	**982**	952
Mr. Ian Hannam – payable	**1,355**	3,747	**1,355**	1,290
Current account - MCH	**162,644**	116,307	**162,644**	51,480
Current account – Tanganda Tea Company	**13,639**	4,867	**13,639**	1,675
Current account with MCH – receivable	**48,162**	7,715	**48,162**	7,715
Dividend payable to Pick n Pay (Proprietary) Limited	**-**	1,215,003	**-**	418,134

- The loan from African Afghan Holdings Limited, a minority shareholder in Meikles Centar Mining (Private) Limited, attracts interest at 5% including an annual management fee of 4% per annum. There are no fixed repayment terms.
- Meikles Consolidated Holdings (Private) Limited ("MCH") is the controlling shareholder of the Company. The current account is unsecured and has no fixed terms of repayment.
- The loan from Mr. Ian Hannam, who is connected with African Afghan Holdings Limited, attracts interest at 10% per annum and is repayable on demand.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Short-term benefits	**2,035,152**	1,276,347	**1,664,739**	330,198
Post-employment benefits	**16,787**	20,204	**13,731**	5,227
Total	**2,051,939**	1,296,551	**1,678,470**	335,425
Loans to key management personnel	**15,577**	8,520	**15,577**	2,932

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

31. Borrowing powers

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. Commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Commitments for the acquisition of property, plant and equipment				
Authorised but not yet contracted for	**38,387,384**	17,039,787	**38,387,384**	5,855,597
Group's share of capital commitments of joint operations	**1,075,726**	757,328	**1,075,726**	260,250

33. Retirement benefits

33.1 The Meikle Group Pension Scheme

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

33.2 National Social Security Authority Scheme

All eligible employees in Zimbabwe contribute to the National Social Security Authority Scheme (NSSA). NSSA is a defined benefit scheme promulgated under the National Social Security Authority Act 1989. The contribution rate is limited to specific contribution rates as legislated from time to time. The contribution rate for the current and prior year is the lower of ZWL34,291 and 4.5% of pensionable emoluments per employee per month.

34. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2022.

The capital structure of the Group consists of debt and equity

Debt is defined by the Group as long and short-term borrowings and lease liabilities (excluding derivatives, contingent consideration, and financial guarantee contracts) as disclosed in notes 27 and 28. Net debt is defined as debt after deducting cash and cash equivalents (including cash and bank balances in a disposal group held for sale).

Equity includes capital, reserves, retained earnings, and non-controlling interests as disclosed in notes 21.2, 25 and 26.

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

Below is a summary of the relationship between the Group's debt funding and its equity.

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Short term borrowings (note 27)	**880,264**	359,127	**880,264**	123,591
Lease liabilities (note 28)	**4,611,463**	3,380,184	**4,611,463**	1,110,818
Total debt	**5,491,727**	3,739,311	**5,491,727**	1,234,409
Total equity	**64,430,902**	40,890,596	**43,065,273**	9,708,867
Debt to equity ratio	**8.52%**	9.14%	**12.75%**	12.71%

The Board reviews the capital structure and adequacy of the Group at least quarterly through the Risk and Audit Committees as well as subsidiary board reviews. For the supermarkets segment, the Group has been expanding its branch network across the country, and this is being financed mostly through lease arrangements for the properties, resulting in debt capital in the form of lease liabilities, and internal resources for funding shelving and shopfloor equipment. Refurbishments to the premises of the property segment and rooms refurbishments of the hospitality segment were funded through internal resources. The Group considers this strategy as optimal for maximising shareholder value.

35. Financial instruments

35.1 Categories of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Financial instruments (continued)

35.2 Financial risk management objectives

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

The main categories of risk inherent in the business of the Group are:
- Credit risk
- Liquidity risk
- Market risk (including interest risk and currency rate risk)

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

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

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

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

35.3 Credit risk management

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
At amortised cost	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Other financial assets (note 21)	**9,617,399**	1,984,031	**9,617,399**	1,668,304
Trade and other receivables (excluding prepayments) (note 23)	**5,406,882**	1,016,328	**5,406,882**	354,820
Cash at banks (excluding cash on hand) (note 24)	**25,043,828**	8,932,086	**25,043,828**	4,867,146

The carrying amounts of financial assets represent the maximum exposure.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Financial instruments (continued)

35.3 Credit risk management (continued)

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

	INFLATION ADJUSTED		HISTORICAL COST	
Rating	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
AA	**599,110**	2,579,029	**599,110**	887,553
AA-	**756,077**	606,857	**756,077**	208,845
A+	**4,230,746**	1,576,253	**4,230,746**	542,455
A	**475,424**	194,002	**475,424**	66,764
A-	**913,009**	1,069,989	**913,009**	368,229
BBB+	**17,534,468**	2,788,930	**17,534,468**	2,753,026
BBB	**354,154**	64,230	**354,154**	22,104
Not rated	**157,320**	52,796	**157,320**	18,170
Cash on hand	**64,545**	21,395	**64,545**	7,363
	25,084,853	8,953,481	**25,084,853**	4,874,509

35.4 Liquidity risk management

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

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

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

	INFLATION ADJUSTED		
28 February 2023 – amortised cost	Carrying amount ZWL 000	Within 1 year ZWL 000	1 to 5 years ZWL 000
Unsecured acceptance credits, loans and overdrafts	**880,264**	**880,264**	**-**
Trade and other payables	**29,567,044**	**29,567,044**	**-**
Total financial liabilities	**30,447,308**	**30,447,308**	**-**
31 March 2022 – amortised cost			
Unsecured acceptance credits, loans and overdrafts	359,127	359,127	-
Trade and other payables	18,687,574	18,687,574	-
Total financial liabilities	19,046,701	19,046,701	-

	HISTORICAL COST		
28 February 2023 – amortised cost	Carrying amount ZWL 000	Within 1 year ZWL 000	1 to 5 years ZWL 000
Unsecured acceptance credits, loans and overdrafts	**880,264**	**880,264**	**-**
Trade and other payables	**29,567,044**	**29,567,044**	**-**
Total financial liabilities	**30,447,308**	**30,447,308**	**-**
31 March 2022 – amortised cost			
Unsecured acceptance credits, loans and overdrafts	123,591	123,591	-
Trade and other payables	6,430,729	6,430,729	-
Total financial liabilities	6,554,320	6,554,320	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Financial instruments (continued)

35.4 Liquidity risk management (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
Unsecured acceptance credits, loans and overdrafts reviewed annually				
- amount drawn down	**880,264**	359,127	**880,264**	123,591
- amount undrawn	-	-	**-**	-
	880,264	359,127	**880,264**	123,591

35.5 Market risk

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

35.6 Foreign currency risk management

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

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
Assets	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
United States dollar	**20,831,642**	11,938,829	**20,831,642**	4,108,657
South African rand	**270,673**	100,165	**270,673**	34,471
	21,102,315	12,038,994	**21,102,315**	4,143,128
Liabilities				
United States dollar	**10,536,627**	4,859,065	**10,536,627**	1,672,210
South African rand	**23,050**	15,200	**23,050**	5,231
British pound	**-**	4,751	**-**	1,635
	10,559,677	4,879,016	**10,559,677**	1,679,076

As at 28 February 2023, management performed a sensitivity analysis on monetary assets and liabilities. The following table illustrates the different scenarios based on US$ exchange rates to the ZWL at 1:889, 1:1000 and 1:5000.

	INFLATION ADJUSTED AND HISTORICAL COST		
28 February 2023	**At 1:889 ZWL 000**	**At 1:1000 ZWL 000**	**At 1:5000 ZWL 000**
Monetary assets (denominated in foreign currency)	**30,483,063**	**39,609,480**	**198,047,399**
Monetary liabilities (denominated in foreign currency)	**(1,178,929)**	**(1,779,274)**	**(8,896,371)**
Net monetary assets (denominated in foreign currency)	**29,304,134**	**37,830,206**	**189,151,028**
Potential increase to profit and equity for the period (after tax)	**-**	**8,526,072**	**159,846,894**

35.7 Market price

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Financial instruments (continued)

35.8 Fair value measurements

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

At 28 February 2023 the carrying amounts, as disclosed in the statement of financial position, of cash and cash equivalents, loans and receivables, interest bearing borrowings, overdrafts and trade and other payables approximate their fair values. Trade receivables will mature within 35 to 365 days and payables will mature within 7 to 30 days from date of statement.

35.9 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's staff loans that are marked to market on date of initial recognition. The loans have been issued to staff at reduced interest rates and are discounted to present value using market interest rates. The Group is therefore exposed to fluctuations in market interest rates.

The Group's borrowings are at fixed interest rates, and therefore not subject to fluctuations in interest rates. The Group manages the interest rate risk on borrowings by fixing the interest rate with the relevant lending institution wherever possible. Borrowings issued at variable interest rates expose the Group to cash flow interest risk. The effective rates on financial instruments at 28 February 2023 are:

28 February 2023	**INFLATION ADJUSTED**			
Financial assets – amortised cost	**Weighted average interest rate p.a**	**Within 1 year ZWL 000**	**1 to 5 years ZWL 000**	**Total ZWL 000**
Staff loans	**20%**	**73,472**	**163,064**	**236,536**
Total financial assets		**73,472**	**163,064**	**236,536**
Financial liabilities – amortised cost				
Acceptance credits and loans	**16.98%**	**880,264**	**-**	**880,264**
Total financial liabilities		**880,264**	**-**	**880,264**
31 March 2022				
Financial assets – amortised cost				
Staff loans	20%	125,101	348,563	473,664
Total financial assets		125,101	348,563	473,664
Financial liabilities – amortised cost				
Acceptance credits and loans	16.84%	359,127	-	359,127
Total financial liabilities		359,127	-	359,127

28 February 2023	**HISTORICAL COST**			
Financial assets – amortised cost	**Weighted average interest rate p.a**	**Within 1 year ZWL 000**	**1 to 5 years ZWL 000**	**Total ZWL 000**
Staff loans	**20%**	**73,472**	**163,064**	**236,536**
Total financial assets		**73,472**	**163,064**	**236,536**
Financial liabilities – amortised cost				
Acceptance credits and loans	**16.98%**	**880,264**	**-**	**880,264**
Total financial liabilities		**880,264**	**-**	**880,264**
31 March 2022				
Financial assets – amortised cost				
Staff loans	20%	42,990	120,018	163,008
Total financial assets		42,990	120,018	163,008
Financial liabilities – amortised cost				
Acceptance credits and loans	16.84%	123,591	-	123,591
Total financial liabilities		123,591	-	123,591

NOTES TO THE FINANCIAL STATEMENTS (continued)

35. Financial instruments (continued)

35.9 Interest rate risk management (continued)

35.9.1 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the staff loans that are affected by fluctuations in interest rates. The staff loans were adjusted to market interest rate of 75% as at 28 February 2023. With all other variables held constant, the Group's profit before tax is affected by the fluctuations of interest rates at reasonably possible scenario ranges of 100% and 150% as follows:

	INFLATION ADJUSTED AND HISTORICAL COST		
28 February 2023	**At 75% market interest ZWL 000**	**At 100% market interest ZWL 000**	**At 150% market interest ZWL 000**
Net decrease to profit before tax	**-**	**(3,652)**	**(7,546)**
Net decrease in equity	**-**	**(3,652)**	**(7,546)**

36. Exchange rates

	28 February 2023	31 March 2022
ZWL1 is equivalent to:		
Statement of financial position rate:		
United States dollar	**0.0011**	0.0070
South African rand	**0.0208**	0.1019
British pound	**0.0009**	0.0054
Average transaction rate:		
United States dollar	**0.0020**	0.0099
South African rand	**0.0343**	0.1488
British pound	**0.0017**	0.0073

37. Subsequent events

As at the date of sign-off of these financial statements, the interbank rate had moved to US$1:ZW$4,998.84. The Directors have considered this to be a non-adjusting subsequent event. See note 35.6 for a sensitivity analysis of the potential impact of different exchange rates to the reported foreign currency balances.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	11 months to 28 February 2023 ZWL 000	12 months to 31 March 2022 ZWL 000	11 months to 28 February 2023 ZWL 000	12 months to 31 March 2022 ZWL 000
Other income	**1,853,938**	33,884,720	**1,838,651**	10,089,125
Employee costs	**(1,353,941)**	(1,180,615)	**(1,127,097)**	(313,843)
Occupancy costs	**(83,375)**	(47,388)	**(58,614)**	(11,996)
Other operating costs	**(806,026)**	(854,551)	**(621,060)**	(226,631)
Operating (loss) / profit	**(389,404)**	31,802,166	**31,880**	9,536,655
Investment income	**7,025**	3,613,595	**5,729**	872,736
Finance costs	**(8,059)**	(2,001)	**(6,674)**	(689)
Net exchange gains	**15,496,754**	1,258,231	**15,163,761**	390,371
Impairments on investments and receivables	**(877,928)**	(11,631,355)	**(877,928)**	(2,989,282)
Net monetary loss	**(2,970,169)**	(9,438,432)	**-**	-
Profit before tax	**11,258,219**	15,602,204	**14,316,768**	7,809,791
Income tax credit / (expense)	**263,490**	(379,095)	**89,253**	(106,515)
PROFIT FOR THE PERIOD	**11,521,709**	15,223,109	**14,406,021**	7,703,276
Other comprehensive income, net of tax	**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**11,521,709**	15,223,109	**14,406,021**	7,703,276

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	28 February 2023 ZWL 000	31 March 2022 ZWL 000	28 February 2023 ZWL 000	31 March 2022 ZWL 000
ASSETS					
Non-current assets					
Property, plant and equipment		**153,568**	127,146	**69,994**	29,507
Right of use assets		**38,632**	58,867	**10,459**	16,734
Investment in other entities	**(ii)**	**7,942,649**	10,167,130	**36,738**	53,503
Other financial assets		**21,721**	19,159	**21,721**	6,594
Deferred tax	**(iii)**	**-**	-	**111,572**	22,319
Total non-current assets		**8,156,570**	10,372,302	**250,484**	128,657
Current assets					
Receivables	**(iv)**	**15,420,804**	1,532,182	**15,420,757**	526,761
Other financial assets		**2,878**	10,085	**2,878**	3,471
Cash and bank balances		**47,261**	994,171	**47,261**	342,136
Total current assets		**15,470,943**	2,536,438	**15,470,896**	872,368
Total assets		**23,627,513**	12,908,740	**15,721,380**	1,001,025
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		**561,450**	561,450	**2,611**	2,611
Share premium		**700,617**	700,617	**3,925**	3,925
Other reserves		**2,030,911**	2,030,911	**9,409**	9,409
Retained earnings		**18,374,536**	8,534,926	**14,059,200**	811,775
Total equity		**21,667,514**	11,827,904	**14,075,145**	827,720
Non-current liabilities					
Lease liability		**38,309**	44,079	**38,309**	15,171
Deferred tax	**(iii)**	**313,764**	577,254	**-**	-
Total non-current liabilities		**352,073**	621,333	**38,309**	15,171
Current liabilities					
Provisions and other payables	**(v)**	**668,788**	436,227	**668,788**	150,124
Borrowings		**877,928**	-	**877,928**	-
Lease liability		**61,210**	23,276	**61,210**	8,010
Total current liabilities		**1,607,926**	459,503	**1,607,926**	158,134
Total equity and liabilities		**23,627,513**	12,908,740	**15,721,380**	1,001,025

J.R.T. MOXON
Chairman
14 July 2023

R. CHIDEMBO
Non- Executive Director
14 July 2023

COMPANY ABRIDGED NOTES TO THE FINANCIAL STATEMENTS

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

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

(ii) Investment in other entities

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Opening carrying value	**10,167,130**	19,579,446	**53,503**	233,700
Additions	**877,928**	12,870,116	**877,928**	6,511,759
Impairment	**(877,928)**	(11,631,355)	**(877,928)**	(22,400)
Fair value adjustments	**-**	19,108,966	**-**	-
Monetary adjustment	**-**	(9,156,233)	**-**	-
Reclassification to receivables	**(2,224,481)**	-	**(16,765)**	-
Disposal of subsidiary	**-**	(20,603,810)	**-**	(6,669,556)
Closing carrying value	**7,942,649**	10,167,130	**36,738**	53,503
Comprising at cost:				
Subsidiaries				
Investment in Meikles Hospitality (Private) Limited	**7,082,683**	9,307,164	**32,761**	49,526
Investment in TM Supermarkets (Private) Limited	**859,880**	859,880	**3,977**	3,977
Drillreel Investments (Private) Limited	**43**	43	**-**	-
Meikles Guard Services (Private) Limited	**43**	43	**-**	-
	7,942,649	10,167,130	**36,738**	53,503

Investment in Greatermans Stores (Private) Limited is not shown above due to rounding off. Dormant companies have been excluded.
For details relating to shareholding in each subsidiary, please refer to the Group structure.

(iii) Deferred tax

	INFLATION ADJUSTED		HISTORICAL COST	
	28 February 2023 ZWL 000	31 March 2022 ZWL 000	**28 February 2023 ZWL 000**	31 March 2022 ZWL 000
Opening carrying value	**577,254**	537,755	**(22,319)**	(18,902)
Charged to statement of profit or loss	**(263,490)**	39,499	**(89,253)**	(3,417)
	313,764	577,254	**(111,572)**	(22,319)
Comprising				
Assessed losses	**(45,573)**	(37,596)	**(45,572)**	(12,938)
Furniture, equipment and motor vehicles	**11,301**	26,671	**(11,762)**	269
Receivables and prepayments	**11**	379	**-**	-
Provisions	**(34,057)**	(31,764)	**(31,323)**	(8,196)
Other movements	**(15,051)**	(2,098)	**(25,790)**	(4,329)
	(83,369)	(44,408)	**(114,447)**	(25,194)
Deferred capital gains tax on unlisted investments	**397,133**	621,662	**2,875**	2,875
Deferred tax liability / (asset)	**313,764**	577,254	**(111,572)**	(22,319)
(iv) Receivables				
Group balances	**15,223,606**	33,322	**15,223,606**	11,468
Other receivables	**197,198**	1,498,860	**197,151**	515,293
	15,420,804	1,532,182	**15,420,757**	526,761
(v) Provisions and other payables				
Group balances	**7,307**	50,803	**7,307**	17,483
Other payables	**661,481**	385,424	**661,481**	132,641
	668,788	436,227	**668,788**	150,124

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KEY PERFORMANCE MEASURES

		INFLATION ADJUSTED			
		28 February 2023	31 March 2022	31 March 2021	31 March 2020
Gross margin (%)	Gross profit / Revenue	**23.35%**	24.92%	23.25%	-
Net margin (%)	Operating profit / (loss) / Revenue	**(0.72%)**	3.39%	3.09%	-
Return on equity (%)	Attributable earnings / Average shareholders' funds	**43.98%**	19.24%	4.62%	-

		HISTORICAL COST			
		28 February 2023	31 March 2022	31 March 2021	31 March 2020
Gross margin (%)	Gross profit / Revenue	**29.16%**	27.84%	29.32%	28.95%
Net margin (%)	Operating profit / (loss) / Revenue	**6.41%**	8.39%	10.83%	12.19%
Return on equity (%)	Attributable earnings / Average shareholders' funds	**108.41%**	127.35%	63.40%	103.38%

SHAREHOLDER INFORMATION

	Holders		Shares	
	Number	%	Number	%
Analysis of ordinary shareholdings at 28 February 2023				
Type of holder				
Zimbabwe Register				
Non-taxable companies	1,879	15.21	199,862,681	76,56
Non-resident	55	0.45	10,626,992	4.07
Individuals	9,611	77.82	12,744,425	4.88
Insurance companies	29	0.23	608,597	0.23
Nominee companies	188	1.52	16,351,636	6.26
Pension funds	153	1.24	16,313,369	6.25
Total for Zimbabwe	11,915	96.48	256,507,691	98.25
London Register				
Banks and nominee companies	20	0.16	3,881,504	1.49
Individuals	410	3.32	646,883	0.25
Other corporate bodies	5	0.04	28,512	0.01
Total for London	435	3.52	4,556,899	1.75
Totals for Zimbabwe and London	**12,350**	**100.00**	**261,064,590**	**100.00**
Size of holdings				
1 – 5 000	11,699	94.48	3,283,936	1.26
5 001 – 10 000	222	1.80	1,606,519	0.62
10 001 – 50 000	278	2.25	6,242,957	2.39
50 001 – 100 000	64	0.52	4,442,769	1.70
100 001 – 500 000	81	0.66	17,344,212	6.64
Exceeding 500 000	36	0.29	228,144,197	87.39
Totals	**12,350**	**100.00**	**261,064,590**	**100.00**

Top ten shareholders	No. of shares	%
At 28 February 2023		
Meikles Consolidated Holdings (Private) Limited	126,301,590	48.38
Mega Market (Private) Limited	25,874,580	9.91
Old Mutual Life Assurance Company Zimbabwe Limited	21,411,808	8.20
Stanbic Nominees (Private) Limited – account 140043470003	8,298,294	3.18
LHG Malta Holdings Limited	5,677,014	2.17
Old Mutual Zimbabwe Limited	2,896,272	1.11
Meikles Pension Fund – ABC	2,861,210	1.10
Stanbic Nominees (Private) Limited – NNR account 140043470002	2,749,628	1.05
Mundell Family Trust	2,466,231	0.94
Public Service Commission Pension Fund – ABC	1,884,685	0.73
Total for top ten shareholders	**200,421,312**	**76.72**
Other	60,643,278	23.24
Total	**261,064,590**	**100.00**
At 31 March 2022		
Meikles Consolidated Holdings (Private) Limited	126,301,590	48.38
Mega Market (Private) Limited	25,450,780	9.75
Old Mutual Life Assurance Company Zimbabwe Limited	21,226,848	8.13
Stanbic Nominees (Private) Limited – account 140043470003	8,338,797	3.19
LHG Malta Holdings Limited	5,049,707	1.93
Old Mutual Zimbabwe Limited	2,896,272	1.11
Meikles Pension Fund – ABC	2,861,210	1.10
Stanbic Nominees (Private) Limited – NNR account 140043470002	2,749,628	1.05
Mundell Family Trust	2,466,231	0.94
Public Service Commission Pension Fund – ABC	1,884,685	0.72
Total for top ten shareholders	**199,225,748**	**76.31**
Other	61,838,842	23.69
Total	**261,064,590**	**100.00**

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	**Organisational profile**				
	102-1 Name of the organization	Front Cover,1			
	102-2 Activities, brands, products, and services	11-12			
	102-3 Location of headquarters	101			
	102-4 Location of operations	6, 101			
	102-5 Ownership and legal form	96			
	102-6 Markets served	6			
	102-7 Scale of the organization	8			
	102-8 Information on employees and other workers	8, 28-31			
	102-9 Supply chain	22, 25-26			
	102-10 Significant changes to the organization and its supply chain	26			
	102-11 Precautionary Principle or approach	18-20			
	102-12 External initiatives	7, 35-36			
	102-13 Membership of associations	7			
	Strategy				
	102-14 Statement from senior decision-maker	9			
	Ethics and Integrity				
	102-16 Values, principles, standards, and norms of behaviour	18-19			
	Governance				
	102-18 Governance structure	13-14			
	Stakeholder Engagement				
	102-40 List of stakeholder groups	22			
	102-41 Collective bargaining agreements	29			
	102-42 Identifying and selecting stakeholders	22			
	102-43 Approach to stakeholder engagement	22			
	102-44 Key topics and concerns raised	22			
	Reporting Practice				
	102-45 Entities included in the consolidated financial statements.	79			
	102-46 Defining report content and topic Boundaries	2,23			
	102-47 List of material topics	23			
	102-48 Restatements of information	2			
	102-49 Changes in reporting	2	Changed from 31 March to 28 February		
	102-50 Reporting period	2	28 February 2023		
	102-51 Date of most recent report	-	31 March 2022		
	102-52 Reporting cycle	2	1 March – 28 February each year		
	102-53 Contact point for questions regarding the report	2			
	102-54 Claims of reporting in accordance with the GRI Standards	2			
	102-55 GRI content index	97-100			
	102-56 External assurance	2			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	36-37			
	103-3 Evaluation of the management approach	36-37			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	46-96			
	201-3 Defined benefit plan obligations and other retirement plans	29			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	35			
	103-3 Evaluation of the management approach	35			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	35-36			
Anti-Corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	20			
	103-3 Evaluation of the management approach	20			
Tax					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 25-26			
	103-2 The management approach and its components	42-43			
	103-3 Evaluation of the management approach	43			
GRI 207: Management Approach 2019	207-4 Tax Payments Disclosed	43			
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	25-26			
	103-3 Evaluation of the management approach	25-26			
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	31			
	103-3 Evaluation of the management approach	31			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
300 Series (Environmental topics) (continued)					
Energy (continued)					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	32			
	302-2 Energy consumption outside of the organization	32			
Water and Effluents					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	32			
	103-3 Evaluation of the management approach	32			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	33			
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	33			
	103-3 Evaluation of the management approach	33			
Waste 2020	306-3 Waste generated	33			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	34			
	103-3 Evaluation of the management approach	34			
GRI 305 Emissions 2016	305-1 Direct Scope 1 GHG Emissions	34			
	305-2 Energy Indirect (Scope 2) GHG Emissions.	34			
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27-28			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	N/A			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics) (continued)					
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	29			
	103-3 Evaluation of the management approach	29			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard Identification, risk assessment, and incident investigation	29			
	403-9 Work related injuries	30			
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	30			
	103-3 Evaluation of the management approach	30			
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	31			
	103-3 Evaluation of the management approach	31			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31			
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	29			
	103-3 Evaluation of the management approach	29			
Human Rights					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2, 23-24			
	103-2 The management approach and its components	19			
	103-3 Evaluation of the management approach	19			

CORPORATE INFORMATION

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

Company Secretary
Tabani Mpofu
Email: investorrelations@meikles.com

NOTICE OF MEETING

Notice is hereby given that the eighty-sixth ANNUAL GENERAL MEETING of members of Meikles Limited will be held virtually by electronic means on 2 November 2023 at 09.00 hours:

ORDINARY BUSINESS

1. CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

To receive, consider and adopt the Group Financial Statements for the eleven-month period ended 28 February 2023 together with reports of the Directors and Auditors thereon.

2. DIRECTORATE

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

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

2.3 To confirm Directors' fees amounting to ZWL 106,499,000 for the eleven-month period ended 28 February 2023.

3. AUDITOR'S FEE AND APPOINTMENT OF AUDITORS

3.1 To approve the auditors' fees of ZWL 466,016,000 and ZWL 118,268,000 the Group and the Company respectively for the eleven-month period ended 28 February 2023.

3.2 To appoint Ernst & Young Chartered Accountants (Zimbabwe) as the Auditors of the Company and Group for the year ending 28 February 2024. Ernst & Young Chartered Accountants (Zimbabwe) have served as auditors of the Company and the Group for one financial period.

Note 1: *In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company and shall not be a director or officer of the Company. Proxy forms must be lodged with the secretary not less than forty-eight (48) hours before the time of holding of the meeting.*

By order of the Board
T. MPOFU
COMPANY SECRETARY

12 October 2023

LOGIN INSTRUCTIONS

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

Meeting ID: 810 0770 4295

1. Password: Shareholders to contact the Transfer Secretaries on the following numbers +263 778 800 555 and +263 773 668 857.
2. Write your username on Zoom in the format below:

XXXXXX SHAREHOLDER NAME

Where **XXXXXX** is your shareholder number.

If you have any challenges, kindly contact us on +263 778 800 555 and +263 773 668 857.

FORM OF PROXY

For the Eighty-Sixth Annual General Meeting of the Members of Meikles Limited to be held virtually on 5 December 2023.

I/We____

(Name/s in block letters)

being a member of Meikles Limited

being the holder of ____________________________ shares in the Company hereby appoint

1. ____________________ of ________________________

or failing him/her

2. ____________________ of ________________________

Resolution	For	Against	Abstain
Ordinary Resolution number 1 To receive, consider and adopt the financial statements for the eleven-month period ended 28 February 2023 together with the reports of the Directors and Auditors thereon.			
Ordinary Resolution number 2 2.1 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: • John Ralph Thomas Moxon			
Ordinary Resolution number 2 2.2 To consider the re-appointment of the following Director who retires by rotation and being eligible offers himself for re-election: • James Andrew Mushore			
Ordinary Resolution number 2 2.3 To confirm Directors' fees amounting to ZWL 106,499,000 for the eleven-month period ended 28 February 2023.			
Ordinary Resolution number 3 3.1 To approve the auditors' fees of ZWL 466,016,000 and ZWL 118,268,000 for the Group and the Company respectively for the eleven-month period ended 28 February 2023.			
Ordinary Resolution number 3 3.2 To appoint Ernst & Young Chartered Accountants (Zimbabwe) as the Auditors of the Company and Group for the year ending 28 February 2024.			

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

Please read the notes appearing on the reverse hereof.

Signed at ____________________ on ____________________ 2023

Signature(s) ____

Assisted by me ____

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

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

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

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

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

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

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

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

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

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

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

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

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

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