

SUPPLEMENTARY INFORMATION

1. CORPORATE INFORMATION

The Group is incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. It is engaged in the manufacture and retailing of fashion apparel and related merchandise.

2. BASIS OF PREPARATION

The Group's financial statements for the year ended 09 July 2023 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE) except for the non-compliance with International Financial Reporting Standards explained below. The Group's inflation adjusted financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in Zimbabwe Dollars (ZWL) and all values have been rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group's inflation adjusted financial statements are in terms of IFRS except for the non-compliance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), IAS 21 (The Effects of Changes in Foreign Exchange Rates), IAS 1 (Presentation of Financial Statements) and IFRS 15 (Revenue from Contracts with Customers) on presentation of manufacturing profit, valuation methodology of property, plant and equipment and the consequential impact on the inflation adjusted amounts determined in terms of IAS 29 (Financial Reporting in Hyperinflationary Economies) and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

2.1 IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's 2019 financial statements, the Government of Zimbabwe promulgated Statutory Instrument 33 (S.I. 33) on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be Zimbabwe Dollars at the rate which was at par with the United States Dollar (USD). Guidance issued by the Public Accountants and Auditors Board (PAAB), noted that the requirements of SI33 were contrary to the provisions of IAS 21. The Directors have always ensured compliance with IFRS but were unable to do so in respect of the comparative financial information due to the conflict between IAS 21 and local statutory requirements. Due to the material and pervasive impact of these technicalities in the previous periods and the carrying over effects of these misstatements on the current period consolidated inflation-adjusted financial statements, the Directors would like to advise users to exercise caution in their use of these inflation-adjusted financial statements.

2.2 Adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 01 July 2019. These financial statements have been prepared in accordance with IAS 29. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in general price index from the dates when initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the year ended 09 July 2023. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 22 February 2019 to the end of the reporting period. All items in the statement of cashflows are expressed based on the restated financial information for the period.

As mentioned above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures. The indices and conversion factors used to restate the accompanying financial statements are as follow:

	Indices	Conversion factor
CPI on 30 June 2023	100.33	1.000
CPI on 30 June 2022	76.67	1.309
CPI on 30 June 2021	53.07	1.890
CPI on 30 June 2020	43.75	2.293
Average CPI - 12 months to 30 June 2023	1.15	
Average CPI - 12 months to 30 June 2022	1.60	

3. INVENTORIES

Finished goods
Raw materials
Work in progress

4. TRADE AND OTHER RECEIVABLES

Trade receivables
Prepayments
Other receivables
Deduct: allowances for credit losses

5. TRADE AND OTHER PAYABLES

Trade payables
Other payables and accruals

6. HEADLINE EARNINGS / (LOSS) PER SHARE

Earnings / (loss) attributable to shareholders
Adjusted for non-recurring items:-
Profit on disposal of property,
plant and equipment
Headline earnings / (loss)

Headline earnings / (loss) per share (cents)
Weighted average number of ordinary shares
used in calculating earning / (loss) per share

7. CONTINGENT LIABILITIES

There are no contingent liabilities.

8. CAPITAL EXPENDITURE FOR THE YEAR

9. GOING CONCERN

The Directors have assessed the ability to continue as a going concern for the foreseeable future and believe that the preparation of the financial statements on a going concern basis is appropriate.

10. EVENTS AFTER THE REPORTING PERIOD

There have not been any events after reporting date that have had an impact on the financial statements. The Rights offer was closed on 9 August 2023 after the reporting period and this had no impact on the financial statements being presented.

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
3. INVENTORIES				
Finished goods	3 472 451 736	466 736 045	3 024 418 369	190 585 451
Raw materials	49 315 481	58 850 945	47 620 772	24 031 000
Work in progress	2 302 674	1 408 495	1 645 469	575 140
	3 524 069 891	526 995 485	3 073 684 610	215 191 591
4. TRADE AND OTHER RECEIVABLES				
Trade receivables	400 844 736	125 123 208	400 844 736	115 232 688
Prepayments	17 592 148	7 355 669	17 592 148	5 779 706
Other receivables	31 438 966	56 044 717	31 438 966	29 027 447
Deduct: allowances for credit losses	(16 136 940)	(19 869 563)	(16 136 940)	(15 184 441)
	433 738 910	168 654 031	433 738 910	134 464 974
5. TRADE AND OTHER PAYABLES				
Trade payables	1 207 345 150	448 790 660	1 207 345 150	177 874 376
Other payables and accruals	1 122 377 561	17 631 006	1 122 377 561	178 356 312
	2 329 722 711	466 421 666	2 329 722 711	356 230 688
6. HEADLINE EARNINGS / (LOSS) PER SHARE				
Earnings / (loss) attributable to shareholders	1 435 284 652	210 533 216	1 258 897 239	(42 026 175)
Adjusted for non-recurring items:-				
Profit on disposal of property, plant and equipment	-	-	-	-
Headline earnings / (loss)	1 435 284 652	210 533 216	1 258 897 239	(42 026 175)
Headline earnings / (loss) per share (cents)	376.81	55.27	330.50	(11.03)
Weighted average number of ordinary shares used in calculating earning / (loss) per share	380 901 152	380 901 152	380 901 152	380 901 152
7. CONTINGENT LIABILITIES				
There are no contingent liabilities.				
8. CAPITAL EXPENDITURE FOR THE YEAR	2 068 989	1 660 137	2 020 039	1 268 687

