ZIMBABWE LIMITED

Creating Theatres of Happiness

ANNUAL REPORT 2022

Our Corporate Purpose

To make *happiness tangible* by planting smiles on our *employees*, *customers*, *suppliers*, *shareholders* and *the communities* we operate in.

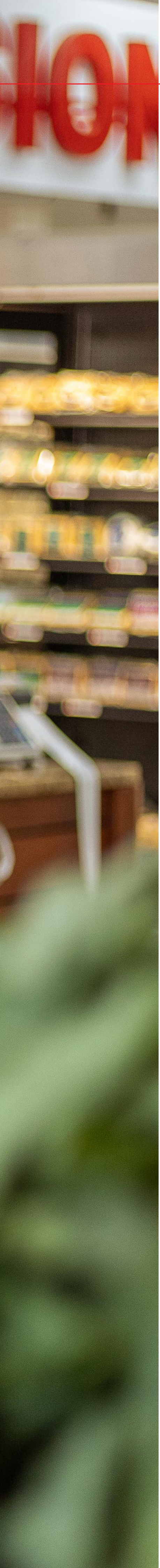
VISION
We aim to build a purposeful, modern and agile business that puts people's happiness first.

AMBITION
To double the size of our business by 2030 in volume and financial terms, but halve the cost.

VALUES

- We exist to delight customers
- We work as happy proactively curious owners
- Our rigour and discipline underpin our success
- Team performance matters
- We are community developers

Contents



About this Report

OK Zimbabwe Limited, a Group listed on the Zimbabwe Stock Exchange (ZSE) since 2001 is pleased to present the annual report for the year ended 31 March 2022. This report integrates financial and sustainability information to enable stakeholders to gain a full assessment of our performance, value creation and impacts.

Reporting Scope

The report contains information for OK Zimbabwe Limited ("the Company") and its subsidiaries together "the Group". This information relates to key activities of the Group which include our country wide retail and wholesale operations, butcheries, bakeries, delicatessens and distribution centres. In this report, all references to "our", "we", "us", and "the Group" refers to OK Zimbabwe Limited.

Reporting Frameworks

This report was compiled with due consideration of the following:

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

Sustainability Data

The sustainability data provided in this report was extracted from Group records, policy documents and personnel responsible for the key result areas. In some instances, estimations were made and confirmed for consistency with business operations. Some of the data provided in this report has no comparative figures as the measurement systems were established during the reporting period.

Assurance

The financial statements were audited by Deloitte & Touché Chartered Accountants (Zimbabwe), in accordance with the International Auditing Standards (ISAs). The independent auditor's report is contained on pages 69 to 72. Non-financial information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts, but not externally assured. A GRI Content Index is contained on pages 125 to 130.

Restatements

The Group did not make any restatements of data previously published.

Board Approval

The Board recognises its accountability for ensuring the integrity of this annual report. In the Board's opinion, the report fairly presents the overall performance of the Group and believe that it has been prepared in accordance with the GRI Standards – 'Core' Option. This report was approved by the Board of Directors.

Forward Looking Statement

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. While these statements represent our judgements and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We do not undertake to update publicly or to release any revisions to these forward-looking statements, to reflect events or circumstances after the date of the publication of this report or to reflect the occurrence of unanticipated events.

Feedback

We welcome your feedback on our annual report, if you have any suggestions on how we can improve our reporting or clarifications on any information provided in this report please send your comments to Mrs. Margaret Munyuru, the Group Company Secretary on mmunyuru@okzim.co.zw

Herbert Nkala
Chairman
15 June 2022

Maxen Phillip Karombo
Chief Executive Officer

01

OUR BUSINESS AT A GLANCE

Our Business

OK Zimbabwe is a leading customer-oriented retail Group providing comprehensive access to a broad range of merchandise and allied services developed in response to its customers' requirements for convenience and value. Our Group operating units are as follows:

Core

Retail

- OK Stores.
- Bon marché Stores.
- Liquor Stores.
- Convenience Stores.

OK Zimbabwe's store formats fall under three brands:

OK GREAT SAVINGS More Smiles

52 Stores

bon marché Live Well Everyday

8 Stores

OKmart Everything you want, for less.

8 Stores

Support

Beyond

Wholesale

- OKmart Stores.

Fresh Produce and Manufacturing

- Butcheries.
- Bakeries.
- Delicatessen.
- OK House Brands.
- Private Labels.

Value Added Services

- Instore banking services
- Money remittances
- Agency Banking.
- Insurance.
- Prepaid Electricity.
- Webstore.

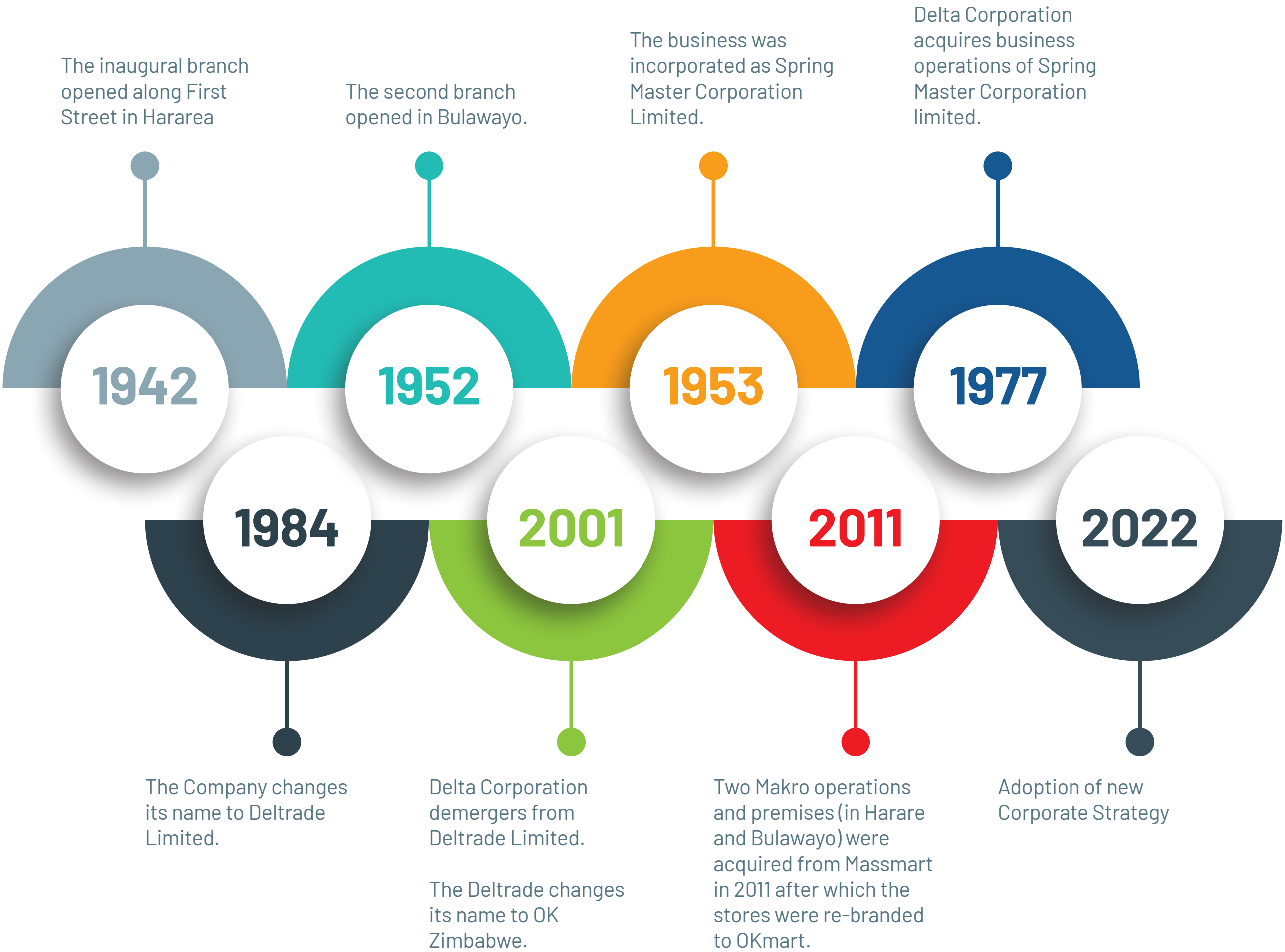
What Differentiates Us

Our diversified brands allow the Group to target all segments of the market. In this regard, we have specifically profiled stores in terms of design, product range, services and other offerings in a way that effectively caters for the specific requirements of low, middle and high-income consumer categories.

OK Zimbabwe Limited has maintained its position as the market leader despite the effect of liquidity constraints and low disposable incomes. The Group has developed in house brands which include Premierchoice, Top Notch and Shopperschoice.

Our Journey

The OK Zimbabwe Limited journey goes back about 80 years to a furniture company called Spring Master Corporation. The business has since diversified to become a leading retail giant offering an assortment of products, but it all started with an inaugural retail outlet along First Street in Harare (formerly Salisbury) in 1942.



The business continues to evolve as depicted by the re-branding journey below:

1942 → 1989 → 1994 → 2020

1984 → 2012 → 2020

2011 → 2020

Great Savings, More Smiles is a promise of great value all round! With affordable prices and friendly staff on hand to assist, our customers will leave our stores with smiles on their faces. Customers save money and save on time with our range of affordable products and services that are carefully selected for their convenience.

Live Well Everyday is the brand's lifestyle expression! This is a promise to our customers that our quality product offering and instore experience support their everyday wellness. Living well is about having a sound and balanced mind, body and soul. Bon marché proudly takes the lead in encouraging our customers to make positive choices everyday.

Everything you want, for less. We believe that our customers want range, diversity and abundance. Hence, we promise to provide a unique one-stop shopping experience to them; offering a competitively priced wide product range, delivered with the quality service they have come to know and trust.

Group Structure

OK Zimbabwe Limited is a publicly listed Company on the Zimbabwe Stock Exchange with three subsidiaries. The Company's major shareholders are Datvest Nominees Foreign, National Social Security Authority, Old Mutual Life and Stanbic Nominees.

The Group controls three subsidiaries namely Eriswell (Private) Limited, Swan Technologies (Private) Limited and Winterwest (Private) Limited.

OK Zimbabwe Limited

- Eriswell (Private) Limited **(100%)**
- Swan Technologies (Private) Limited **(100%)**
- Winterwest (Private) Limited **(100%)**

Eriswell (Private) Limited Limited – Property leasing Company
Swan Technologies (Private) Limited Dormant Company
Winterwest (Private) Limited – House boat owning Company

Business Model

Creating Theatres of Happiness

- Focusing on service excellence and instore theatre.
- Responsiveness to customer needs.
- Investment in improving store network.
- Upscaling promotional activities and reactivating brand formats.

Delivering Sustainable Growth

- Extending reach through store expansion and refurbishment programs;
- Leveraging on strategic and collaborative relationships
- Optimising opportunities to grow volume and revenue;
- Driving innovation and technology driven solutions to improve instore and digital store formats.
- Implementing effective cost containment.

Optimising Supply Chain Efficiencies

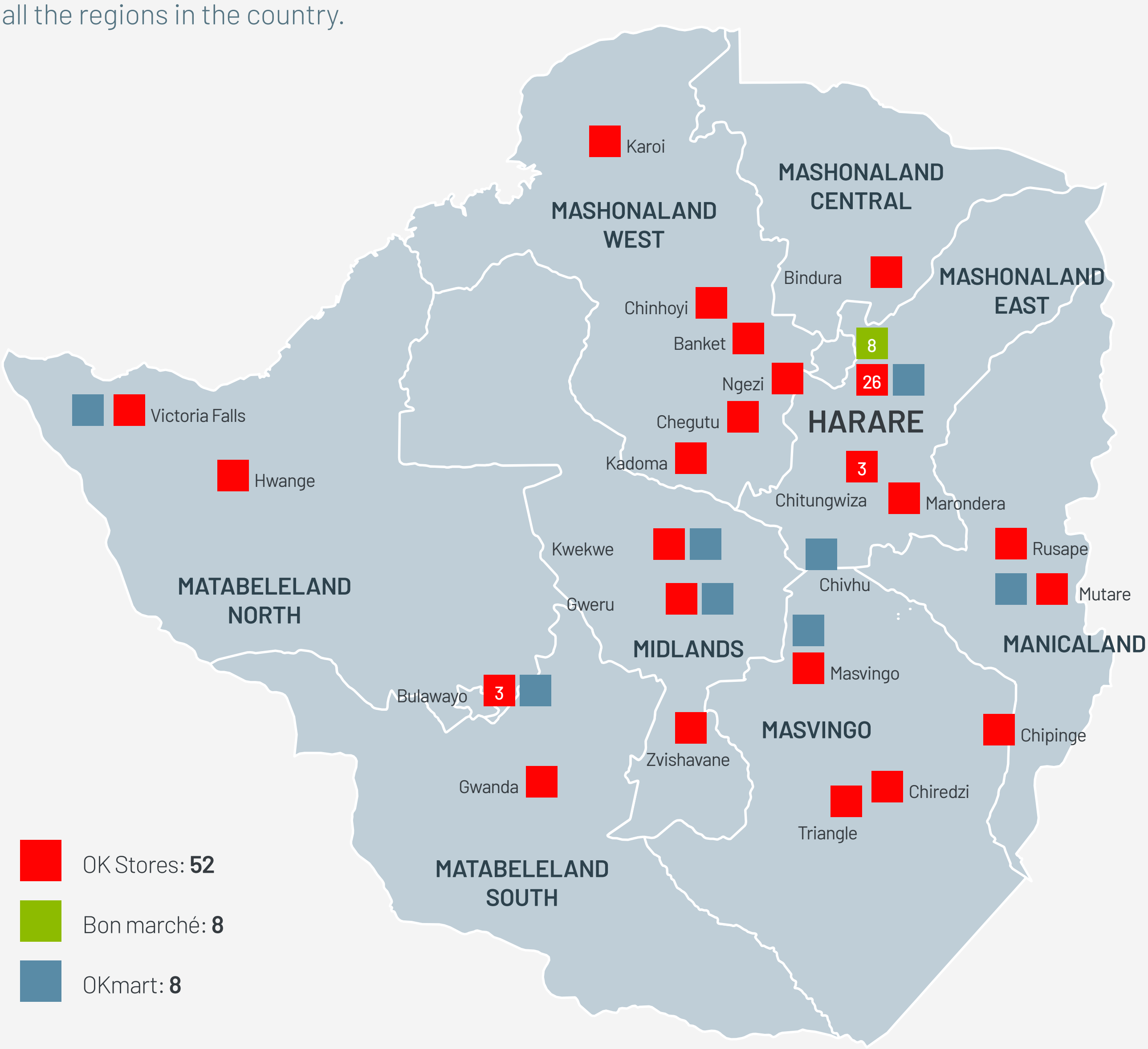
- Improving supply chain efficiencies.
- Increasing foreign currency collections through domestic sales to cover import requirements.
- Absorbing and mitigating shocks from global supply disruptions.

Risk Mitigation

- The core focus of the Group shall be on risk mitigation.
- This means developing strategies to address mounting inflationary pressures and exchange rate volatility.
- The tax burden and in particular, the adverse consequences of IMTT, continue to impact Group profitability and the return to shareholders.

Our Footprint

The Group has the widest retail coverage in Zimbabwe. We have branches spread across all the regions in the country.



Business Associations

General

- Institute of Directors of Zimbabwe (IoDZ).
- Zimbabwe National Chamber of Commerce (ZNCC).
- Buy Zimbabwe Campaign.

Industry

- Retailers Association of Zimbabwe (RAZ).
- Confederation of Zimbabwe Industries (CZI).
- Zimbabwe Council of Wellness (ZCW).
- Marketers Association of Zimbabwe (MAZ).


rainbow
club
Mega Value
KANGO
Quality
Enamelware
Glenfiddich

02

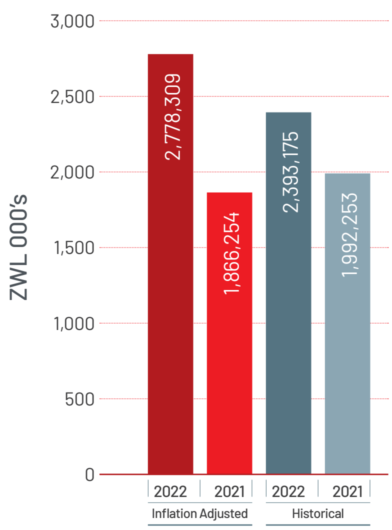
PERFORMANCE HIGHLIGHTS

Financial Highlights

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Revenue	79,814,018	59,271,898	60,909,032	26,831,040
EBITDA	7,196,928	4,983,087	4,856,314	2,776,846
Profit before tax	4,798,741	3,464,253	3,640,523	2,364,174
Profit for the year	2,778,309	1,866,254	2,393,175	1,992,253
Total assets	30,782,545	21,662,508	21,598,079	8,371,167

Revenue

Profit for the year



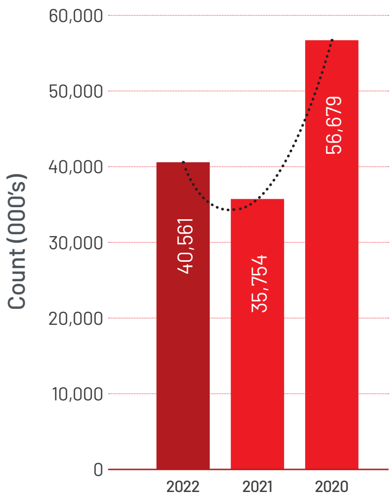
Share Performance

	Inflation Adjusted		Historical	
Dividend per Share Cents	**2022**	**2021**	**2022**	**2021**
Interim - ZWL	30.00	20.90	21.00	4.00
Final - ZWL	36.50	15.57	36.50	9.00
- US$	0.13	—	0.13	—

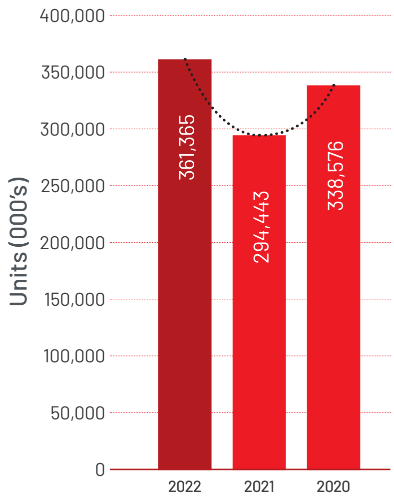
Operational Highlights

	2022	2021	2020
Number of Stores *(Count)*	68	67	65
Customers Served *(Count)*	40,561,188	35,753,644	56,678,733
Sales Volume (000's)	361,365	294,443	338,576

Customers Served



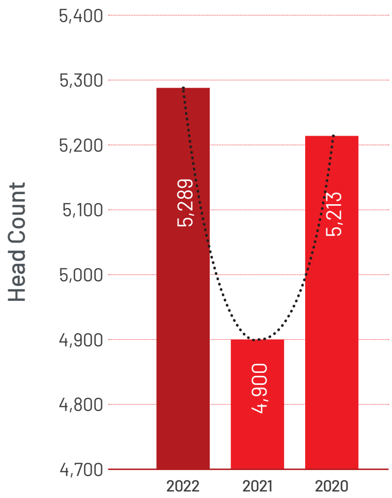
Sales Volume



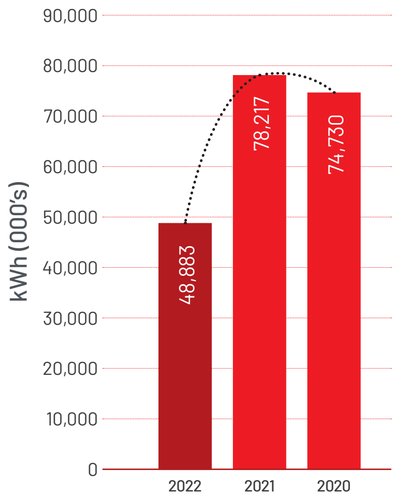
Sustainability Highlights

	2022	2021	2020
Employees *(Head Count)*	5 289	4 900	5 213
Community investments *(ZWL)*	1 847 080	9 366	1 344
Electricity consumption *(kWh)*	48 882 806	78 217 306	74 730 172

Total Employees



Electricity Consumption



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STRATEGIC PERFORMANCE REVIEW

Chairman's Statement

Overview

The country's operating environment was relatively stable compared to the prior year, mainly on account of relaxation of Covid-19 restrictions.

Official annual inflation closed the financial year at 72.7%, having declined from 240.6% for March 2021. The Reserve Bank of Zimbabwe (RBZ) foreign exchange auction platform managed to induce stability in the first half of the financial year. There was a marked volatility in the availability of foreign currency on official platforms which resulted in a widening dichotomy between the rates offered on the RBZ auction system and alternative sources of foreign currency.

Most market players had to rely on alternative sources of forex which fed into product pricing. The spike in the month-on-month inflation rates during the course of the last quarter of the financial year was evidently hinged on the cost of foreign currency on alternative markets. The scarcity of foreign currency resulted in the growth of the informal sector where suppliers readily access foreign currency cash in an unregulated market format.

The Russia – Ukraine conflict that started towards the end of the financial year resulted in the disruption of global supply chains and increases in energy costs.

The Group's stores were adequately stocked for much of the financial year, although the delays in the settlement of foreign currency on the RBZ auction system, among other operating challenges, impacted the operations of our suppliers resulting in erratic supply of some key lines.

Profit Before Tax

ZWL 4.8 billion

38.5% up on prior year's ZWL 3.5 billion.

Chairman's Statement (continued)

The Group continued with its store refurbishment programme with makeovers completed at OK Masvingo, OK Queensdale, Bon marché Avondale, OK Mbare and OK Chinhoyi. The Group opened two new stores during the year, OK Banket and OKmart Chivhu.

Group Performance

Sales volume grew by 22.7% over prior year. In inflation adjusted terms, revenue for the year grew by 34.7% to ZWL 79.9 billion from ZWL 59.3 billion in the prior year. Profit before tax of ZWL 4.8 billion was 38.5% above prior year's ZWL 3.5 billion while profit after tax grew by 48.9% to ZWL 2.8 billion from ZWL 1.9 billion in prior year.

Overheads grew by 37.0% over prior year. Staff costs, electricity charges, rentals, bank charges and depreciation are the cost lines that contributed most significantly to overheads growth. The increase in staff costs was driven by the imposition of salary and national pension fund increases. In addition, the Group continued to endure excessive intermediated money transfer tax (IMTT) during the year. The increase in the transaction thresholds had a dramatic impact on the competitiveness of the formal retail sector, drives inflation and undermines profitability and attractiveness of Zimbabwe as an investment destination. The Group continues to appeal to the authorities to reduce these transaction thresholds to create an even playing field for the retail trade which will benefit customers. An effective corporate tax rate of 34.3% is unsustainable.

Capital expenditure for the year was ZWL 3.1 billion up from ZWL 2.1 billion in prior year. Most of the capital expenditure was channelled towards store refurbishments and new stores opening.

Sustainable Business Practices

The Group continued to apply the Global Reporting Initiatives (GRI's) Sustainability Reporting Guidelines as part of its commitment to sustainable business practices. We will continue to uphold these practices and values across our operations to ensure that long-term business goals are achieved in a sustainable manner. The Group ensures that business strategy and practices are aligned with global sustainability standards.

Dividend

The Directors have declared a final dividend of 36.5 ZWL cents and 0.13 US cents per share. A dividend announcement notice was published on Friday 3 June 2022. The expected date of settlement is Tuesday 28 June 2022.

Outlook

The operating environment remains challenging with high inflation levels and exchange rate volatility. Post the end of the financial year, inflationary pressures increased markedly driven by the sharp depreciation of the local currency. The official month on month inflation that had averaged 6.1% for the 6 months to 31 March 2022 shot up to 15.5% for the month of April 2022. In response, the authorities stepped in with various measures which, if successful, will help stabilise the foreign exchange market and tame inflation.

The less than anticipated rains for the 2021/22 agricultural season will affect yields and impact consumer real disposable incomes. The Russia – Ukraine conflict will continue to impact the global economy through increases in energy costs and potential shortages of raw materials in the short term should hostilities persist.

Despite these challenges, the Group continues with its expansion plans, with a number of refurbishments and new stores scheduled for the current financial year.

The Group is also upgrading its ICT platforms to improve operational efficiencies and support its innovation thrust.

Covid-19 remains a threat and the Group will continue to implement best practice protocols to ensure the safety of its employees, customers, supplier partners and all other stakeholders.

Directorate

During the first half of the financial year, the Group began a transformative journey of leadership renewal in accordance with the overall succession plan. The Group bade farewell to its long serving stalwarts, Messrs Alex Edgar Siyavora and Albert Rufaro Katsande on 31 March 2021 and 30 June 2021 respectively. With their retirements, Messrs A. E. Siyavora and A. R. Katsande retired from the Board of Directors of the Company. On behalf of the shareholders, Board of Directors, management and staff, I wish to convey the Group's appreciation for their years of dedicated service to the Group.

On 1 April 2021, the Group welcomed Mr. Maxen Phillip Karombo as Group Chief Executive Officer. Furthermore, Mr. Phillimon Mushosho joined as Group Chief Finance Officer on 1 July 2021. Messrs M. P. Karombo and P. Mushosho both joined the Board of Directors as Executive Directors with effect from their respective dates of appointment. The Board also welcomed Mr. Simon Masanga as a Non-Executive Director on 1 April 2021. Join me in congratulating Messrs M. P. Karombo, P. Mushosho and S. Masanga and wishing them great success in their new capacities.

H. Nkala
Chairman
15 June 2022

Chief Executive Officer's Report

Business Performance Review

I am pleased to present below the key performance statistics and metrics based on inflation adjusted figures:-

	2022	2021
Revenue (ZWL millions)	79 814.0	59 271.9
Overheads (ZWL millions)	12 249.3	8,940.4
EBITDA (ZWL millions)	7 196.9	4 983.1
Attributable Earnings (ZWL millions)	2 778.3	1 866.3
Overheads (% of sales)	15.3%	15.1%
Employee Benefits (% of sales)	6.4%	6.0%
Operating profit (% of sales)	7.2%	6.2%
Inventory (ZWL millions)	8 199.7	6 148.9
Borrowings	1 714.0	489.9
Stock-turn (times)	9.3	9.0
Current ratio	1.1	1.2

The economic environment was adversely impacted by the strict Covid-19 regulations during the first half of the financial year. The regulations were later relaxed towards the third quarter of the year as cases of infection declined and recovery rates improved largely due to our Government's push on vaccinations. The Reserve Bank of Zimbabwe introduced the foreign currency auction trading platform which went a long way in establishing an official exchange rate that the market could work with. However, the second half of the financial year was impacted by significantly higher levels of inflation due exchange rate volatility as the backlog on the RBZ auction platforms extended beyond the capacity of most companies' supply chains.

Chief Executive Officer's Report (continued)

Sales volumes were up 22.7% on prior year levels and sales revenue grew by 34.7% in inflation adjusted terms. The sales growth came from new stores, refurbished stores, the successful integrated promotions and the easing of lockdown restrictions that resulted in increased trading hours relative to prior year.

Overheads grew by 37.0% from prior year in line with mounting inflationary pressures in both nominal and real terms. The Group continued to apply earnings recovery and retention measures for its employees throughout the year as the economy remained in hyperinflation and this resulted in increase in employee benefits. Utilities and back-up power expenses also increased on the back of increased operating hours, erratic supplies of grid power and increases in electricity charges during the year. The Russia – Ukraine conflict that started towards the end of the financial year resulted in global increases in energy costs amongst other things, which also contributed to the increase in fuel expenses. Other cost lines that significantly contributed to overheads growth were depreciation & amortisation, security, maintenance, cleaning expenses and bank charges.

The Intermediated Money Transfer Tax (IMTT) continues to heavily weigh down on the Group's profitability through increasing both the cost base and the effective tax rate.

For the financial year under review, the Group effective tax rate of 34.3% is not only high but also unsustainably erodes shareholder return and capacity for reinvestment in growth initiatives. The intention of the Government of Zimbabwe is to tax companies at a rate of 24% and the significant increase in the effective tax rate arising from IMTT points to unintended and undesired consequences of the tax which authorities should look into to restore viability of formal businesses. The Group continues to engage the authorities to have this misalignment addressed.

The increase in inflation rate during the second half of the year saw suppliers tightening payment terms and that necessitated borrowings to close the working capital gaps. Lease liabilities were also remeasured in line with increases in base rentals. The increase in borrowing levels and remeasurement of lease liabilities resulted in the increases in finance costs during the year. At the end of the financial year, the Group had significant unutilised borrowing facilities for working capital and capital expenditure purposes.

The rate of stock turn improved to 9.3 times (F 21: 9.0), translating to 39 days of sales against 41 days in prior year as a result of improved efficiencies.

Operations

The Group operated a network of sixty-eight (68) stores that are spread across the country. Two new stores namely OK Banket and OKmart Chivhu, were opened in the second half of the financial year. The two stores are expected to contribute meaningfully in the coming years.

Refurbishment of stores remains a central part of the Group's strategy of regularly refreshing our facilities and ambience, which subsequently improves the equity of our store brands. Refurbishments were completed at OK Masvingo, OK Chinhoyi, Bon marché Avondale, OK Mbare and OK Queensdale.

Capital expenditure for the year was ZWL 3.1 billion up from ZWL 2.1 billion in the prior year. The bulk of the capital expenditure was spent on refurbishments of stores, opening of new stores, replacement of equipment and the purchases of vehicles necessitated by operational requirements.

Stock shrinkage was kept under control and below the industry average during the year under review. Management will continue implementing measures to control shrinkage, given the challenging economic environment.

Positive growth was sustained in value added services with forex earnings supported through the expansion of the domestic remittance service across stores. This was in spite of the negative impact on customer count due to tariff and premium increases on the back of declining disposable incomes.

Supply Chain

F22 saw the Group combine Procurement, Logistics and Sales & Operational Planning to form a Supply Chain Function. This will introduce streamlined and efficient processes to source, store and distribute our merchandise with the goal of reducing costs to improve our price competitiveness. With this development, we have moved to introduce a central procurement structure that is based on product categories and combines the volume from all our trading brands in order to negotiate better prices. Combining our product categories also makes it easier for our suppliers to understand our requirements and improve their service levels to our business.

Improving availability in this turbulent economic environment is the biggest challenge for our supply chain as our suppliers seek to find ways to recover product costs in the shortest possible time and mitigate risks associated with currency devaluation.

Chief Executive Officer's Report (continued)

Supply Chain (continued)

We continue to seek solutions to the challenges stemming from the macro-economic environment by engaging our supplier partners and finding win-win solutions to protecting the value of the stock we trade and balance the need to make products available whilst making sure we recover the costs to re-order.

Our distribution centres are increasingly becoming more important as we centralise our procurement, helping us to have greater control around the movement of stock within our business. We have also introduced a program via our newly established Enterprise Development function which identifies local suppliers with capacity to pack our in-house brands to cover the gaps created by the challenges our supplier partners are facing. Furthermore, we are looking beyond our borders to introduce private label ranges that will not only improve product availability but will also ensure that we have well priced alternatives for our shoppers.

Human Resources

The Group is committed to harnessing human capabilities in support of our growth strategy. We deliberately reviewed our structures, talent pool, and human capital technologies. We want to be purposeful, modern and agile as an organization, therefore, our culture, our way of doing things and our values will be lived by everyone in our employment. The following are some of the key highlights that define our Human Resources as a focal point for culture change:

Covid-19 mitigation and vaccination drive

As at 31 March 2022, the Group had achieved 99.52% vaccination rate of staff with 0.48% (15) of staff members unvaccinated either due to maternity, breastfeeding, other medical conditions or religious personal reasons. We remain vigilant in implementing all Covid-19 mitigation protocols.

Employee engagement

The Works Council structure remains one of the key communication platforms encompassing both management and employee representation. This compliments the monthly liaison meetings at divisional and departmental levels. We partnered with the International Labour Organization (ILO) to rollout a spotlight initiative whose main objective is to prevent gender based and sexual harassment in the workplace. To date awareness workshops have been facilitated throughout our operations countrywide. 75 Gender Champions have been trained and deployed to facilitate implementation of anti-gender based and sexual harassment policies.

Information Communication Technology (ICT)

The business embarked on an exciting project to upgrade its ICT platforms. A new Enterprise Resource Planning (ERP) System – Microsoft Dynamics 365 & LS Retail, was launched in the third quarter of the year, starting with Bon marché Belgravia. All other branches were brought on board by the end of the fourth quarter.

This new ERP System is expected to form the bedrock of the business' future innovations and customer interaction to improve the quality of our service offering. The business invested extensively and will continue to invest in hardware and network infrastructure to support the new ERP system.

Marketing

Campaigns & Promotions

F22 saw the return of the Group's flagship promotion **OK Grand Challenge** after an absence in F21 due to the Covid-19 pandemic. This was the first fully digital promotion without any use of coupons as we embraced technology. The OK Grand Challenge promotion was successful with millions of entries showing that customers understood the mechanics and were eager to enter.

We are pleased that the grand prize of a Ford Ranger was won in Mutare proving that this is indeed a nationwide promotion.

We launched the **Summer Savings Promotion** in September 2021 which cut across OK, Bon marché and OKmart branches in one consolidated sales promotion. This promotion garnered much excitement across all customers and resulted in a whopping 21% volume growth against the same period last year,

Black Friday was executed in OKmart as a one-day event. Our customers were able to enjoy real discounts with genuine savings on desired merchandise. We will repeat this promotion in the future as it proved to be extremely popular with our customers.

Christmas is a significant season in Zimbabwe thus we launched the **Christmas Is Here** promotion to ensure our customers could smile during this time. We negotiated good discounts with our suppliers which we managed to pass on to our customers once again across all 3 brands - OK, Bon marché and OKmart in yet another integrated campaign. What made this more special was the introduction of **Santa Saturday** - a weekly event where a lucky winner stood a chance to get a shopping voucher instore. This was an instant prize which was reserved only for customers who will be doing their shopping at that time thus becoming an early **Christmas gift** for our customers across all our stores.

OK Zimbabwe in the Community

F22 was a period in which the nation and indeed the world at large was greatly impacted by Covid-19. We took it upon ourselves to donate grocery hampers to the frontline medical health workers at **Mpilo, Kwekwe General and Parirenyatwa Hospitals**.


MORE WINNERS!
GREAT SAVINGS
More Smiles)

Chief Executive Officer's Report (continued)

Marketing (continued)

OK Zimbabwe in the Community

Mpilo and Kwekwe General hospital donations were in response to the unfortunate incidents where fire gutted health workers accommodation whilst Parirenyatwa was in aid of supporting the staff working in Covid-19 wards.

As per tradition, we donated an equivalent of ZWL850 000 in total to 10 charities after the OK Grand Challenge. The charities who benefitted are Mucheke Old People's Home, S.O.S Children's Home, Chinyaradzo Children's Home, Manhinga Village, Batanai Old People's Home, Good Hope Mothers, Jairos Jiri, Greenway Old People's Home, Gwanda Old People's Home and Musha weVana. These Charities operate from the 10 provinces of Zimbabwe representing areas where our stores are located.

Christmas is indeed a time for giving and **Jairos Jiri Association** was fortunate to receive ZWL200 000 as part of our **Christmas is Here campaign**. We believe the gift managed to bring cheer to the children's faces during the festive season.

Jairos Jiri donation

Senior Citizens

The Group partnered with NSSA to afford discounted groceries to NSSA pensioners up to a maximum of 5% effective December 2021. Any registered NSSA pensioner can walk into any of our stores nationwide, purchase their groceries and be awarded an instant discount based on a set maximum threshold. This was a welcome development for pensioners to cushion them and assist them to save an extra dollar. NSSA Pensioners could also access the USD50 facility as set by the Reserve Bank of Zimbabwe. We are committed to making happiness tangible by planting smiles in the communities we operate in.

Corporate Governance

The Group is committed to the highest standards of effective corporate governance and best practices.

Our governance values are underpinned by a culture of ethical business practice, openness, transparency, integrity and accountability in our dealings with all our stakeholders.

We embrace the leading practices in retail governance to ensure we deliver a world class shopping experience. We do this in a transparent manner that enables our shareholders and stakeholders to hold us accountable for our governance processes.

Sustainability

Operating in a sustainable manner is a strategic value proposition for OK Zimbabwe. The Group recognises the increasing keen interest by various stakeholders in the environmental, social and governance (ESG) front. The business is guided by the Global Reporting Initiative (GRI) Standards in measuring and assessing its sustainability performance and impacts. Our priorities are premised on the United Nations Sustainable Development goals and during the year our focus was on good health & well-being and accordingly, a new property which will operate as an Occupational Health and Wellness facility was acquired. The business also focused on waste management and measures were put in place to ensure our activities do not contaminate clean water sources while at the same time ensuring that packaging waste is controlled. The Group is also committed to reducing its carbon footprint and source of power. A number of Corporate Social Responsibility activities were undertaken to fight against inequality in the communities. The Group places employee happiness at the core of its strategy and is gender neutral in both promotions and remuneration packages.

Risk Management

The Group has a formalised risk identification, monitoring and reporting process for emerging risks. We believe that Enterprise Risk Management is key for sustainability, growth and profitability of our business. Our risk management process is informed by a comprehensive and refreshed Risk Management Framework which is aligned to ISO 31000.

Chief Executive Officer's Report (continued)

The Board of Directors through the Audit, Finance and Strategy Committee provides oversight and guidance to monitor risk management activities. Management set the tone at the top. Our risk management cycle is aligned to key activities which include quarterly board meetings and Audit, Finance & Strategy Committee reporting.

Outlook

The economic outlook is negatively impacted by high levels of inflation, exchange rate volatility, the global economic impacts of Russian – Ukraine conflict and the less than anticipated yield in the 2021/2022 agricultural season.

Despite these challenges, the Group will continue to implement its GROWTH strategy and focus on the following to deliver growth in shareholder value:-

- Extending reach through store expansion and store refurbishment programme;
- Service excellence and responding to customer needs;
- Improvement in supply chain efficiencies;
- Effective cost management; and
- Risk mitigation.

The Group is currently implementing a new enterprise resource planning system (ERP) and this is expected to improve efficiencies across all functions of the business, advancing the Group's innovation thrust and ultimately optimising business performance.

Maxen P. Karombo
Chief Executive Officer
15 June 2022

04

OUR STORE BRANDS

A new OK Store was officially opened on the 23rd of December 2021 in Banket.

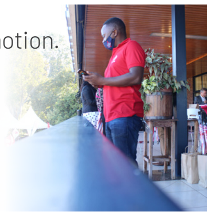
Our Brands

GREAT SAVINGS More Smiles

The OK Stores brand has 52 outlets nationwide in the major towns and cities around the country, catering for the widest range of customers within the OK Zimbabwe stable.

Premier Events/ Promotions

- OK Grand Challenge Jackpot Promotion.
- Christmas Is Here Campaign.
- Summer Savings.



OK Store Locations

Harare

28 Stores

Ardmbare, Avonlea, Budiriro, Chitungwiza, Fife Avenue, First Street, Glen Norah, Glen View, Houghton Park, Julius Nyerere Way, Kuwadzana Main, Kuwadzana Express, Kwame Nkrumah, Mbuya Nehanda, Mabelreign, Mabvuku, Machipisa, Malvern, Marimba, Mbare, Mufakose, Queensdale, R. Manyika, Seke Makoni, St. Mary's, Third Street, Waterfalls and Sanganayi.

Bulawayo

3 Stores

Entumbane, Jason Moyo and Lobengula

Other

21 Stores

Bindura, Chegutu, Chinhoyi, Chipinge, Chiredzi, Gwanda, Gweru, Hwange, Kadoma, Karoi, Kwekwe, Marondera, Masvingo, Mutare, Ngezi, Norton, Rusape, Triangle, Victoria Falls, Banket, and Zvishavane.

bon marché

Live Well Everyday

Bon marché is OK Zimbabwe's up-market store brand located in the northern suburbs of Harare. There is currently a total of 8 Bon marché stores.

Premier Wellness Events and Promotions

- Liv' it Up Fiesta.
- Ultimate Powerwalk.
- Walk-a-Robix.
- Biggest Loser Challenge.
- Summer Savings.

Bon marché Stores

Harare

8 Stores

Avondale, Belgravia, Borrowdale Brooke, Borrowdale Sam Levy, Chisipite, Eastlea, Mount Pleasant and Westgate.

OKmart

Everything you want, for less.

OKmart is the wholesale arm of OK Zimbabwe Limited which offers a unique one-stop shopping experience to customers of edible and non-edible range of products. OKmart operates on a hybrid retail / wholesale model, with a skew towards encouraging wholesale or bulk purchases.

Premier Events and Promotions

- OKmart Mega Money Maker.
- Summer Savings.

OKmart Mega Stores

8 Stores

Bulawayo, Gweru, Harare, Kwekwe, Masvingo, Mutare, Victoria Falls and Chivhu.

Stores	FY2021	Stores Opened	Stores Closed	FY2022
OK Stores	51	1	–	52
Bon marché	8	–	–	8
OKmart	8	1	1	8
Total Stores	**67**	**2**	**1**	**68**
Trading Space	**99,511**	**2,582**	**(1,243)**	**100,850**

New Stores

- OK Banket.
- OKmart Chivhu.

Store Closure

OKmart Victoria Falls (relocated to larger premises).

05

Corporate Governance

GOVERNANCE

OK Zimbabwe is dedicated to achieving the highest standards of corporate governance and best practices. We believe that our culture of ethical business practices, openness and transparency, integrity and responsibility provide a strong foundation for effective corporate governance.

Corporate Governance (continued)

We recognise that the primary objective of any system of corporate governance is to ensure that Directors, executives and managers carry out their responsibilities faithfully, effectively and efficiently. The Group's structure, operations, policies and procedures are continuously assessed and updated for compliance with national laws and generally accepted corporate governance practices. The Group continues to align its corporate governance instruments with the Companies and Other Business Entities Act (24:31), SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019 and the National Code on Corporate Governance in Zimbabwe (ZIMCODE). In addition, the Group continues to benchmark with international best practices such as the King IV Code of Corporate Governance of South Africa.

Leadership Transformation

The Group began the financial year on an exciting and transformative leadership renewal journey. Building on the rich foundation laid by our predecessors, we are the stewards of a call to reposition the Group for the future. At the core of our strategy, is building and maintaining a robust and agile leadership team for sustainable growth.

Board Responsibility

The Board of Directors is in charge of determining the overall strategy, major policies, and risk tolerance levels. Additionally, it must approve major purchases, sales, and interim and yearly operating outcomes as well as strategic and operational budgets. Key performance indicators and best practice benchmarks are used to track the application of the overall strategy, policies, and risk management. Executive management provides organised reports so the Board can keep track of performance.

Board Composition

The Group's Articles of Association provide for the appointment of independent Directors. The Board currently comprises two Executive Directors and nine Non-Executive Directors, five of whom are independent. The Chairman of the Board is an Independent Non-Executive Director. Our Directors are highly experienced with diverse professional and commercial skills necessary to deliver their duties.

Independent	Non Independent	Executive	Total
5	4	2	11

Transformation

After 80 years in existence, it was the right time to transform the Group and build on solid foundations for future growth

Renewal

Leadership changes occurred at the beginning of the financial year in line with the Corporate Succession Plan

Repositioning

The Group has adopted a new Strategy geared at repositioning the Group for G.R.O.W.T.H

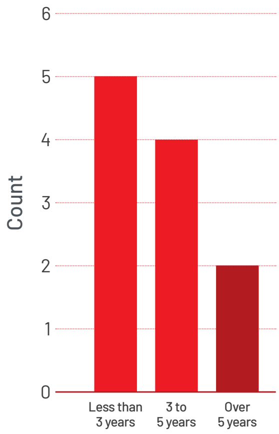
Corporate Governance (continued)

Board Composition (continued)

Board Composition

Independent	46%
Non-Independent	36%
Executive	18%

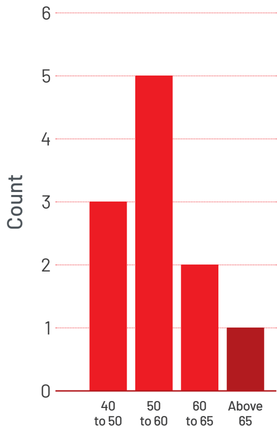
Director Tenure on the Board



Board Gender Distribution

Male	64%
Female	36%

Board Age Distribution



Nomination and Selection of Board members

Our directors are elected and appointed by shareholders at an Annual General Meeting. However, the Board plays an important role in the selection and recommendation of potential directors for appointment by shareholders. The Board delegates this function to the Board Human Resources Committee sitting in the capacity of the Nominations Committee. This Committee is mandated by a Board Charter to consider succession planning issues. As such, the committee makes recommendations to the Board concerning any selection and appointment of directors.

The Board regularly reviews the size and composition of the Board to ensure that it continues to have diversity and the right mix of experience, competencies and skills to fulfil its responsibilities effectively. The following broad categories have been identified as desirable competencies of Board members:

- Ability to analyse information, think strategically, review and challenge management to make informed decisions and assess performance;
- Demonstrated and recognised knowledge, experience and competence in the business including financial literacy;
- Diversity of race, age, gender, ethnicity, background and interests;
- Independence - determined following the Group's policy on independence (where relevant);
- Industry knowledge or ability to acquire that knowledge; and
- Personal and professional integrity, good communication skills and ability to work harmoniously with fellow directors and management.

Board Resignations and Appointments

Mr. Albert Rufaro Katsande, the Group's Commercial Director, retired on 30 June 2021 bringing an end to a remarkable career spanning almost 32 years of dedicated service to the Group. Albert joined the then OK Bazaars which was a subsidiary of Delta Corporation in 1989 as its pioneer Marketing Manager. He was subsequently promoted to Marketing Director in 1993 and to Managing Director in 1995. He led the growing Group for the next years until its demerger from Delta Corporation in September 2001 and he became the listed Group's Chief Operating Officer, a role he served in for 17 years before becoming the Commercial Director in 2017. Albert stepped down from the Board of Directors with effect from his date of retirement.

Mr. Phillimon Mushosho was appointed as the Group's new Chief Finance Officer with effect from 1 July 2021. Phil is an accomplished Chartered Accountant with vast experience accumulated in a number of blue-chip business over the years. He joins OK Zimbabwe from an ICT business where he was a Chief Executive Officer for the past six years. Prior to that, he held senior positions in finance and operations in BOC Gases, SPAR Zimbabwe, Innscor Africa and Delta Corporation.

Phil is a holder of a Bachelor of Accountancy honours degree from the University of Zimbabwe and a Master's in Business Leadership from UNISA. He qualified as a Chartered Accountant in 2004 and is registered both in Zimbabwe and South Africa.

Corporate Governance (continued)

Board Resignations and Appointments (continued)

Mr. Simon Masanga was appointed as a Non-Executive Director with effect from 1 July 2021. Mr. Simon Masanga is the Permanent Secretary in the Ministry of Public Service, Labour and Social Welfare. He is a career civil servant who has worked in various Government Ministries in Zimbabwe. Simon started his career in the public service in 1991 as a Human Resources Practitioner. He was later promoted to Human Resources Director in the Ministry of Lands and Agriculture in 2005. He has vast experience in corporate governance, strategic planning and leadership and is an accomplished motivational speaker.

Board Induction and Evaluation

The Group Secretary is responsible for the induction process of new directors. Newly appointed directors go through an induction procedure where they receive the appropriate training, assistance, and information. As soon as the Board (or Members at an election) confirms the appointment of a new director, the Group Secretary makes contact with the new director and facilitates an induction. The Group Secretary provides a copy of the Director Induction Manual and takes them through the manual as an initial introduction to Board processes and ongoing reference.

Board Communication Systems

The board is approachable and encourages stakeholders to come forward to communicate critical concerns. The business has several platforms for directly communicating with stakeholders which include quarterly Board meetings, regular meetings with the CEO, annual report, employee representative meeting and quarterly trading updates.

Directors' Remuneration

The remuneration policy promotes the Group's long-term financial performance and creates long-lasting shareholder value. This policy is intended to remunerate the directors appropriately in accordance with their qualifications, responsibilities and dedication required, ensuring that such remuneration is in line with market trends and sufficient to attract and retain directors of the desired profile, but not so high as to compromise the independence of the non-executive directors. The shareholders decide on the remuneration of the Board of Directors annually at the Annual General Meeting. With regard specifically to the directors who carry out executive duties, the policy aims to attract, retain and motivate the Group's professionals.

The Group's remuneration policy is based on the following principles

- Alignment with long-term value creation for shareholders;
- Talent attraction, retention and motivation;
- Compensation for professional accountability and career paths;
- Internal equity and external competitiveness; and
- The balance between the remuneration elements.

Director Declarations

In terms of the Group's Articles of Association, Directors are not precluded from entering into or being interested in contracts or arrangements within the Group. However, a Director who is in a way, whether directly or indirectly, interested in a contract or proposed contract which has been or is to be entered into by the Group is required to declare the nature and extent of this interest. Such a Director is not permitted to vote in respect of any contract or arrangement in which he or she is interested. Any service rendered by the directors and all director's interests in the Group is required to be conducted on an arm's length basis. Full disclosure of any such arrangements by all the current Executive and Non-Executive Directors must be made in accordance with legal requirements. Each year Directors are required to submit in writing whether they have interests in any contracts of significance to the Group, which could give rise to conflict of interest.

Share dealing

No Director, officer or employee of the Group may deal directly or indirectly in the Group's shares based on unpublished price-sensitive information regarding its business or affairs. In addition, no Director, officer or employee may trade in the Group's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Group is under a cautionary announcement.

Corporate Governance (continued)

Board committees

Committee	Members	Responsibilities
Audit, Finance and Strategy	Rufaro Audrey Maunze **(Chairperson)** Andrew Stuart Mcleod Tawanda Lloyd Gumbo Simon Masanga Maxen Phillip Karombo (ex-officio) Phillimon Mushosho (ex-officio)	The committee consists of four non-executive Directors. The internal and external auditors attend the meetings and have unrestricted access to the Chairperson of the committee. The committee meets at least twice a year. The function of the Audit, Finance and Strategy Committee is: • To advise the Board on all matters relating to corporate governance and regulatory issues. In particular, it monitors financial controls, accounting systems and assesses the processes for identifying, monitoring and managing business risks; • It reviews any significant abnormal transactions, ensures there are no restrictions on the external auditors work and follows up matters reported or unresolved with the auditors; • It reviews the Group's financial statements and external audit fees before submission to the Board for consideration and approval and • Monitors the Internal Audit Charter, plans, programs and reports and recommend appointment of external auditors.
Human Resources	Rutenhuro James Moyo **(Chairperson)** Herbert Nkala Rose Mavima Rufaro Audrey Maunze Maxen Phillip Karombo (ex-officio)	The committee consists of four non-executive Directors and one Executive Director. The Human Resources Committee is responsible for: • Making recommendations on all major human resources policy issues, including Board appointments and the remuneration policy of the Executive Directors and senior management. The objective of the policy is to ensure the right calibre of management is recruited and retained. • The committee also considers, at the Board level, remuneration levels and conditions of services of staff to ensure that these are fair, appropriate and in line with the market and the Group's remuneration philosophy.
Marketing	Rose Mavima **(Chairperson)** Lyndsay Webster-Rozon Keresia Mtemererwa Andrew Stuart McLeod Maxen Phillip Karombo (ex-officio)	The Committee consists of four non-executive Directors and two Executive Directors. The role of the Marketing Committee is: • To support overall comprehensive marketing, public relations and communications strategy; • Development and implementation of a consistent and active communication strategy to all stakeholders; • Contribute its expertise to assist management in establishing organisational marketing, branding and communication plans and initiatives and • Building and maintaining policies for stakeholder management.

Corporate Governance (continued)

Meeting attendance

Board Member Name	Main Board	Possible	Audit, Finance and Strategy Committee	Possible	Human Resources Committee	Possible	Marketing Committee	Possible
Herbert Nkala	4	4	N/A	N/A	3	3	1**	1
Rutenhuro James Moyo	4	4	N/A	N/A	3	3	2***	2
Rose Mavima	4	4	N/A	N/A	3	3	4	4
Rufaro Audrey Maunze	4	4	2	2	2	2	N/A	N/A
Andrew Stuart McLeod	4	4	2	2	N/A	N/A	2****	2
Lyndsay Webster-Rozon	4	4	N/A	N/A	N/A	N/A	4	4
Keresia Mtemererwa	4	4	N/A	N/A	N/A	N/A	4	4
Tawanda Lloyd Gumbo	4	4	2	2	N/A	N/A	N/A	N/A
Simon Masanga	4	4	2	2	N/A	N/A	N/A	N/A
Maxen P Karombo*	4	4	2	2	3	3	4	4
Phillimon Mushosho*	3	3	1	1	N/A	N/A	N/A	N/A

* Messrs Maxen P. Karombo and Phillimon Mushosho as executives attend meetings as ex- officios
1** Attended 1 meeting but is no longer a member of the Committee
2*** Attended 2 meetings but is no longer a member of the Committee
2****Joined the Committee on 1 November 2021
N/A Not a member of the Committee

LEADERSHIP AND MANAGEMENT

Board of Directors and Profiles

Herbert Nkala
Non-Executive Chairman (Independent)

Education:
MBA (UZ), BSc Business Studies (University of Wales UK)
Tenure on the Board: 10 years

Other Directorships:
Chairman: Arena Investments (Pvt) Ltd, FBC Holdings Ltd, Tanganda Tea Limited, Nuanetsi Ranch (Pvt) Ltd, Mtirikwi Sugar Group. He is a trustee of the Joshua Mqabuko Nkomo Foundation.

Experience: Herbert is the former Group Chief Executive Officer of the Rainbow Tourism Group and former Chairman of Zimbabwe Newspapers (1980) Limited. His previous positions include Marketing Director for the then National Breweries and Assistant General Manager of Dairibord Zimbabwe Limited. Herbert also holds directorships in many other companies.

Maxen Phillip Karombo
Group Chief Executive Officer

Education:
CIM, MBA (UZ), B. Tech (UZ)
Tenure on the Board: 1 year

Other Directorships:
Leonard Cheshire Disability Trust Zimbabwe; Arrupe Jesuit University Council; Hellenic Board of Governors; Mary Mother of Care Hospital (St Annes Hospital)

Experience: Max grew his business leadership credentials at Unilever where he started off as Marketing Director for the South East Africa cluster, Zimbabwe Customer Development Director, Managing Director at Unilever Uganda and eventually as Managing Director at Unilever Zimbabwe. In the recent past, he was at Delta Corporation as Executive Director – Operations and Marketing for 10 years.

Board of Directors and Profiles (continued)

Phillimon Mushosho
Group Chief Finance Officer

Education:
B.Acc (UZ), MBL (UNISA). CA (SA & Z)
Tenure on the Board: 9 months

Other Directorships:
Skyclare Investments (Private) Limited.

Experience: Phil is an accomplished Chartered Accountant with vast experience accumulated in a number of blue-chip organizations over the years. He joined OK Zimbabwe from an ICT organization where he was a Chief Executive Officer. Prior to that, he held senior positions in finance and operations in BOC Gases, SPAR Zimbabwe, Innscor Africa and Delta Corporation.

Rufaro Audrey Maunze
Non-Executive Director (Independent)

Education:
Specialized Master's in Coaching and Consulting for Change (SAID/HEC Paris Business Schools), Executive Master's in Development Finance (Stellenbosch Business School), CA (Z)
Tenure on the Board: 5 years

Other Directorships:
Chairperson Imara Fiduciary. Chairperson of ICAZ Women's Chartered Accountants Network. Independent Non-Executive Director Tanganda Limited.

Experience: Rufaro is an Executive Coach with over 20 years' experience in business leadership, banking, strategy, change management and inclusive finance. Her experience has seen her work across several markets including Zimbabwe, Australia, and several countries across sub-Saharan Africa.

She is currently a Senior Partner with Triage and leads their Organisational Development Practice across Africa. Rufaro started her carrier in Assurance and Audit with Deloitte and worked for several global offices before moving into the Australian banking sector where she held various leadership roles. She has also held National and Regional leadership roles for international development organisations including FSDAfrica, and TechnoServe.

As a Social Entrepreneur and Impact Investor, Rufaro has interest in inclusive agriculture and women and youth focused impact investment, she is an advocate for business solutions for sustained development and is passionate about developing people and the Leader within.

Rose Mavima
Non-Executive Director (Independent)

Education:
BBS (UZ)
Tenure on the Board: 5 years

Other Directorships:
Hanawa Super Foods (Private) Limited.

Experience: Rose started her marketing career in 1987 as a Relationship manager and rose to Account Director at Lintas Advertising Agency, where she managed the communication strategies of various premium brands and portfolios.

Since 1996, Mrs Mavima has been managing family owned business in the tourism, financial and manufacturing sectors.

Board of Directors and Profiles (continued)

Rutenhuro James Moyo
Non-Executive Director (Non-Independent)

Education:
MBA, BSc (UZ)
Tenure on the Board: 6 years

Other Directorships:
Remoggo PCC (Mauritius); Cheetah Express Logistics & Supaswift Zimbabwe (Fedex Licensees in Zimbabwe & DRC); Hippo Valley Estates Limited; National Tyres Services; Auto Tyres Zimbabwe; Retail Africa Limited (Mauritius); FBC Holdings Limited; Tsebo Zimbabwe (Private) Limited.

Experience: Rutenhuro has worked for Anglo American Corporation Zimbabwe, Old Mutual Zimbabwe, and The Coca-Cola Group. He also created and headed the Shanduka Group's FMCG Unit that had interests in both Coca-Cola Shanduka Beverages South Africa (Pty) Ltd and McDonalds SA.

Andrew Stuart McLeod
Non-Executive Director (Non-Independent)

Education:
CA (SA); B Comm (UCT);
DIP Theory of Accounting
Tenure on the Board: 4 years

Other Directorships:
Forbes Investment Holdings (Pty) Ltd; Forbes Holdings and Management (Pty) Ltd; Peninsula Beverage Properties (Pty) Ltd; Onaghan Investments No 15 (Pty) Ltd; Origen Engineering Solutions CIOSE Corporation; JLP Investment Holdings (Pty) Ltd; Peninsula Speciality Beverages (Pty) Ltd; Avroy Shlain Cosmetics (Pty) Ltd; Polyoak Packaging Holdings; The Carpenters Shop NPC.

Experience: Andrew has worked for Deloitte (Pim Goldby) in Cape Town and Lowe Bell Communications in London. He joined Coca-Cola Peninsula Beverages in 1990 and served as both Financial and Managing Director.

Lindsay Webster-Rozon
Non-Executive Director (Non-Independent)

Education:
MBA (McGill University, Canada) BBA, BA Psychology (St Andrews University USA)
Tenure on the Board: 3 years

Other Directorships:
Webster-Rozon (Proprietary) Limited.

Experience: Lyndsay Webster-Rozon has over 20 years' experience as a Retail Executive and Management Consultant. She has recently returned to consulting after spending 14 years in several senior executive positions within one of South Africa's largest grocery retail brand. In 2014 she started an independent consulting business, specializing in strategy, commercial due diligence, marketing, Omni-channel retail and business development.

Board of Directors and Profiles (continued)

Keresia Mtemererwa

Non-Executive Director (Independent)

Education:
LLB Rhodes University
Tenure on the Board: 2 years

Other Directorships:
Masscash (Proprietary) Limited.

Experience: Keresia is an admitted attorney and conveyancer. Before joining Massmart in 2013 as Group Associate General Counsel, she worked as a Group Legal Advisor at RCL Foods for almost four years where she gained invaluable experience in commercial drafting, property transactions, compliance, consumer protection law and competition law. Kay was awarded the CEO citation award for demonstrating exceptional performance in 2015. That same year Kay spent eight weeks at Wal-Mart on a summer rotation program.

Tawanda Lloyd Gumbo

Non-Executive Director (Independent)

Education:
CA (SA &Z)
Tenure on the Board: 2 years

Other Directorships:
CBZ Holdings; CBZ Bank; CBZ Asset Management; CBZ Life; CBZ Insurance; CBZ Risk Advisory; CBZ Properties; CBZH SA and CBZH Mauritius.

Experience: Tawanda has over 30 years professional experience, 20 of them as a Deloitte partner in various African practices. He is a co-founder and chief adviser to private equity businesses and recently served as an Audit Executive Partner in Deloitte Southern Africa where he was responsible for business development across Africa. He is the outgoing CEO for the Deloitte West Africa cluster, a role which he held for over five years based in Nigeria. He has served as a member of the Deloitte Africa Executive Committee, and as a board member of the Deloitte Southern Africa cluster. Tawanda also served as the CEO of Deloitte Central Africa cluster for 8 years prior to joining Deloitte in West Africa.

Tawanda is a past President of the Institute of Chartered Accountants of Zimbabwe and has served as the deputy chairperson and member of the Zimbabwe Stock Exchange monitoring panel. He has also served on the council for the Pan African Federation of Accountants (PAFA) and as an Executive Committee member of the predecessor accounting body ECSAFA covering 29 Anglophone African countries.

Simon Masanga

Non-Executive Director (Non-Independent)

Education:
Master's in Public Sector Management
Tenure on the Board: 1 year

Other Directorships:
East and Southern Africa Management Institute; Zimbabwe Occupational Health and Safety Council; Heavenbloom (Private) Limited.

Experience: Simon is a career civil servant who has worked in various Government Ministries in Zimbabwe. He has previously served as the Head Human Resources Management and Development at the Public Service Commission as well as the Principal Director in the Ministry of Labour And Social Welfare where he was the Country Focal Person for Sustainable Development Goals. Simon started his career in the public service in 1991 as a Human Resources Practitioner. He was later promoted to Human Resources Director in the Ministry of Lands and Agriculture in 2005. In 2014, he moved to the Ministry of Youth where he was elevated to Principal Director Youth Development in March 2016. He is currently the Chairperson of the Zimbabwe Occupational Health and Safety Council.

Simon has served as a board member in various businesses and other councils which include Grain Marketing Board, Rainbow Tourism Group, the East and Southern Africa Management Institute and Productivity Institute of Africa among others. He holds several professional qualifications including a Master's in Public Sector Management. He has vast experience in corporate governance, strategic planning, leadership and is an accomplished motivational speaker.

LEADERSHIP AND MANAGEMENT

Senior Management

Maxen Phillip Karombo
Group Chief Executive Officer

Qualifications
CIM, MBA (UZ), B. Tech (UZ).

Appointed on 01 April 2021

Other Directorships:
Avid Marketing Group (Private) Limited; Mazana Corporation (Private) Limited Incorporating Tate Industries (Private) Limited; Leonard Cheshire Disability Trust Zimbabwe; Arrupe Jesuit University Council; Hellenic Board of Governors; Torarama Sei Widows Trust; Sickle Cell Trust Zimbabwe.

Experience: Max grew his business leadership credentials at Unilever where he started off as Marketing Director for the South East Africa cluster, Zimbabwe Customer Development Director, Managing Director at Unilever Uganda and eventually as Managing Director at Unilever Zimbabwe. In the recent past, he was at Delta Corporation as Executive Director – Operations and Marketing for 10 years.

Phillimon Mushosho
Group Chief Finance Officer

Qualifications:
B.Acc (UZ), MBL (UNISA). CA (SA & Z)

Appointed on 01 July 2021

Other Directorships:
Skyclare Investments (Private) Limited.

Experience: Phil is an accomplished Chartered Accountant with vast experience accumulated in a number of blue-chip organizations over the years. He joined OK Zimbabwe from an ICT organization where he was a Chief Executive Officer. Prior to that, he held senior positions in finance and operations in BOC Gases, SPAR Zimbabwe, Innscor Africa and Delta Corporation.

Senior Management (continued)

Brian Muradzikwa

Strategy Director and Executive Assistant to the Group CEO

Qualifications:
CA (Z), B.Acc, MBL (UNISA),

Appointed on 1 July 2021

Experience and Expertise: Brian joined the Group in August 2003 as a Finance Manager and was promoted to the current position in May 2017. He trained with Deloitte and Touché (Zimbabwe) in 1998 and is a qualified chartered accountant. He joined Caltex Oil Zimbabwe (Pvt) Ltd in 2002 as Finance Manager. He holds a Bachelor of Commerce Honours Degree in Accounting from NUST and a Master in Business Leadership Degree from the University of South Africa.

Knox Mupaya

Supply Chain Director

Qualifications:
BSc Hons Information Systems (Rhodes University), MBA

Appointed on 1 November 2021

Experience and Expertise: Knox is an experienced Supply Chain professional within the fast-moving consumer goods industry with over 15 years of cross industry experience in South Africa. He started his career in retail analytics with ACNielsen providing sales and marketing solutions to maximise brand equity and market share through the analysis of retail and consumer data. He then joined Reckitt Benckiser South Africa and then Adcock Ingram working across various disciplines ranging from Space Planning, Key Account Management, Category Management and Trade Marketing.

In 2009 Knox joined Pick n Pay South Africa where he spent 10 years in various commercial roles spanning from strategy development, demand planning and procurement. In 2015 he was appointed Head of Packaged groceries and his last position was with the Budget store cluster as the Commercial Lead. Knox moved back to Zimbabwe to join the Innscor Africa group as Retail Executive leading the retail division of Profeeds where he managed their footprint expansion and store revamp program. He obtained an honours degree in Information Systems from Rhodes University and a Master's in Business Administration from Wits Business School in South Africa.

Juliet Ziswa

Marketing Director

Qualifications:
BBS (UZ)

Appointed on 16 August 2021

Experience and Expertise: Juliet has a demonstrated history of developing and executing award winning purpose driven brand building experiences. She has held various leadership roles in Marketing, Brand Development, Brand Building and Customer Marketing. She started her illustrious career as a management trainee at Unilever and rose through the ranks to become a Brand Building Director for Central and Southern Africa. She has worked across Marketing disciplines, portfolios, categories and brands in Africa, Middle East, Turkey, and some parts of Asia. Juliet did a stint at NetOne before leaving for East Africa to take up a pan African role.

Senior Management (continued)

Vupenyu Gumbo
Operations Director –
Retail Business

Qualifications:
B.Comm Honours Marketing from (NUST).

Appointed on 1 November 2021

Experience and Expertise: Vupenyu is a highly experienced retailer with more than 20 years local and regional experience; in FMCG, clothing, and general merchandise environments. He started his retail career as a graduate trainee at OK Zimbabwe in 1998, worked at Red Star, CFI Retail t/a Town and Country; in various capacities(General manager – Operations, and Special Projects, and later promoted to Managing Director, and spent nearly 10 years in Country GM roles at Woolworths -Tanzania and Uganda, Lesotho, and Zambia. Vupenyu re-joined OK Zimbabwe in June 2019.

Margret Nettie Mlambo
Operations Director –
Wholesale Business

Qualifications:
BTEC, HND Food Technology (Reaseheath College, Harper Adams University UK).
QA – (City & Guilds London), HACCP, ISO Management.

Appointed on 1 November 2021

Experience and Expertise: Margret is a Food Technologist who qualified at Harper Adams University in the United Kingdom. She has worked for various food processing business including Dairibord Zimbabwe Ltd as Assistant Quality Assurance Manager and for Mitchell & Mitchell Fresh Exports as Export Sales & Logistics Manager among other roles. She has retail experience gained in the UK from Sainsbury's, Tesco, Woolworths and Marks & Spencer. She joined OK Zimbabwe Limited in 2012 as Fruit & Veg Manager and rose to the position of Operations Manager: – Bakeries, Fruit & Veg. Margret was appointed Operations Manager: Bon marché s in 2017 then Operations Executive - Bon marché & OKmart in June 2018, a position she held until her appointment to the current position.

Willie Mapundu
Business Information Systems Executive

Qualifications:
B.Sc. Computer Science (UZ)

Appointed on 1 April 2018

Experience and Expertise: Willie joined OK Zimbabwe on 1st February, 1994. He studied Computer Science at the University of Zimbabwe, then worked for InfoTech Zimbabwe as a Systems Programmer. He then moved to Alpha Systems as a Software Engineer and subsequently worked for IBM Zimbabwe as a Systems Engineer. He Joined OKZL as a Group Systems Analyst. He was appointed to his current position in April 2018.

Senior Management (continued)

Margaret Munyuru
Group Company Secretary and Head of Corporate Services

Qualifications:
LLBS (Hons) (UZ); ICSAZ, MSc International Relations (UZ), LLM in International Economic Law (UNISA)

Appointed on 1 May 2018

Experience and Expertise: Margaret is a seasoned legal expert with strong background in legal, governance, risk management and compliance systems in the financial services and retail sectors. With a Bachelor of Laws Honours degree attained from the University of Zimbabwe and specialisation in international economic law and international relations, Margaret brings vast wealth of knowledge to the Management team. She is an accomplished analytical thinker and passionate problem solver who has the ability to read and interpret complex regulations and make accurate operational decisions regarding them. She has a track record of developing and implementing policies, procedures and programs.

Innocent Magaya
Human Resources Director

Qualifications:
B.Sc. (HPA) and MBA majoring in Strategic Management from University of Wollongong in Australia. Training Diploma (IPMZ), Postgraduate Diploma in Marketing (IMM) and Certificate in Arbitration (CIArb. UK).

Appointed on 1 July 2021

Experience and Expertise: Innocent gained extensive experience from a number of local and global businesses which include among others; British American Tobacco, Econet Wireless Zimbabwe Limited, Nestle, and National Foods Limited where he held various executive and board roles in Zimbabwe, South Africa, Zambia and Kenya. He is an Independent Non-Executive Director on the board of ABC Holdings (Zimbabwe) Limited where he chairs the Remuneration & Nomination Committee.

Muzvidzwa Richard Chingaira
Procurement Executive *(Retired)*

Qualifications:
M.CIPS (UK), Founder Member of the Chartered Institute of Procurement & Supply (UK), B.Com & MBL (UNISA).

Appointed on 1 November 2002

Experience and Expertise: Born in Zimbabwe, Muzvidzwa holds a Bachelor of Commerce degree from the University of South Africa (UNISA) and a Master of Business Leadership degree from the School of Business Leadership (SBL – UNISA) and a graduate diploma in Purchasing & Supply Management from the Chartered Institute of Purchase and Supply, United Kingdom. He is a founder member of the Chartered Institute of Purchasing and Supply, United Kingdom – MCIPS. Muzvidzwa worked for a Cash and Carry Wholesale from 1979, before joining OK Zimbabwe as a management trainee in 1982. Over the last 28 years, he has worked his way up from Assistant Buyer, Group Buyer to Buying Manager (Food Group) and to Procurement Executive, a position he assumed in November 2002, and holds today.

06

BUSINESS ETHICS, COMPLIANCE & RISK MANAGEMENT

Ethical Values

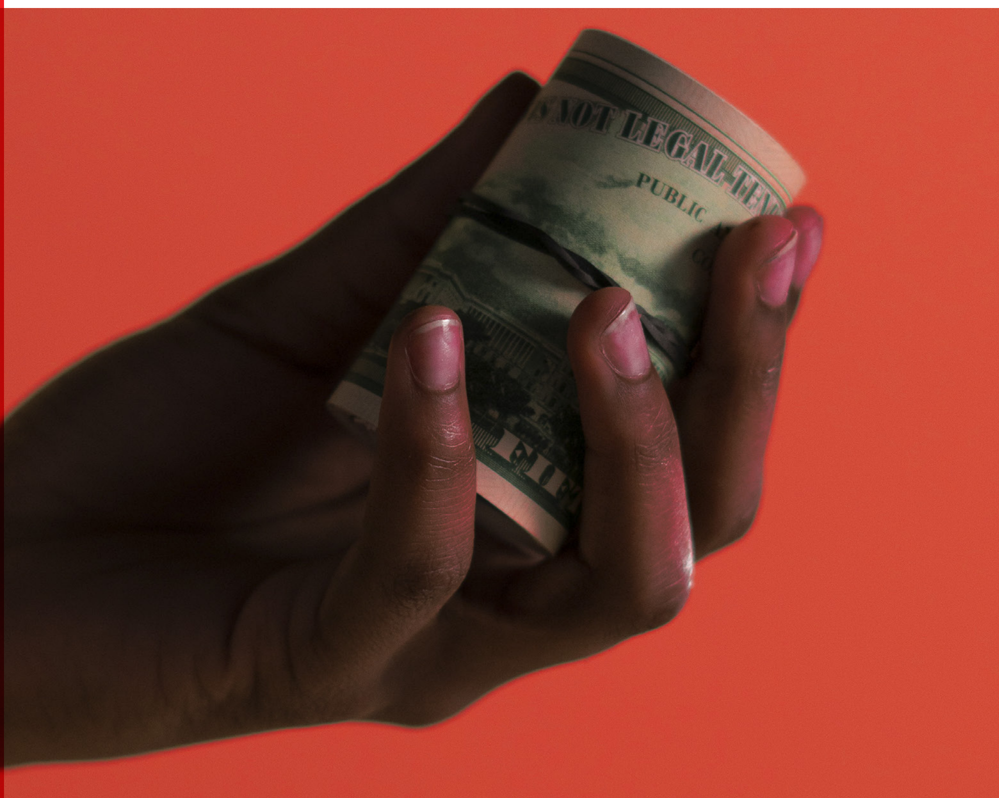
Directors and employees are required to observe the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach.

In this regard, the Group has a detailed code of ethics for all levels of employees. In line with the Zimbabwe Stock Exchange listing requirements, the Group observes a closed period before the publication of its quarterly, half yearly and year-end financial results, during which period Directors, officers and employees may not deal in the shares of the Group. Where appropriate, this restriction is also extended to include other sensitive periods.

Anti-corruption

OK Zimbabwe has zero tolerance for corruption in any form whether bribery, extortion or any inducement to do something illegal. We enforce anti-corruption in all operations through an Anti-Corruption and Bribery Policy which adopts a zero-tolerance approach to corruption and bribery. It is our commitment to act professionally, fairly and with integrity in all our dealings and business relationships, wherever we operate. We implement and enforce effective systems to counter bribery and corruption.

The Group seeks to be a trusted brand in the way it engages with customers and suppliers. This has sustained the business to manage negative publicity and be a dominant retailer in the market. We have a strategy to grow or double our size in financial terms and volumes, therefore the implementation and monitoring of anti-corruption within the business assists us in achieving our strategic goals and gaining trust amongst our stakeholders. Corruption poses reputational, financial and operational risks to the business.



Business Ethics, Compliance & Risk Management (continued)

Policy on Anti-corruption

The risk function of the business monitors the effectiveness OK Zimbabwe's policy and reviews its implementation, regularly considering its suitability, adequacy and effectiveness. Any improvements identified are implemented promptly. The anti-corruption policy is signed by employees and external business partners who include suppliers. Enshrined in the policy are various anticorruption reporting methods.

Managing Anti-Corruption

The Group uses Tip-off facility to manage anticorruption. Internally the Tip-Offs committee (reports to the Audit, Finance and Strategy Committee) handles investigations and follow ups on information related to anticorruption, bribery and ethical business relationships. Tip-Offs involving directors go straight to the chairman of the board. We have toll-free numbers which are administered by Deloitte. In addition we are working on a Whistle blower policy to work hand in hand with the Tip-Off Anonymous facility. The Group risk manager, internal audit function, which are independent assurance functions and the security and loss control manager are responsible for investigating, assessing controls of unfair behaviours and also carrying vulnerability assessments. We report on a quarterly basis, the business malpractices and anticorruption.

The Group uses internal and external audits, including risk monitoring by the risk function to track the effectiveness of actions taken to manage anti-corruption. All our business dealings should be conducted in a transparent, fair and professional manner with all stakeholders, with zero tolerance to corruption and bribery. Disclosure of interests are done quarterly and we do assessments of material breakdown of controls. During the year, our actions have been effective as we did not have any known anti-corruption cases reported.

Statement of Compliance with Laws and Regulations

The Group's business values are to comply with applicable legal regulatory obligations and industry standards. In addition, the Group tries to live up to voluntary and mandatory obligations it may ascribe to, whether domestic or international. Management takes the responsibility of ensuring that compliance matters are upheld at the highest standard.

The business has put in place formalised controls to ensure compliance with the country's regulations. A central legal and compliance function has been established by the business to oversee compliance issues across the Group. This function requires extensive experience in the legal regulatory frameworks and is assisted by managers and executives responsible for the multiple regulatory areas. These individuals assist in the implementation of compliance management plans in the business.

Key regulatory areas are as follows:-

- Operations;
- Human Resources;
- Safety, Health and Environment;
- Food Standards and Quality Control;
- Marketing and Competition;
- Business Information Systems; and
- Finance.

Compliance management is a significant part of our risk management process which covers some of the following areas of risk mitigation:

- Monitoring and scanning changes in the regulatory landscape;
- Continuous compliance risk identification;
- Establishment of policies and procedures to mitigate compliance risks and
- Internal auditing to identify risk areas. During the reporting period, the business is confident that it has complied with all applicable legal, regulatory and voluntary requirements.

Accounting Philosophy

OK Zimbabwe Limited is dedicated to achieving meaningful and responsible reporting through comprehensive disclosure and explanation of its financial results. This is done to assist objective corporate performance measurement, to enable returns on investment to be assessed against the risks inherent in their achievement and to facilitate appraisal of the full potential of the Group.

The core determinant of meaningful presentation and disclosure of information is its validity in supporting management's decision making process. While the accounting philosophy encourages the pioneering of new techniques, it endorses the fundamental concepts underlying financial accounting disciplines as enunciated by the Public Accountants and Auditors Board of Zimbabwe (PAAB) and International Financial Reporting Standards Foundation (IFRS).

The Group is committed to regular reviews of accounting standards and to the development of new and improved accounting practices. This is done to ensure that the information reported to management and the stakeholders of the Group continues to be internationally comparable, relevant and reliable. This includes, wherever it is considered appropriate, the early adoption of accounting standards. However, where the adoption of accounting standards is seen to be fundamentally inappropriate, the Group will comply but disclose its views challenging the requirements of that accounting standard.

Business Ethics, Compliance & Risk Management (continued)

Risk Management

The Board of Directors recognises the importance of an effective risk management process. The Audit, Finance & Strategy Committee provides oversight and guidance to monitor Enterprise Risk Management. The Chief Executive Officer together with management, set the tone and culture for managing risks. The day- to -day operational responsibility for identifying, evaluating and managing risk resides with management.

Risk Management Process

The risk management process, which is regularly assessed by the Audit, Finance & Strategy committee, involves a formalised system to identify and assess risk, both at a strategic and operational level. Mitigating controls, and other assurances in identifying and assessing the risks, are evaluated continuously.

OK Zimbabwe's risk management process is guided by an Enterprise Risk Management Framework which is aligned to ISO31000: Risk Management. The Framework seeks to establish a clear process flow of how risks are identified, eliminated or minimized to acceptable levels informed by the level of risk appetite set by management.

The framework directs the process of continuous monitoring and reporting. The internal and external parameters of OK Zimbabwe Limited are defined at the initial stage of the risk management process. The external context includes external stakeholders, the local environment as well as the international environment. The internal context includes internal stakeholders, approach to governance, contractual relationships, capabilities, culture and standards. Management and staff identify events, both internal and external, on an ongoing basis that present risk (loss) to OK Zimbabwe Limited and update risk registers.

Other sources for risk identification include media, operational reports, internal audit reports, loss control reports, tip-offs, regulatory proclamations, incidents & accident reports, health & safety reports and insurance survey reports. Risks are evaluated according to the likelihood and impact of inherent risk. Inherent risk is the exposure before taking into account key mitigating controls. Thereafter, the controls in place are evaluated to determine the residual risk that remains after considering existing mitigating controls to reduce the impact and likelihood of an adverse event.

Business and Operational Risk

Our business risk management is key in understanding the business, the operating environment and command of the tools used for daily business operations and their management. Characteristic risks in each business area are identified in the units, assessed by unit management teams, and if need be, reported to the Board of Directors or the Audit, Finance and Strategy Committee.

Financial Risk Management

We have financial control systems in place which include checklists, policies, audits, security systems and spot checks. These are designed to mitigate any finance related risks. Our financial risk management includes credit risk, liquidity risk and control risk. More details are provided on pages 113 to 115 in the financial statements section.

Information Technology Risk

Our business thrives on e-commerce which is prone to a high risk of intrusion or hacking. As such, we have security measures that ensure our electronic payment systems are secure and protected at all times. Our ICT unit is responsible for regular monitoring and protection of electronic systems and data storage facilities. We operate CCTV systems to monitor access activities in our business premises.

Business Ethics, Compliance & Risk Management (continued)

Principal Risks

Key Enterprise Risk	Risk Status Rationale	Mitigation
Political	Business disruptions due to political tension are highly likely as we draw closer to the 2023 general elections.	• Scanning of the political environment, fortification of premises & following proper emergency shutdown procedures. • The Group now has a standalone Security & Loss Control function to protect Group assets. • Political Violence and Terrorism Insurance Cover.
Health & Safety	Covid-19 remains a risk to the business despite a reduction in national infection rates and fatalities, future mutations are likely. Employees and non-employees are at risk of physical injuries around our premises. As a business that sells cooked food, there is a risk of selling contaminated food to customers.	• Health & Safety assessments by the SHEQ function with a specific focus on fire, physical safety, food security and housekeeping. • Continued supply of PPE to staff, increased training & awareness, screening, regular sanitisation, clinic services and decontamination of premises whenever Covid-19 cases are reported. • Sanitization points at every store entry and specified points on the shop floor and vaccination for staff. • Enforcement of wearing of masks by both employees and non-employees. Continued improvement of workplace safety and a policy to guide workplace conduct. • The business employed Food Technologists to ensure adherence to regulatory food standards.
Competition	The retail space continues to be strongly contested. Competitors are occupying strategic locations posing a threat to the growth strategy of the business.	• Identification of new sites. • Customer loyalty programs. • Continuous market research to gauge sentiments on the brand activity with engagement protocols in place to respond to customers. • Re-imagined promotions.
Supply Chain Disruptions	The uncertainty on the international market has an effect on major supply chain inputs, this will lengthen lead times. Plant breakdowns from value chain partners, legislative restrictions, foreign currency shortages, unethical buyer behaviour, price increases, disruptive technology, product shortages, bad buys and changes in seasons all impact product availability.	• The Supply Chain function has undergone restructuring in order to optimize procurement processes and focus on strategic buys. • Regular planning, forward buying, early engagement, maintaining buffer stocks, engaging offshore funders, monitoring of pending legislative changes, import-substitution, quality checks, and stock age analysis/ review are ongoing. • Ongoing engagement with suppliers for better payment terms. • Introduction of a bonded warehouse at the existing Birmingham Distribution Centre.
Cyber & IT	IT systems are susceptible to failure and this impacts the ability of the stores to serve customers efficiently. IT Systems are prone to cybercrime such as customer data theft and virus attacks.	• IT fault logging system, IT support, user training programs, regular systems audit & service. • Business continuity plan. • Ongoing assessment of Disaster recovery processes and automated scheduled data backups.

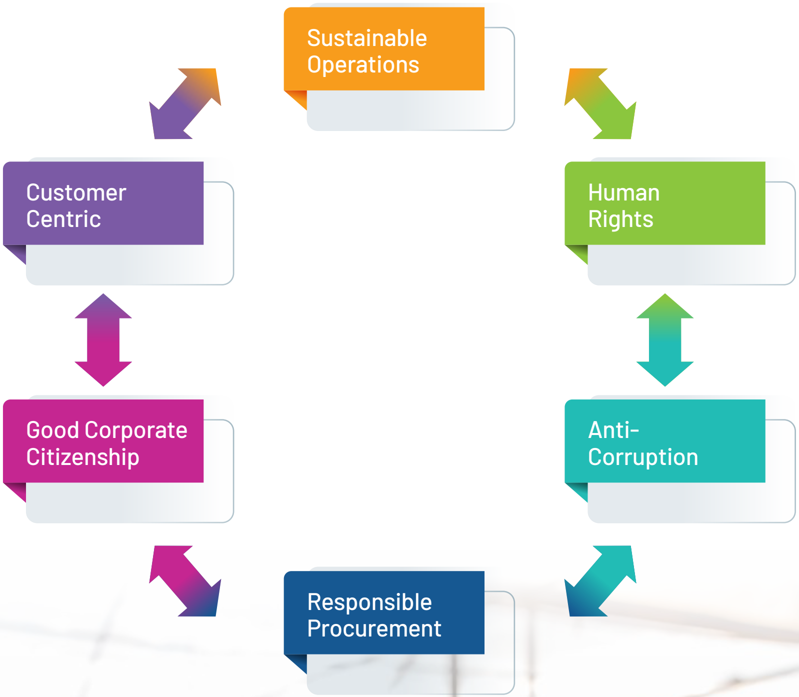
07

OUR SUSTAINABLE BUSINESS PRACTICES

Our Sustainability Strategy

OK Zimbabwe is committed to operating a business that is conscious and accountable for its environmental, social, economic and governance impacts.

We recognise that we have great capacity to advance positive impacts given the size of our operations and our reach in Zimbabwe. We focus on where we make the most significant impacts and rally our resources, skills and employees to drive positive change in those areas.



Our Sustainable Business Practices (continued)

Managing Sustainability Performance

Operating in a sustainable manner is a strategic value proposition for OK Zimbabwe. Our core values define how our business operates. We strive to uphold high standards that protect our brands and value chains through sustainable business practices. The business is guided by the Global Reporting Initiative (GRI) Standards in measuring and assessing its sustainability performance and impacts.

Customer Centricity

Our purpose is to deliver a winning customer value proposition. We prioritise building strong and inclusive relations with our customers anchored by good communication channels. We have direct and indirect communication systems with our customers on any matters.

Sustainable Operations

OK Zimbabwe has systems and procedures for monitoring and managing energy, water and waste across operations. We prioritise minimising wastage and negative effects from water and energy consumption. We enforce core value behaviours in the management of these key areas as a risk and cost to the business.

Human Rights

As a responsible business, observing employee human rights is a business priority. These rights require us to treat our employees with fairness, dignity, equality and respect and eliminate any forms of abuse, neglect and isolation of any persons considered part of our Group. We have policies and regulations that ensure we provide equal opportunities, fair disciplinary procedures, clear grievance handling processes and adequate training on matters of employee rights and customer service.

Anti-Corruption

The business has zero-tolerance for corruption which is enforced through the Group's Code of Conduct, anti-corruption policy, gifts and bribery policy. Any unethical and corrupt practices are reported through the Tip-Off Anonymous and the grievance handling channels. The business has dedicated systems for investigating every reported case and rewards paid to whistle blowers.

Good Corporate Citizenship

Our philosophy is to make a positive difference in our community. We strongly believe in contributing towards sustainable development and giving back to our society. Throughout the year, we support healthcare, elderly and social development needs through our corporate social responsibility programme.

Responsible Procurement

The Group has a resilient supply chain built on strong ethical sourcing and sustainable policies. We regularly evaluate our suppliers for compliance with laws and regulations as well as their public reputation. Our procurement practices are driven by quality control systems and fair business dealing with both large suppliers and smallholder producers who meet our standards.

Stakeholder Engagement

Effective stakeholder engagement enables us to better communicate how our strategies, activities and performance are likely to affect the decisions of those with keen interest and influence in our business. This provides us with the opportunity to co-develop solutions in partnership with our stakeholders for business operations and other challenges.

Stakeholder Categories

Our key stakeholders are categorised as follows:

- Internal stakeholders: employees.
- External stakeholders: suppliers, local communities, government and regulators, shareholders and potential investors.

Stakeholder Engagement Process

The business defines its stakeholders by identifying any persons, natural or judicial who are affected or impacted by the business operations. The identified stakeholders are ranked and prioritised using the Mendelow Power/ Interest grid for stakeholder prioritisation.

Engagement Approach

Our engagement approach process is informed by the Mendelow Power/ Interest prioritisation process. This provides us with a strategy for how to effectively engage and manage our stakeholders. We have systems that allow us to profile our stakeholders and rank their power and influence on the Group. Our strategy is responsive and designed to ensure we manage stakeholders with high impact closely while ensuring we keep the majority well informed and satisfied.

Our Sustainable Business Practices (continued)

Stakeholder Engagement (continued)

Outcomes of our stakeholder engagement process

Stakeholder	Material Issues raised by Stakeholders	Mitigation Measures	Communication Channels	Frequency of Engagement
Employees/Staff	• Staff welfare. • Staff development.	• Frequent salary reviews • Market related salaries • Promotion whenever vacancies arise.	• Staff newsletter. • Training. • Trade Unions. • Team Meetings. • Works Council.	• Quarterly. • Ongoing.
Suppliers	• Settlement of obligations as per trade terms.	• Early settlement discounts.	• Supplier review meetings • On site visits.	• Ongoing
Customers	• Improved service delivery.	• Customer Loyalty programs.	• Optimise customer interface.	• Ongoing.
Government & Regulators	• Corporate governance disclosures. • Economic policy on money laundering policy. • Raised issues pertaining (IMTT) Intermediate Money Transfer Tax.	• Review of laws and policy to ensure compliance with governance and regulators.	• One on one meetings. • Inspection audits.	• Adhoc.
Shareholders and Potential Investors	• Dividends. • Government policy on anti-money laundering.	• Analyst briefing and shareholder meetings.	• Analyst Briefings. • Press Releases.	• Quarterly. • As and when need arise.
Local Communities	• Requests for community support.	• Integrating CSR within promotions. • Senior citizen discounts.	• Community project visits.	• Ongoing

Our Sustainable Business Practices (continued)

Managing Material Issues

In this report, we applied the materiality principle as provided by the GRI Standards to assess the critical risks and opportunities to the business and our stakeholders. This report, therefore, focuses on the issues, opportunities and challenges that are material to the business and stakeholders. Material topics are those that can reasonably be considered important to reflect OK Zimbabwe's economic, social and environmental impacts and the influence that they have on the decisions of its stakeholders. We conduct the materiality assessment on an annual basis.

Materiality process

Identifying material issues is a Group-wide process requiring input from business unit representatives on the issues acknowledged as critical for the business long term success. Our materiality process is conducted in three phases namely identification, prioritisation and validation.

Identification - We identify issues or impacts observed from our business value chain from the concerns raised by our stakeholders, internal and external audits, and issues raised by the business within our industry. A long list of material issues is established during this process.

Prioritisation - The long list of issues is then shared with senior management for ranking based on the significance of the topic to the business and stakeholders.

Validation – the prioritised list of topics is validated to assess if the ranked topics are consistent with business operations.

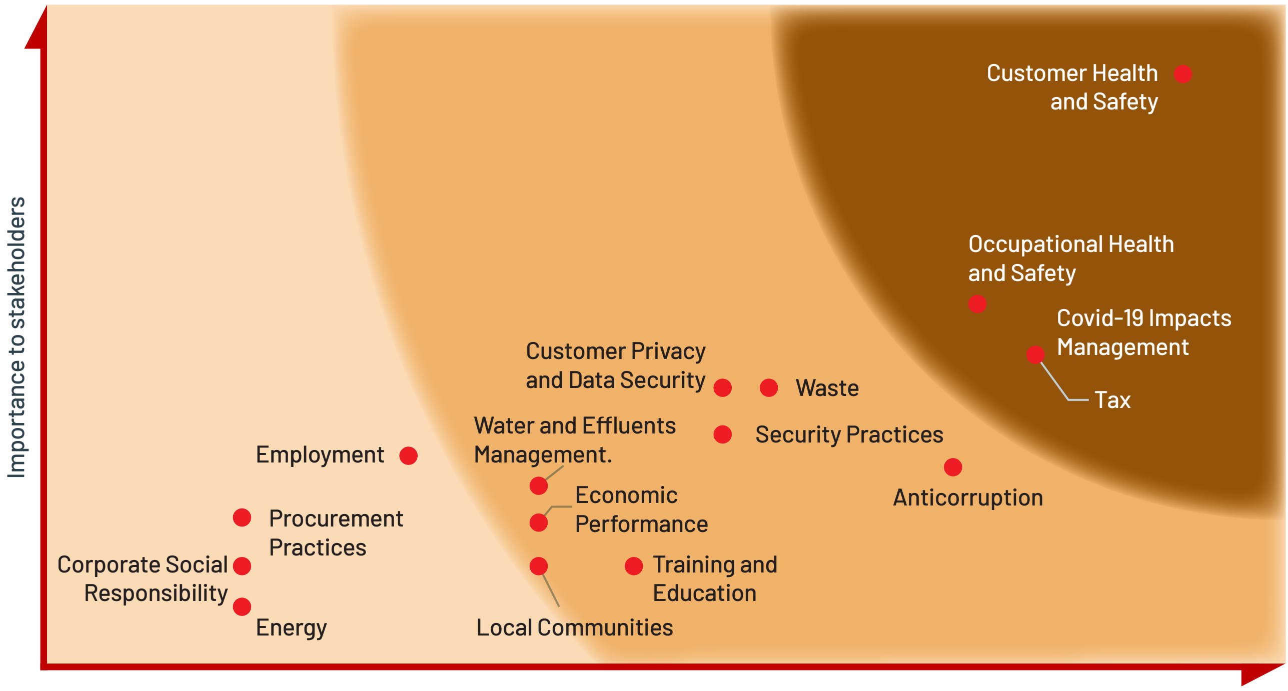
Review - the final topics are continuously reviewed during the reporting period to assess their relevance to the business.

Econet Victoria Falls marathon

Our Sustainable Business Practices (continued)

Managing Material Issues (continued)

OK Zimbabwe Materiality Assessment



Identified Material Topics

Environmental	Social	Economic
• Climate Change. • Emissions. • Energy. • Packaging. • Supplier Environmental Assessment. • Waste. • Water and Effluents.	• Labour Management Relations. • Local Communities. • Supplier Social Assessment. • Occupational Health and Safety. • Training and Education. • Employment. • Corporate Social Responsibility. • Covid-19 Impacts Management. • Customer Health and Safety. • Customer Privacy and Data Security. • Diversity and Equal opportunity.	• Anticorruption. • Economic Performance. • Tax. • Procurement Practices.

The materiality matrix presented above shows three categories of the identified and prioritised topics. The very high category represents the topics of 'Very high' risk to the business hence requiring urgent action or priority to minimise negative impacts. Topics considered 'High' have a moderately high risk thereby requiring moderately high levels of attention or action. 'Moderate' topics are considered to be under control or of minimal risk to the business hence requiring limited attention. During the reporting period, occupational health and safety, Covid-19 impacts management, tax and customer health and safety were the most significant material topics to the business.


OK
BULK BUY
GREAT SAVINGS

08

SUSTAINABILITY IMPACTS

Customers

OK Zimbabwe promotes customer health and safety through hygiene management processes. Our business can be involved with customer health and safety impacts through an unsafe condition in the event of unmarked wet floors or poor merchandising which can lead to accidents, injuries and ill health. We strive to avoid activities that cause unsafe conditions for our customers.

Sustainability Impacts (continued)

Managing Health and Safety

We have a Safety, Health, Environment & Quality (SHEQ) Policy to mitigate negative impacts. As such, we train staff on safe and healthy processes, and conduct hazard identification for corrective actions. We display signage during cleaning activities. Compliance inspections are conducted by statutory bodies while periodic inspections are conducted by SHEQ personnel.

Our goal is to provide a safe and healthy environment for our customers. We are happy to report that our actions have been effective and this has taught us great lessons of maintaining safe and clean stores for our customers. Our stakeholders were instrumental in informing our actions.

Customer privacy and data security

Customer privacy and data security is essential to OK Zimbabwe as it covers actions taken by the Group to defend computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. It also involves the safe keeping of personally identifiable customers and client information. Customers country-wide use our Electronic Funds Transfer (EFT) facilities to purchase and great care has been taken to ensure their banking details are not compromised. This has created a safe shopping environment for our customers. There is always the risk of card cloning but this has been well contained thus far. Encryption is used by the business to protect stores information and has a potential of slowing down services. Our systems protects our customers by not exposing sensitive information to our staff members or store details such as pin numbers. The infrastructure does not store pin numbers.

We collect information for the sole purpose of improving our customer service. We do not share information with third parties without express permission of the customer. We strive to keep our customer data safe and always comply with national privacy laws. We monitor our systems for breaches, malware and abuse. User training is done to ensure users are aware of their part in making the Group meet privacy and security obligations. Training is also carried out regularly and systems are set to request changes in access credentials regularly. Access is on a need basis.

The goal of the business is to protect all information, reduce or eliminate breaches and security incidents. Processes used to track the effectiveness of actions taken to manage customer privacy and data security and related impacts include monitoring and auditing the security controls, performing patch updates on time and anti-virus/malware updates.

The Group aims to ensure zero breaches by ensuring 100% patch update compliance and eliminating EFT fraud. The key performance indicators used by the business includes number of identified breaches, percentage of patched systems vs total systems and number of reported and confirmed cases of EFT fraud.

OK Zimbabwe has learnt that, complex passwords tend to be easily forgotten hence leading to them being written down by users so as not to forget. Regular enforced changes and training have mitigated this risk. Additionally, engagement has helped in ensuring all stakeholders understand the risks and cost of data security breaches. These policies are part of employee conditions of service.

Employees

Our philosophy is that if we take good care of our employees, they will in turn take good care of the business. OK Zimbabwe Limited upholds the principles of equal employment opportunity hence no discrimination on the basis of gender, tribe, nor religion. Our employment practices are compliant with the laws of the land and our recruitment of talent is based on merit. We apply principles of fairness in determining salaries and benefits. Moreover, we manage employees' grievances relating to loss of monetary value due to wage inflation, exchange rate distortions, and high cost of living.

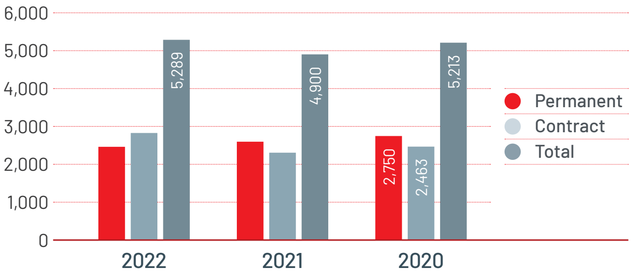
As a business, we have a supportive Board and leadership team that adequately addresses employee issues on time. We continuously monitor the work environment and mitigate any negative impacts on employee morale.

Our goal is to attract and retain talent, recruit and train graduate trainees. Therefore, we ensure that we train on labour and Human Resources Policies and implement audit recommendations. We continuously and openly engage with our employees and work closely with Workers Committees to address National Employment Council leadership challenges. We use weekly, monthly and quarterly reports, Works Council and Liaison Meetings, to track the effectiveness of actions taken to manage employment. As OK Zimbabwe, we are glad to report that our actions to manage our employment practices are effective. We however learnt that there was need for continuous benchmarking and improvement of policies, procedures and systems and to apply stakeholders' mapping techniques and develop appropriate actions to engage and build relationships.

Sustainability Impacts (continued)

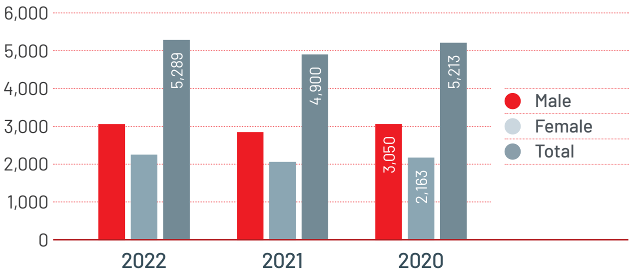
Employees (continued)

Total Employee Base by Contract Type



Contract Type	2022	2021	2020
Permanent (Count)	2 462	2 591	2 750
Contract (Count)	2 827	2 309	2 463
Total	**5 289**	**4 900**	**5 213**

Employees by Gender

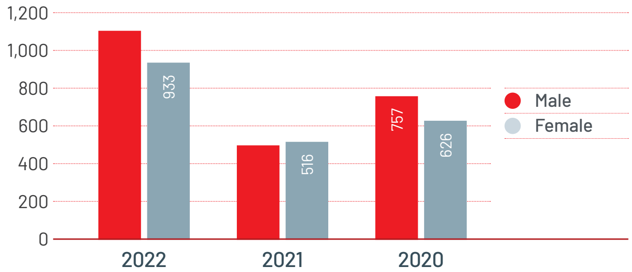


Gender	2022	2021	2020
Male (Count)	3 051	2 839	3 050
Female Count)	2 238	2 061	2 163
Total	**5 289**	**4 900**	**5 213**

During the year, our employee base increased by 8% mainly due to opening of 2 new branches in Chivhu and Banket.

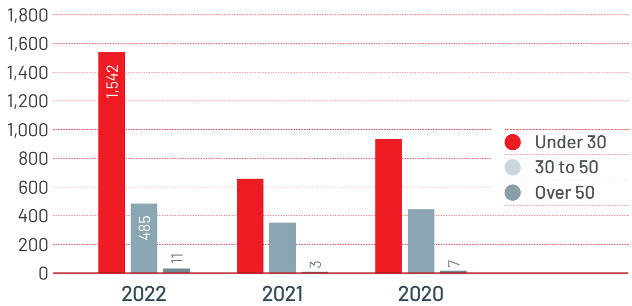
Recruitment

Recruitment by Gender



Gender	2022	2021	2020
Male (count)	1 075	497	757
Female (count)	963	516	626
Total	**2 038**	**1 013**	**1 383**

Recruitment by Age



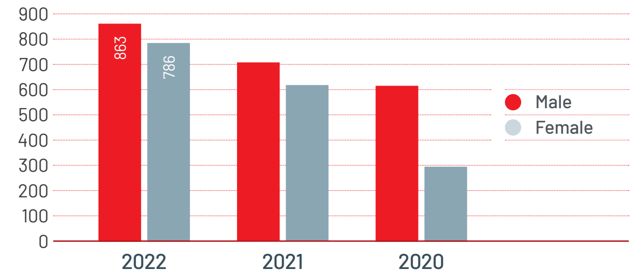
Age	2022	2021	2020
Under 30 years old	1 542	659	934
30 – 50 years old	485	351	442
Over 50 years	11	3	7
Total	**2 038**	**1 013**	**1 383**

Sustainability Impacts (continued)

Employees (continued)

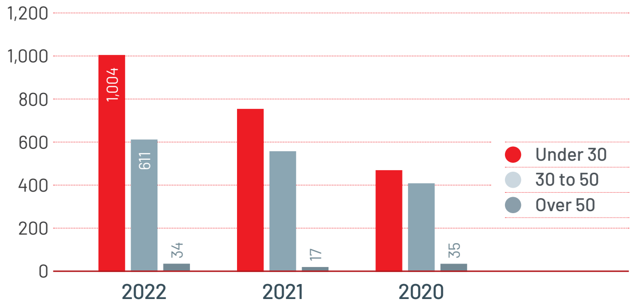
Turnover

Turnover by Gender



Gender	2022	2021	2020
Male (count)	863	708	616
Female (count)	786	618	294
Total	**1 649**	**1 326**	**910**

Turnover by Age

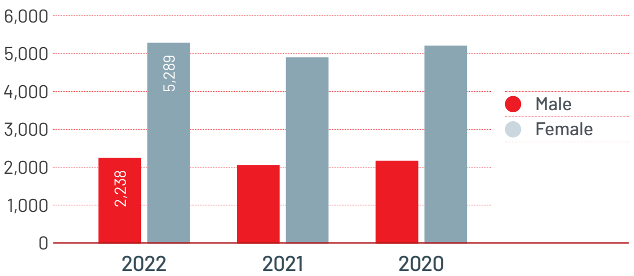


Age	2022	2021	2020
Under 30 years old	1 004	753	469
30 – 50 years old	611	556	406
Over 50 years	34	17	35
Total	**1 649**	**1 326**	**910**

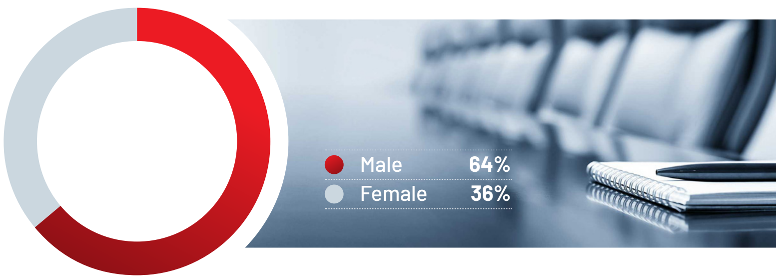
Diversity and Equal Opportunity

OK Zimbabwe operations are centred upon diversity and inclusion. The Group consists of people from a range of different social and ethnic backgrounds and of different groups, gender, sexual orientation and religion. The Board and Group CEO focused on diversity and inclusion as they were recruiting and selecting Management Committee members. There are now three Management Committee members who are female and all below the age of 50 i.e. Margaret Munyuru (Group Company Secretary & Head of Corporate Services); Margret Mlambo (Operations Director, Wholesale Division) and Juliet Ziswa (Marketing Director). This was a good start in terms of laying foundation for diversity and inclusion. Before the current Group CEO came on board, there was no female Management Committee member. Therefore, the new Group CEO & the Board achieved a 29% female representation at executive level in FY2022. Meritocracy rather than setting quota system should continue to guide the Diversity & Inclusion strategy. The Board is leading by example by having 4 female Board members.

Employees by Gender



Board Gender Distribution



Sustainability Impacts (continued)

Employees (continued)

Policies

OK Zimbabwe has policies and commitments relating to equal employment opportunity and anti-sexual harassment. The Group partnered with the International Labour Organisation (ILO) to develop policy framework and rolled out training on anti-sexual harassment. To date, more than 300 champions have been trained across the business.

Managing Diversity and Equal Opportunities

The business has taken various actions to manage diversity and equal opportunity with its related impacts. Some of these actions include refreshing the Deloitte Tip Off Anonymous program and conducting workshops on anti-sexual harassment programs, including working with National Workers Committee, Works Council, Management Committee and the Board to drive the same message. OK Zimbabwe carries recruitment and selection processes based on merit but with a deliberate effort to encourage female candidates to apply and participate in recruitment processes. We introduced coaching and mentoring programs with deliberate focus on assigning successful females who have achieved great career successes. The business has launched a Graduate Trainee Program with a balanced approach to gender representation.

OK Zimbabwe plans to develop and implement policies on gender, anti-sexual harassment and non-discriminatory policies. Our aim is to achieve at least 40:60 gender split representation at Management Committee and executive levels in 3 years' time (2022 – 2025). Our key performance indicators include, number of female employees appointed into executive roles, number of tip off anonymous cases involving issues of sexual harassment and successful investigations and conclusion of the cases. Progress has been made towards achieving our goals and targets.

Key skills base

Some of our employees are members of the following professional bodies:

- Institute of Chartered Accountants of Zimbabwe (ICAZ).
- Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ).
- Association of Chartered Certified Accountants (ACCA).
- Southern Africa Association of Accountants (SAAA).
- Chartered Institute of Procurement & Supply (CIPS).
- Marketers Association of Zimbabwe (MAZ).
- Zimbabwe Institute of Engineers (ZIE).
- Institute of People Management (IPMZ).
- Information Systems Audit and Control Association (ISACA).

Sustainability Impacts (continued)

Employees (continued)

Labour Relations Management

Labour-management relations cover OK Zimbabwe limited consultative practices with employees and their representatives, including its approach to communicating significant operational changes. The Group has various positive Labour Management Relations impacts which include high level of compliance with the Labour Act and relevant laws of the country including, collective bargaining agreements, codes of conduct, works council and liaison meetings resolutions. The Group experienced zero industrial strikes by employees hence increased productivity.

OK Zimbabwe applies Human Resources Policies, Induction Policy; Employee Code of Conduct and Collective Bargaining Agreements to manage labour relations. The business is committed to follow disciplinary and grievance procedures.

Training and Education

Training and education is pivotal to OK Zimbabwe operations as it involves upgrading of employee skills, performance and career development reviews. It also includes transition assistance programs to facilitate continued employability and the management of career endings due to retirement or termination.

Training and education for OK Zimbabwe has ensured, improved customer service delivery, reduced work -related injuries, improved job satisfaction, reduced waste, increased sales growth, increased skills base, easy succession, reduced staff turnover and improved industrial relations. However, the business also encountered skills flight.

Management Approach

The training and education management is line driven. We commit to provide training solutions that are aligned to business strategy. The Group conducts regular reviews of situations on the ground, daily departmental meetings and daily/weekly morning huddles in all units to manage actual and potential positive training and education related impacts.

OK Zimbabwe aims to ensure that all new employees are inducted upon joining the Group and that all performance gaps are addressed by developing required training interventions. We use internal audits and stakeholder feedback to assess effectiveness of our performance. Progress towards meeting our goals and targets has been evidenced by improved quality of work and knowledge gained in business processes by employees.

Average training hours per employee by gender

Gender	Unit	2022	2021	2020
Male	Hours	2.46	4.94	7.36
Female	Hours	3.42	4.93	6.96
Overall Average	Hours	2.87	4.94	7.20

The number of training hours was affected by the inter-city travel bans instituted by Government as part of Covid-19 regulations. However, when the restrictions were relaxed we managed to conduct trainings.

Category	Unit	2022	2021	2020
Graduate Trainees	Head Count	23	63	27
TOPP Trainees	Head Count	4	4	4
Students on industrial attachment	Head Count	72	1	20
Total	**Head Count**	**99**	**68**	**51**

The number of trainees and attaches increased by 46% to cater for the increase in projects requesting apprentices and graduate trainees.

Sustainability Impacts (continued)

Occupational Health and Safety (OHS)

The Group remains committed to ensuring employees health and safety. This has helped the business establish improved worker morale, competences and rights to a safe and healthy work environment.

Management Approach

The Group has a SHEQ Policy for creating a safe working environment free from injuries, incidents and illness for all our employees, customers, contractors and stakeholders. Our goal is to achieve zero occupational fatalities. We track incidents, hazards, corrective action closure and safety training. Our actions were effective in reducing work related injuries and achieving 100% zero occupational fatalities. The Group implemented a risk based approach to provide a safe and healthy environment our employees and stakeholders.

Hazard Identification and Risk Assessment (HIRA)

HIRA is the mechanism we use to identify and evaluate potential hazards which can cause harm to employees. Our policies require that we identify, assess and control hazards to achieve zero harm. To ensure uniform assessments, the hazard identification and risk assessment procedures are documented and made available to all safety personnel.

Report and Investigation Process

The Group ensures any incidences are urgently reported to management for attention. We ensure a holistic incident reporting and investigation process is initiated by an investigation team comprising of management team, SHE representatives and technical teams. Such processes are documented through forms and reports that provides recommended actions.

Actions and Managing Occupational Health and Safety (OHS)

OK Zimbabwe has a well-equipped clinic in place that offers health services to all the employees and their families. Wellness champions are present in all branches. In February 2022, the Group invested in procuring a property that will be developed to expand OHS services currently available to employees.

OK Zimbabwe offers the following OHS training:

- Covid-19 Management,
- First Aid,
- Proper Lifting Techniques,
- Safety Culture,
- Fire Marshalls ,
- Loading and Offloading,
- Waste management and
- Defensive Driving.

The business supports employees on non-occupational health issues through providing referral services requiring specialists, cancer and HIV awareness.

Incidences	Unit	2022	2021	2020
Total number of work-related injuries	Count	53	57	67
Lost Time Injury Frequency rate (LTIFR)	Rate	3.38	3.0	3.2
Number of lost days as a result of the injuries	Count	169	131	231
Recordable work related injuries rate	Rate	0.89	0.99	1.21

Sustainability Impacts (continued)

Occupational Health and Safety (OHS) (continued)

Security Practices.

OK Zimbabwe prioritises security as a risk management function of the business. The business desire to ensure security and loss control are prioritised in investment and strategy. Our security personnel strives to ensure any breaches, fraud, theft cases are investigated and resolution reached timely. The security department developed a very comprehensive Security and Loss Control Policy to govern operations and contains detailed and simple to follow standard operating procedures and checklists for closed-circuit television (CCTV) operators to enhance their effectiveness. We made a commitment to resolve all electronic security issues within 24 hours and ensure 90% uptime of the systems. We target to achieve less than 0.5% shrinkage in all branches. Our security department has been effective through increased number of arrests of shoplifters and thieving staff.

Sustainability Impacts (continued)

Covid-19 Response

The recurrence of new Covid-19 variants like Delta and Omicron caused significant business disruptions during the year. OK Zimbabwe was proactive to put in place measures to isolate, protect and support positive cases. The business managed to improve hygiene and prevention measures through its Covid-19 policy to manage related impacts. We committed to provide and maintain a safe workplace. The Group complied with all local and international regulatory requirements for management of Covid-19

Mitigation Measures

We took the following measures:

- Provision of masks.
- Ensuring mandatory masking up in all OK Zimbabwe premises.
- Temperature monitoring before entry permission.
- Deployment of sanitising stations and mandatory sanitisation.
- Training and awareness including continuous training on hand washing and good hygiene practices.
- Vaccination of staff.
- Isolation and contact tracing.
- Decontamination of premises.
- Incorporation of social distancing processes into procedures.

Vaccination

Vaccination was incorporated into human resources processes and policies. The business targeted achieving 100% herd immunity but 99.52% was achieved. The Group monitored and evaluated Covid-19 statistics. The engagement processes on herd immunity and third dose booster vaccination informed the effectiveness of measures implemented.

Covid-19 Testing

	Unit	2022	2021
Total tests conducted	Count	2 980	10 032
Positive Cases	Count	973	770
Negative Cases	Count	2 007	9 262
Deaths due to Covid-19	Count	2	–
Vaccinated Employees	Count	5 259	–

Sustainability Impacts (continued)

Environment Responsibility

OK Zimbabwe aspires to be a leading retailer in managing of its environmental footprint. This stems from the fact that the control of impacts in these areas is critical for the continued existence of the Group and societal survival in the long term.

The areas in which OK Zimbabwe can make a significant environmental difference are: improving energy and water efficiency, reducing carbon footprint, tackling waste by minimising the amount we produce and recycling more; while embedding sustainability in our supply chain.

Energy Management

Energy management is of importance to our operations as it has impacts on business which includes:

Air Pollution

- Generator emissions.
- Use of fuel vehicles for transportation.
- Use of both hydro and thermal power for utilities contributes a fraction of the carbon footprint.

Solid Waste Disposal

- Solid waste generated through repair and maintenance of power generation facilities like solar and generators.

Management Approach

As a business, we manage energy by focussing on the cost and reduction of our carbon footprint. We have set actions into motion, so as to manage our energy consumption and impacts, and these include:

- Adoption of clean sources of energy to reduce carbon emissions from fossil fuels.
- Use of Liquid Petroleum Gas (LPG) in cooking activities.
- Design for energy efficiency when selecting Heating Ventilation and Cooling (HVAC) and lighting systems.
- Continuous upgrade of machinery for increased energy efficiency.
- Adoption of an Energy Management System to identify energy saving opportunities.

We manage the supply side through deregulation and energy market volatility which creates opportunities and risk in relation to energy costs. The best strategy for reducing that risk and minimising costs is to use less energy. An effective supply side strategy is critical to overall success because it frequently determines which demand side strategies are used. Such strategies involves:

- Buying smart.
- Verifying accuracy of bills.
- Ensuring bills are paid on time.
- Sustaining the effort.

The Group has the following processes in place to track the effectiveness of actions taken for energy management

- Measuring and recording energy consumption.
- Correlating energy consumption to a measured output.
- Setting targets to reduce or control energy consumption.
- Comparing energy consumption to a set target (monitoring).
- Reporting results including any variances from the set targets.
- Implementing management measures to correct any variances which may have occurred.
- Determining energy performance/efficiency.
- Highlighting performance problems in equipment or systems.

Sustainability Impacts (continued)

Environment Responsibility (continued)

OK Zimbabwe has set targets for energy use to track adoption of clean and renewable energy. The Group plans:

Activity	Timeline	Outcome
To measure energy costs per square meter and benchmark against world standards	6 months	This will result in lower operating costs and more profits.
To install smart meters to track energy usage in real-time	1 year	This will curb energy leaks and improve profitability.
To roll out solar project	Long term	Reduce emission and grid consumption
To employ green technology in designs- skylights, passive cooling, natural refrigerants consuming less energy, energy star rated equipment	Ongoing	Reduce energy consumption.
To measure energy carbon footprint	1 year	Will improve efficiencies and plug leakages resulting in more profitability.

During the year we replaced fluorescent lights with LED in 19 stores. Energy costs for the stores reduced. In addition, we continuously upgrade generators to maximise on power availability and efficiency.

Energy consumption inside the business

Energy Type	Unit	2022	2021	2020
Electricity	KWH	48,882,806	78,217,306	74,730,172

Electricity decreased by 38% as a result of power cuts which was also supported by the increase in diesel consumption of the generators.

Liquid Fuels

Energy Type	Unit	2022	2021	2020
Diesel	Liters	391,435	175 632	160 292
Petrol	Liters	139,413	192 699	176 061
Generators- Diesel	Liters	1,041,079	309 921	2 838 691

Sustainability Impacts (continued)

Environment Responsibility (continued)

Diesel consumption increased by 123% and petrol decreased by 28% as a result of preference of using diesel cars compared to the petrol cars.

Energy consumption outside the Business

Energy Type	Unit	2022	2021	2020
Diesel	Litres	464,171	372 105	327 328

The increase in diesel consumption outside the business by 25% was as a result of the opening of new outlets OK Banket and OKmart Chivhu for transportation of equipment and goods. Covid-19 lockdown relaxation also contributed to increased activity.

Energy Type	Unit	2022
Fuel Energy Intensity	Litres/m^2	12.38
Electricity Energy Intensity	KWH/m^2	297

Emissions

Our business generates emissions through the use of standby generators and use of fuel powered vehicles, and these contributes to global warming. This prompted us to set local emission goals and reduce unnecessary transit. We administered preventive maintenance programs and continuous upgrade for generators and adopted energy saving LED lighting.

We ensure that we track the emissions we discharge by using the following processes:

- Measuring and recording energy consumption.
- Setting targets to reduce or control energy consumption.
- Reporting results including any variances from the set targets.
- Implementing management measures to correct any variances which may have occurred.
- Determining energy performance/efficiency.
- Highlighting performance problems in equipment or systems.

We learnt that there was need to continuously upgrade generators and proper maintenance to reduce fuel consumption and emissions. This improves business profitability by maintaining smooth business flow. We have also ensured that funds were made available for generator upgrades. The Group purchased generators in FY22 as an effort for improved energy efficiency.

Climate Change

Climate change can have negative impacts which involve rising insurance costs, regulatory uncertainty, reputational damage and scarcity of resources. As a business, our operations are involved with these impacts through the use of plastics in packaging, use of petroleum products for fuel in generators and vehicles, land degradation by construction of boreholes and land pollution through generation of waste.

Managing Climate Change

We have actions in place to mitigate potential negative impacts. We ensure replacements of generators and vehicles, effective maintenance program for all machines that consume fossil fuel. We replaced fluorescent tubes with energy saving LED lights as our response to climate change.

The management's role in assessing and managing climate-related risks and opportunities is to conduct energy audits, preventive maintenance and asset selection. As a business, we identified that there are risks associated with generator emissions. This creates an opportunity for expanding solar energy across all branches.

As a business, we ensure that all generators are inspected and have a corresponding emission report. We also maintain assets that have potential to generate greenhouse gases. We use the licence category charged by the regulatory body after receiving the emissions report as our main key performance indicator.

Sustainability Impacts (continued)

Environment Responsibility (continued)

Carbon Footprint

As part of our efforts to manage emissions, we tracked our Scope 1 and Scope 2 emissions to assess our footprint. Our carbon emission equivalency was computed as below using internationally accepted conversion factors due to unavailability of nationally adopted standard conversion factors.

Scope 1:

Emission factors obtained from UK Government GHG Conversion Factors for Group Reporting. All fuels were considered average fuel blends.

Energy Type	Unit	2022	2021	2020
Diesel	Kg CO_2e/Litre	983 414	2 183 624	8 468 888
Petrol	Kg CO_2e/Litre	305 805	417 776	381 703
Total Scope 1	Kg CO_2e/Litre	1 289 219	2 601 400	8 850 591

Scope 2:

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	2022	2021	2020
Electricity	Kg CO_2e/MwH	50,164	80,267	76,688

Sustainability Impacts (continued)

Environment Responsibility (continued)

Water and Effluents Management

Water is one of the most essential inputs for our operations. It covers the amount of water withdrawn and consumed by a business and the quality of its discharges, including how this can impact the functioning of the ecosystems it depends on. Through water and effluent management, the Group maintained a clean and healthy environment. However, contaminated water or badly discharged effluent results in health effects amongst consumers. Unavailability of water also resulted in increased procurement costs and business interruptions.

OK Zimbabwe managed water and effluents impacts on the following:

- Customers: Hygiene enhances brand trust and customer loyalty.
- Employees: A healthy and happy workforce delivers good customer service leading to growth in market share and profitability. This improves industrial relations.
- Health Authorities: For enhancement of public health.
- Investors: Profitability and business continuity.
- Business partners and suppliers: Business continuity.
- Society: Efficient water management allows all to have a fair share of the scarce resource.
- Government: safety of citizens.
- Water authorities: Efficient use of scarce water resources.
- Own activities: As a result of best practices in water management- there will be repeat business from customers satisfied with quality and safe products.
- Business relationship with others: We share best practices on water with local authorities.

OK Zimbabwe compliance regarding the management of water and effluent goes beyond mandatory legislation. The Group ensured provision of clean water to all staff and customers and optimum use and safe effluent discharge. We took various actions to manage water and effluent related impacts and these actions include, connecting all facilities to municipal water mains, drilling and equipping boreholes, installation of water tanks, drain covers, insertion of oil traps to avoid blockages and having a standby maintenance team to ensure functionality of the equipment. Bulk delivery of water is also being done, if minimum water storage level is reached.

Monitoring Performance

The business assesses its performance through, internal audits developed to ensure compliance with national guidelines, regular inspections and maintenance and servicing of related areas. The Group seeks to improve efficiency on water usage, reduce effluent discharge and engage in benchmarking- water usage and quality (using WHO standards for quality). Reduce water leakages by 10% and branches to curb their water consumption by 5%. Units used per branch resemble our key performance indicators. Actions taken by the business were highly effective in making sure water is available to all facilities at all times. Effluent discharge was carefully monitored and all waste discharge is compliant with the regulatory requirements. Additionally, all OK Zimbabwe sites have water storage facilities.

Water source	Unit	2022
Municipal	Cubic metres	111 128
Bulk water purchases	Cubic metres	29 600

Sustainability Impacts (continued)

Environment Responsibility (continued)

Lessons Learnt
The Group learnt various lessons which have been incorporated into operational policies and procedures.

OK Zimbabwe continues to engage with stakeholders on issues pertaining to water and effluent management. All sites have storage facilities though some sites do not have space to carry the required number of tanks.

Waste Management
Waste has significant negative impacts on the environment and human health when inadequately managed. At OK Zimbabwe, we ensure that we create a safe environment for all our employees, customers, contractors and stakeholders. Our operations are involved in waste impacts from use of paper and packaging as well as waste from food preparation processes.

Packaging
Packaging management is essential for protecting the environment, maintaining food safety and hygiene and reducing food waste. However, the business contributes to environmental impacts from use of plastics. The business will incur switching costs to comply with emerging developments of reducing plastic use.

OK Zimbabwe collaborated and partnered with stakeholders like the Environmental Management Agency (EMA), that are committed to addressing negative packaging impact. We have collection points for waste material in most of our branches. In some branches, e.g. Karoi, we have demarcated facilities for disposing different types of waste.

Furthermore, OK Zimbabwe is guided and complies with legislation on packaging. We have changed our packaging in our delis, bakeries, fruit and vegetable departments to recyclable materials. The business is committed to using recyclable packaging.

Monitoring Performance

To manage waste, we ensure that:
- We educate employees on waste and waste management.
- Provision of waste receptacles/ bins.
- We do waste segregation before disposing our waste.
- Participate in clean up campaigns and engage waste collecting companies for waste collection.

Our goal is to reduce waste through reuse and recycling. All our stores have waste receptacles, we enforce 100% collection and disposal of waste from premises. From all the measures of waste management we have learnt that reduction targets for waste have contributed to policies and processes such as back to back printing and use of email and soft copy documents as preferred communication mechanisms.

Sustainability Impacts (continued)

Our Community Responsibility

Corporate Social Responsibility (CSR) is of importance to OK Zimbabwe as it builds a good corporate image and creates goodwill amongst relevant stakeholders.

It has potential positive impacts of medium to long term volume and revenue growth. We support various registered charities and ensure all major promotions carried out by brands include a charity element.

We donate to various charitable organisations. We also sponsor various initiatives in sports, business seminars, faith based organisations and communities. The Group is looking at developing strategies for ensuring that our CSR initiatives are impact driven. However, we ensure that all requests for donations are properly evaluated before any support is handed.

Donations to the Roman Catholic Church

Donations during the year

Theme	Purpose	Items donated	Businesss supported	Amount ZWL
Support for the vulnerable	Assist the vulnerable elderly, orphans and the disabled.	Cash. 20 OKmart Hampers.	Children's Home Old People Home Disabled People's Home. Ministry of Public Service, Labour and Social Welfare.	1,050,000
Emergency support	Assist staff members whose accommodation has been burnt down	100 OKmart Hampers.	Mpilo Hospital Kwekwe General Hospital.	642,651
Health	Assist staff members during Covid-19 times	Grocery Hampers.	Parirenyatwa Hospital.	154,429
Total				**1,847,080**

Sustainability Impacts (continued)

Our Community Responsibility (continued)

Sustainable Development Goals (SDG) Contributions

OK Zimbabwe prioritised the following SDGs for contribution through business actions:

SDG	SDG Description	Contributions
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	**The business is conscious of the importance of good health and wellbeing for financial sustainability.** • During the financial year the business invested in a staff occupational health and wellness facility. • The business continues to fight against the Covid-19 pandemic through supply of adequate PPE to employees and protective measures to customers. We donated groceries and cash to Parirenyatwa and Mpilo Hospital staff members during the Covid-19 lockdown period.
6 CLEAN WATER AND SANITATION	Ensure access to water and sanitation for all.	**The business is committed to efficient use and preservation of water.** • By recording water usage from all source commenced during the period under review. • The business targets benchmarking water quality with the guidelines provided by the World Health Business. • Effluent management is being enforced by the business to ensure our activities do not contaminate clean water sources.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable sustainable and modern energy for all.	**The business is committed to reducing its carbon footprint and cost of power.** We are harnessing solar power at two major branches thereby reducing total power utilization at the sites. • We replaced fluorescent lights with LED in 19 stores. • The group has a plan for rolling out energy efficient lighting in the remainder of branches.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	**The business promotes decent work with equal pay for all women and men including young people.** • The business employs over 5 000 employees. • 46% of all employees have a permanent contract. • Of the new employees hired in 2022, 46% were female and 76% were under the age of 30 years. Pay scales are determined by grade and are gender blind. • The Group places employee happiness at the core of its strategy.
10 REDUCED INEQUALITIES	Reduce inequality within and among countries.	**The business supports vulnerable groups including children and persons with disabilities.** • We donated grocery hampers to vulnerable groups through selected charities.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Encourages more sustainable consumption and production patterns.	**The business is conscious of the need to protect the environment by optimising waste management.** • Our business creates significant amounts of waste associated with the packaging of products for sale. While packaging comes in various forms such as cardboard boxes and plastic, we are concerned about the amount of non-biodegradable plastic and its impacts on the environment. • The business has collaborated and partnered with other business like EMA, that are committed to addressing negative packaging impacts.

Sustainability Impacts (continued)

Economic Impacts

Economic performance includes the economic value generated and distributed by OK Zimbabwe. Actual positive impacts of the Group's economic performance includes shareholder value, contribution to Gross Domestic Product (GDP) and fiscal revenue.

The Group provides employment opportunities, supply chain opportunities for small to medium enterprises and training opportunities for graduates.

Management Approach

The Group targets to continuously improve operations and build best-in-class retail capabilities. This includes benchmarking with global players in the retail sector on metrics like shrinkage and profit margins. The Group is committed to delivering a sustainable growth in shareholder value through business performance. OK Zimbabwe uses formal performance reviews against daily targets and budgets at branch and business unit level.

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. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

Contributions for the year were as follows:

Pension Scheme	Unit	2022	2021	2020
Employees on Pension	%	46	55	53
National Social Security and Authority (NSSA)	ZWL 000	60,430	6,703	1,173
OK Zimbabwe Limited pension fund	ZWL 000	138,330	46,036	6,022
Total Pension Contributions	**ZWL 000**	**198,760**	**52,739**	**7,195**

An increase in pension contributions resulted from the increase in inflation and NSSA subscriptions.

Sustainability Impacts (continued)

Economic Impacts (continued)

Tax

OK Zimbabwe takes a responsible approach to the management of taxes. It works in a collaborative and proactive way with tax authorities, endearing the principles of transparency to deliver long term sustainable value. The Group's tax strategy is aligned with the long-term business strategy and the Group's vision is to be a responsible corporate citizen in its sphere of influence. The strategy is premised on principles of compliance, risk management and transparency. Stakeholders are concerned with whether, OK Zimbabwe is paying a fair share of their taxes, contributing to political and public policy debate on the level of taxation through its industrial body. Irresponsible tax practices could result in significant penalties which erode shareholder value or negatively impact viability and survival of the business.

Management Approach

The Board of Directors through the Audit, Finance and Strategy Committee is responsible for overseeing the effective management of tax affairs and implementation of tax policy for OK Zimbabwe. Similarly, the Chief Finance Officer is the public officer of the Group responsible for overseeing the companies' tax affairs. The Group consults regularly on tax developments with its tax consultants in a quest to achieve optimal levels of compliance.

The Group's approach is to maintain compliance with all tax statutes including meeting the following minimum objectives:

1. complying with all returns and other local tax filings deadlines,
2. paying for taxes by their due dates and in line with Zimbabwean tax law,
3. monitoring changes in relevant tax law and practice,
4. undertaking regular consulting on complex issues, and
5. Implementing appropriate administrative safeguards with regard to documentation and record keeping.

OK Zimbabwe structures its commercial transactions in a tax efficient manner in order to maximise shareholder value. The Group optimises its commercial position by claiming tax reliefs and incentives in line with the spirit of Zimbabwean tax law. The business does not use artificial tax structures that are intended for tax avoidance.

Furthermore, the Board of Directors delegated oversight of tax management to the Audit, Finance and Strategy Committee, including periodic review and approval of this strategy. Implementation of and adherence to the Group's tax policy is delegated to the Group Chief Finance Officer. This tax strategy is communicated to all the relevant stakeholders within the Group from the senior executives who are making regular commercial decisions to those individuals who are involved in the daily tax processes. The Group makes use of standard operating procedures to ensure tax compliance at transaction processing level. The strategy is subject to continuous review by stakeholders to ensure the Group continues to adhere to its strategic aims and objectives. OK Zimbabwe applies a prudent approach to tax risk when evaluating transactions, consistent with its vision and values.

OK Zimbabwe continually reviews its tax policy, training employees and consulting on a regular basis on any tax related exposures. The Group hires appropriately skilled personnel to identify and monitor tax risks on a continuous basis. Internal and external audit reviews also play a part in tax risk assessment. The Group Risk Management Committee meets regularly to deliberate on all risks including tax risks. The Group regularly engages tax experts to perform tax health checks, to assess tax compliance and tax efficiency risks. We do not knowingly engage in or promote any tax planning that aims to achieve a result contrary to the intentions of the law but seek to comply fully with all tax obligations. The business is committed to investing in appropriately skilled staff and, where appropriate, invest in software solutions and automation processes that further reduce the tax risk profile e.g. ZIMRA fiscal machines for transparency in VAT accounting. Periodic significant audits (for all taxes) subject to risk assessment and discussion are carried out to assess compliance. Compliance levels are monitored by the Audit, Finance and Strategy Committee. The Group subscribes to independent tip off anonymous platform that allows the anonymous reporting of any unlawful or unethical activities, including those related to tax.

OK Zimbabwe seeks active real-time engagement with tax authorities on issues requiring clarity. The Group Chief Finance Officer communicates with the Zimbabwe Revenue Authority (ZIMRA) regarding all tax matters. When governments look to develop or change tax policy, they invariably seek input from a wide range of interested stakeholders, including business advocacy groups and a large number of individual companies. OK Zimbabwe, through its retail association and its tax consultants, engages with the Government of Zimbabwe to provide perspective on how best to balance the need for government revenues from taxation against the need to ensure sustainable business continuity.

Sustainability Impacts (continued)

Economic Impacts (continued)

In that respect the Group is engaging the authorities to review the thresholds/mechanics of the IMT tax, as the tax in the current format negatively impacts viability of formal businesses. The Group publishes its contact details to allow stakeholders to air any concerns they may have related to tax. The business responds to questions covering tax matters during regular analyst briefings.

The internal audit department periodically reviews tax expenses, payments and computations. The Group uses the services of tax consultants to review its tax position and policies and get advised on all issues on industry best practice. Our goal is to be compliant with all tax regulations. We target to pay our fair share of taxes, to file all returns and pay taxes on time, to obtain tax clearance certificates on time, to withhold required withholding tax on behalf of ZIMRA, to remit all taxes withheld on behalf of ZIMRA and to achieve the required record keeping standards. Internal and external audit reports issued by auditors may indicate the compliance level of the business. If the business is compliant, we will receive our tax clearance certificates in time.

The actions taken were highly effective as the Group has largely managed to maintain tax compliance levels at optimal levels. The Group managed to pay all its taxes, file its returns on time and avoided any significant tax penalties. We are operating in a highly volatile trading environment and we have been closely on the watch for any changes in tax legislation to avoid any non-compliance issues. Tax Consultants and Auditors reviewed our tax position, policies and computations and provided feedback on whether the processes are sufficient and if further action was to be taken.

Tax Payments

	2022 ZWL 000	2021 ZWL 000	2020 ZWL 000
Corporate Tax – Parent	989,102	734,446	154,825
Corporate Tax – Subsidiaries	497	471	170
Value Added Tax (VAT)	373,592	183,598	43,721
Import Duty	367,282	98,921	7,841
PAYE	519,300	232,406	18,266
Withholding Tax on Tenders	75,489	15,916	3,090
Withholding Tax on VAT	973	1,211	39
Aids Levy	45,267	29,019	5,198
IMT Tax	1,094,928	290,087	51,482
Total	**3,466,430**	**1,586,075**	**284,632**

Procurement Practice

Our procurement practices help in developing long standing relationships with suppliers, as well as sustaining the economy by procuring from local suppliers. We do our best to ensure payments are done timely.

Management Approach

Our procurement practices are guided by our policy which requires that we uphold business integrity in dealing with all suppliers. We have a selection criteria that applies to all suppliers without exemption or preferential treatment. We segment our suppliers' base depending on whether they are local or foreign. Supplier compliance audits are conducted for new local suppliers based on the supplier audit checklist.

	Unit	2022	2021	2020
Spending on local suppliers	ZWL 000	58,821,953	26,299,852	4,453,454
Spending on foreign suppliers	ZWL 000	1,196,582	800,159	54,957
Total Procurement Spend	**ZWL 000**	**60,018,535**	**27,100,011**	**4,508,411**
Total Number of suppliers	Count	2,640	2,573	–

09

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

ANNEXURE

Report of the Directors

The Directors have pleasure in presenting their twenty first Annual Report and the Audited Inflation Adjusted Financial Statements of the Group for the year ended 31 March 2022.

Financial Year Results

Total comprehensive income for the year attributable to shareholders amounted to ZWL 5.9 billion (2021: ZWL 2.0 billion). In historical terms the amount was ZWL 6.5 billion (2021: ZWL 3.0 billion).

Property And Equipment

Capital expenditure for the year ended 31 March 2022 amounted to ZWL 3.1 billion (2021: ZWL 2.1 billion). In historical terms the amount was ZWL 2.3 billion (2021: ZWL 1 billion).

Share Capital

The authorised share capital of the Group was ZWL 200 000 made up of 2 000 000 000 ordinary shares of ZWL 0.0001 each while the issued share capital was ZWL 7.8 million (historical: ZWL 129 thousand) made up of 1 291 650 582 ordinary shares of ZWL 0.0001 each. There was no change in the authorised share capital from prior year. In the prior year the issued share capital was ZWL 7.8 million (historical: ZWL 126 thousand) made up of 1 251 700 961 ordinary shares of ZWL 0.0001 each.

Reserves

The movements in the Reserves of the Group are shown in the Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements.

Directors

On 1 April 2021, the Group welcomed Mr. Maxen Phillip Karombo as Group Chief Executive Officer. Mr. Phillimon Mushosho joined as Group Chief Finance Officer on 1 July 2021. Messrs M. P. Karombo and P. Mushosho were both appointed to the Board of Directors as Executive Directors with effect from their respective dates of joining the company.

The Board also welcomed Mr. Simon Masanga as a Non-Executive Director on 1 April 2021. Mr. A. R. Katsande retired from the Board of Directors with effect from 30 June 2021.

Independent Auditor

Members will be requested to consider and, if deemed fit to approve the independent auditor's fees for the past financial year and to appoint independent auditor of the Group for the ensuing year. Messrs Deloitte & Touche resigned as independent auditors of the Group due to mandatory firm rotation. Following the resignation of Messrs Deloitte & Touche, Messrs KPMG Chartered Accountants (Zimbabwe) offer themselves for appointment.

Annual General Meeting

The twenty first Annual General Meeting of the Group will be held at 1500 hours on Thursday the 28th of July 2022.

By Order Of The Board

H. Nkala	M. P. Karombo
Chairman	Chief Executive Officer

15 June 2022

Directors' Responsibility for Financial Reporting

The Directors of OK Zimbabwe Limited ("the Group") are responsible for the maintenance of adequate accounting records, the preparation, integrity and fair presentation of the Group's inflation adjusted consolidated financial statements and related information. OK Zimbabwe Limited's independent external auditors, Messrs Deloitte & Touche, have audited the inflation adjusted consolidated financial statements and their report appears on pages 69 to 72 of these financial statements. The inflation adjusted consolidated financial statements for the year ended 31 March 2022 presented from pages 73 to 116 have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The inflation adjusted consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities ("COBE") Act (Chapter 24:31), Companies (Financial Statements) Regulations, 1996 and the Zimbabwe Stock Exchange Listing Requirements.

The inflation adjusted consolidated financial statements are based on appropriate accounting policies which have been consistently applied, and modified, where necessary, by the impact of new and revised standards. The application of accounting policies is supported by reasonable and prudent judgments and estimates.

The Directors are responsible for the systems of internal control. The systems are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets and to prevent material misstatements and losses. Suitably trained and qualified personnel within the Group staff implement and monitor the systems. Nothing has been brought to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems occurred during the course of the year.

The Directors have reviewed the performance and financial position of the Group up to the date of signing of these financial statements. The Covid-19 pandemic continues to be a threat to the Group. However, the Directors are satisfied with the measures they have put in place to ensure viability of the Group's operations beyond the next 12 months period. They also reviewed the prospects of the Group, including its budgets, and are satisfied that the Group is a going concern and therefore continue to apply the going concern assumption in the preparation of these inflation adjusted financial statements.

The inflation adjusted consolidated financial statements were approved by the Board of Directors on 15 June 2022 and signed on its behalf by:

H. Nkala
Chairman

M. P. Karombo
Chief Executive Officer

Preparer of The Consolidated Financial Statements

The consolidated financial statements were prepared under the supervision of Mr. P. Mushosho, CA (Z).

P. Mushosho
Chief Finance Officer
PAAB Registration Number 03635

15 June 2022

Report of the Independent Auditors to the members of OK Zimbabwe Limited

Deloitte.

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TO THE MEMBERS OF OK ZIMBABWE LIMITED

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the inflation adjusted consolidated financial statements of OK Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 73 to 116, which comprise the inflation adjusted consolidated statement of financial position as at 31 March 2022, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity, and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the inflation adjusted consolidated financial statements present fairly, in all material respects, the inflation adjusted consolidated financial position of the Group as at 31 March 2022, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report of the Independent Auditors to the members of OK Zimbabwe Limited (continued)

Key audit matter	How the matter was addressed in the audit
Valuation of freehold land and buildings	
As set out in note 9 to the inflation adjusted consolidated financial statements, the Group has freehold land and buildings amounting to ZWL 7.18 billion. The directors make use of independent external valuers in determining the fair values of freehold land and buildings. Valuations by their nature require the use of judgment and estimates which involve significant unobservable inputs such as: - Market rentals - Risk yields - Market price per square metre The current economic environment is extremely volatile given the valuation intricacies impacting property in the Zimbabwean market. We identified the valuation of freehold land and buildings as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgment associated with determining the fair values. The judgments have a higher estimation uncertainty as a result of there being minimal market data arising from a subdued and depressed property market which is largely due to the prevailing liquidity and economic constraints in Zimbabwe.	We performed the following audit procedures: We assessed the competence, capabilities, objectivity, and independence of the directors' independent valuers, and assessed their qualifications. We made enquiries of the directors' independent external valuers to obtain an understanding of the valuation techniques and judgments adopted. With the assistance of our internal specialists, we assessed the work performed by the independent external valuers in valuing of freehold land and buildings by performing the following: • Reviewed the work performed by the directors' expert in valuing land and buildings at year end; • Assessed the reasonableness and rationale of the key assumptions made and inputs applied; • Evaluated the valuation methods used and assessed them for consistency with the reporting requirements; • Reviewed the financial statement disclosures for appropriateness and adequacy. Based on the work done, we found the directors' assumptions to be reasonable and the valuation and disclosures of the freehold land and buildings to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, the directors' responsibility statement, as required by the Companies and Other Business Entities Act (Chapter 24:31), the shareholders' analysis and the historical cost financial information, which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

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

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

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

Report of the Independent Auditors to the members of OK Zimbabwe Limited (continued)

Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of these inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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.

Report of the Independent Auditors to the members of OK Zimbabwe Limited (continued)

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

Section 193 (1) (a)
In our opinion, the inflation adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act so as to give a true and fair view of the state of the Group's affairs as at the date of its financial statements for its financial year ended on that date.

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

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per. Stelios Michael
Partner
(PAAB Practice Certificate Number 0443)
Harare
Zimbabwe
20 June 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022.

		Inflation Adjusted		Historical*	
	Notes	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Revenue	5	79,814,018	59,271,898	60,909,032	26,831,040
Other income		318,158	406,467	217,025	183,835
Changes in trade inventories		(2,017,324)	(649,375)	(4,452,111)	(2,630,730)
Merchandise and consumables used		(64,938,616)	(50,624,355)	(43,644,734)	(18,087,342)
Employee benefits expense		(5,108,938)	(3,539,194)	(3,881,839)	(1,680,997)
Depreciation and amortisation expense	6.2	(1,481,822)	(1,097,790)	(502,993)	(190,611)
Share-based payments expense	8.6	(19,717)	(17,783)	(14,326)	(6,990)
Other operating expenses		(5,638,801)	(4,285,639)	(4,276,733)	(1,939,664)
Finance income		8,166	7,436	6,003	3,177
Finance costs		(924,531)	(242,169)	(718,801)	(117,544)
Net monetary gain		4,788,148	4,234,757	–	–
Profit before income tax	6	4,798,741	3,464,253	3,640,523	2,364,174
Income tax expense	7.1	(2,020,432)	(1,597,999)	(1,247,348)	(371,921)
Profit for the year		**2,778,309**	**1,866,254**	**2,393,175**	**1,992,253**
Other comprehensive income (OCI)					
Items that will not be reclassified subsequently to profit or loss:					
Gains on revaluation of property	9	3,983,877	183,726	5,186,528	1,174,924
Deferred tax expense		(824,745)	(32,221)	(1,085,918)	(206,057)
Items that may be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on financial assets measured at FVTOCI		(1,059)	1,529	2,052	3,516
Deferred tax expense		(36)	(15)	(52)	(35)
Other comprehensive income net of tax		**3,158,037**	**153,019**	**4,102,610**	**972,348**
Total comprehensive income for the year		**5,936,346**	**2,019,273**	**6,495,785**	**2,964,601**
Share performance: ZWL cents					
• Basic earnings per share	26	217.03	149.57	186.94	159.66
• Diluted earnings per share	26	207.82	143.36	179.01	153.04

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

Consolidated Statement of Financial Position

For the year ended 31 March 2022.

		Inflation Adjusted		Historical	
	Notes	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Assets					
Non-current assets					
Property and equipment	9	16,369,721	10,249,545	10,089,876	2,851,939
Financial assets held at amortised cost	10	3	79	3	46
Goodwill	11	25,626	25,626	400	400
Right of use asset	12	4,182,181	2,880,059	1,989,891	846,965
Financial assets held at FVTOCI	13	6,316	12,018	6,316	6,947
Deferred tax asset	18	—	—	—	40,090
Total non-current assets		**20,583,847**	**13,167,327**	**12,086,486**	**3,746,387**
Current assets					
Inventories	14	8,199,666	6,148,932	8,037,845	3,512,135
Trade and other receivables	15	188,233	28,270	188,233	16,341
Prepayments	16	1,059,517	1,038,178	534,233	356,535
Short-term loans receivable	17	27,803	881	27,803	509
Cash and cash equivalents		723,479	1,278,920	723,479	739,260
Total current assets		**10,198,698**	**8,495,181**	**9,511,593**	**4,624,780**
Total assets		**30,782,545**	**21,662,508**	**21,598,079**	**8,371,167**
Equity and liabilities					
Equity					
Share capital	8.4	7,794	7,789	129	126
Share premium	8.5	2,580,012	2,418,877	269,514	147,555
Share based payment reserve	8.6	128,131	108,414	24,842	10,516
Mark to market reserve	8.7	3,209	4,304	6,222	4,222
Revaluation reserve	8.8	3,442,138	283,006	5,432,837	1,332,227
Non-distributable reserves		629,161	629,161	9,820	9,820
Retained earnings	8.9	10,128,026	8,772,594	3,563,416	2,132,239
Total equity		**16,918,471**	**12,224,145**	**9,306,780**	**3,636,705**
Non-current liabilities					
Deferred tax liability	18	2,752,968	1,247,743	1,180,193	—
Long term lease liability	19	1,794,104	1,288,054	1,794,104	744,540
Total non-current liabilities		**4,547,072**	**2,535,797**	**2,974,297**	**744,540**
Current liabilities					
Trade and other payables	20	6,882,789	5,878,431	6,882,789	3,397,937
Provisions	20.1	288,277	250,696	288,277	144,911
Lease liability	19	311,030	236,000	311,030	136,416
Short term borrowings	21	1,713,964	489,914	1,713,964	283,187
Current tax liabilities	22.4	120,942	47,525	120,942	27,471
Total current liabilities		**9,317,002**	**6,902,566**	**9,317,002**	**3,989,922**
Total equity and liabilities		**30,782,545**	**21,662,508**	**21,598,079**	**8,371,167**

For and on behalf of the board

H. Nkala
Chairman
15 June 2022

M. P. Karombo
Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022.

	Inflation Adjusted		Historical*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Shareholders' equity at the beginning of the year	12,224,145	10,906,745	3,636,705	996,198
Changes in share capital				
Arising from share options exercised	3	7	2	3
Arising from treasury shares	2	–	1	–
Changes in share premium				
Arising from share options exercised	58,197	190,004	49,974	108,980
Arising from treasury shares	102,938	–	71,985	–
Changes in share options				
Arising from the recognition of share options	19,717	17,783	14,326	6,990
Changes in equity reserves				
Arising from revaluation of property	3,159,132	151,505	4,100,610	968,867
Mark-to-market reserve	(1,095)	1,514	2,000	3,481
Changes in distributable reserves				
Dividend paid	(1,422,877)	(909,667)	(961,998)	(440,067)
Profit for the year	2,778,309	1,866,254	2,393,175	1,992,253
Shareholders' equity at the end of the year	**16,918,471**	**12,224,145**	**9,306,780**	**3,636,705**
Comprising:				
Share capital	7,794	7,789	129	126
Share premium	2,580,012	2,418,877	269,514	147,555
Equity reserves - share options	128,131	108,414	24,842	10,516
Revaluation reserve	3,442,138	283,006	5,432,837	1,332,227
Mark-to-market reserve	3,209	4,304	6,222	4,222
Non-distributable reserve	629,161	629,161	9,820	9,820
Retained earnings	10,128,026	8,772,594	3,563,416	2,132,239
Total shareholders' equity	**16,918,471**	**12,224,145**	**9,306,780**	**3,636,705**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022.

		Inflation Adjusted		Historical*	
	Notes	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Cash flows from operating activities					
Cash generated from trading	22.1	5,671,081	4,106,628	4,849,461	2,778,431
Working capital changes	22.2	(1,187,149)	1,165,715	(1,244,134)	(108,502)
Cash generated from operations		4,483,932	5,272,343	3,605,327	2,669,929
Finance cost	22.3	(927,479)	(242,169)	(721,749)	(117,544)
Finance income	22.3	8,166	7,436	6,003	3,177
Tax paid	22.4	(1,266,571)	(2,131,214)	(1,019,564)	(756,964)
Net cash generated from operating activities		**2,298,048**	**2,906,396**	**1,870,017**	**1,798,598**
Cash flows from investing activities					
Investments to maintain operations:					
Replacement of property and equipment		(1,758,894)	(1,668,175)	(1,314,227)	(794,492)
Proceeds from disposal of property and equipment		30,044	10,754	23,540	5,553
Increase in short-term loans receivable		(26,922)	(716)	(27,294)	(481)
Additions to financial assets at held at FVTOCI		—	(4,399)	—	(2,399)
		(1,755,772)	**(1,662,536)**	**(1,317,981)**	**(791,819)**
Investments to expand operations:					
Additions to property plant and equipment		(1,298,020)	(454,363)	(969,867)	(216,397)
Proceeds from financial assets held at amortised cost		76	829	43	69
		(1,297,944)	(453,534)	(969,824)	(216,328)
Net cash used in investing activities		**(3,053,716)**	**(2,116,070)**	**(2,287,805)**	**(1,008,147)**
Cash flows from financing activities					
Dividends paid		(1,422,877)	(909,667)	(961,998)	(440,067)
Proceeds from share options exercised		58,200	3,700	49,976	1,289
Proceeds from disposal of treasury shares		102,940	—	71,986	—
Repayment of lease liabilities	22.5	(242,688)	(159,805)	(188,734)	(76,037)
Proceeds from borrowings		4,175,822	489,914	3,325,933	283,187
Repayment of borrowings		(2,471,170)	—	(1,895,156)	—
Net cash generated from / (used) in financing activities		**200,227**	**(575,858)**	**402,007**	**(231,628)**
Net (decrease) / increase in cash and cash equivalents		(555,441)	214,468	(15,781)	558,823
Cash and cash equivalents at the beginning of year		1,278,920	1,064,452	739,260	180,437
Cash and cash equivalents at the end of year		**723,479**	**1,278,920**	**723,479**	**739,260**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability and to meet most user requirements. As a result, the independent auditor has not expressed an opinion on this historical information.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022.

1. General information

The Group is a leading supermarket retailer, incorporated in Zimbabwe, whose business covers three major categories, comprising groceries, basic clothing and textiles and housewares products. At the reporting date the Group was operating from sixty eight stores countrywide and had three wholly owned subsidiaries. These financial statements are presented in Zimbabwean Dollar (ZWL) which is the functional currency of the Group.

2. Adoption of new and revised standards

The following new and revised IFRSs have been applied in the current year and have the respectively stated impact to the amounts reported in these financial statements. Details of other new and revised IFRSs in issue but not yet effective in the current year are set out in section 2.2.

2.1 New and amended IFRS Standards that are effective for the current year

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Covid-19 Related Rent concessions Amendment to IFRS 16	1 May 2021	In March 2021, the Board issued Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022. The practical expedient permits a lessee to elect not to assess whether a Covid-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19 related rent concession applying IFRS 16 as if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all of the following conditions are met: • The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change. • Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022). • There is no substantive change to other terms and conditions of the lease. The Group elected to account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The amendments do not have any material impact on the reported financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS Standards in issue but not yet effective

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of the amendments has yet to be set by the IASB	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 re-measurement 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 Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise. The Group does not at the moment have associates or joint venture arrangements therefore the amendments will have no impact on the financial statements.
Amendments to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use	1 January 2022	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. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS Standards in issue but not yet effective (continued)

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use	1 January 2022	The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are expected to have no material impact on the Group's financial statements on initial application.
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022	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). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are expected to have no material impact on the Group's financial statements on initial application.
Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework	1 January 2022	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, 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. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are expected to have no material impact on the Group's financial statements on initial application.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS Standards in issue but not yet effective (continued)

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
IFRS 9 Financial Instruments	1 January 2022	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. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendments are expected to have no material impact on the Group's financial statements on initial application.
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023	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 expected to have no material impact on the Group's financial statements on initial application.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies	1 January 2023	The amendments change the requirements in IAS 1 with regard to 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 general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. 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 Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are expected to have no material impact on the Group's financial statements on initial application.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS Standards in issue but not yet effective (continued)

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates	1 January 2023	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 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 Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments. The amendments are expected to have no material impact on the Group's financial statements on initial application.
Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, 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. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, 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 in IAS 12.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS Standards in issue but not yet effective (continued)

NEW STANDARD	EFFECTIVE DATE	MAJOR REQUIREMENTS
Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: – Right-of-use assets and lease liabilities – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The impact of initial application of the amendments on the Group's financial statements cannot be estimated with reasonable accuracy.

3. Significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies (Financial Statements) Regulations, 1996, and the Zimbabwe Stock Exchange Listing Requirements.

3.2 Basis of accounting

The consolidated financial statements have been prepared from statutory records that are maintained under the historical cost convention except for the revaluation of certain land and buildings and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The underlying figures were adjusted for the effects of hyperinflation in compliance with IAS 29 (Financial Reporting in Hyperinflationary Economies).

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, except for share-based payment transactions that are within the scope of IFRS 2, 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.2 Basis of accounting (continued)

In addition, for financial reporting purposes, 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.

The principal accounting policies of the financial statements, set out below, have been consistently followed in all material respects.

IAS 29 Financial Reporting in Hyperinflationary Economies

The Group applied the Financial Reporting in Hyperinflationary Economies Standard (IAS 29) in compliance with the guidance provided by the Public Accountants and Auditors Board through its pronouncement 01/2019. The financial statements and the corresponding amounts for previous periods have been restated for the changes in the general purchasing power of the ZWL. Professional judgment was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 compliant.

IAS 29 restatement methodology

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the statement of financial position date.

Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders' equity are restated by applying the relevant monthly conversion factor. Non-monetary assets and liabilities that are carried at amounts current at the statement of financial position date that is at fair value are not restated.

Deferred tax is provided in respect of temporary differences arising from the restatement of assets and liabilities.

Cash flow items are expressed in terms of the measuring unit current at the reporting date.

All items in the statement of profit or loss are restated by applying the relevant monthly, yearly average or year-end conversion factors. The effect of inflation on the net monetary position of the Group is included in the statement of profit or loss as a monetary loss adjustment.

The historical cost financial statements have been provided as supplementary information and as a result the independent auditor has not expressed an opinion on them.

Source of Consumer Price Indices ("CPI")

Indices used were obtained from the Zimbabwe Statistical Office for the period from April 2020 to March 2022.

CPI as at 31 March 2022	4,766.1	1.0
CPI as at 31 March 2021	2,759.8	1.7
Average CPI for the 12 months to:		
31-Mar-22		3,582.86
31-Mar-21		2,083.51

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.3 Basis of consolidation

The consolidated inflation adjusted financial statements incorporate the financial statements of the Group and its subsidiaries.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Investments in subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has control. The existence and effect of potential voting rights that are currently exercised or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

3.5 Goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date. Subsequently goodwill is measured at cost less accumulated impairment losses, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income.

3.6 Foreign currency transactions and balances

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 translated 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.

Transaction and translation gains or losses arising on conversion or settlement are dealt with in the statement of profit or loss and other comprehensive income in the determination of the operating income.

3.7 Property and equipment

Property and equipment are stated in the statement of financial position at cost or revalued amount less any subsequent accumulated depreciation and impairment. Methods of valuation used are as follows:

Land and buildings	Market comparable and Income approach
Other property and equipment	Cost

Revaluations are performed frequently enough to ensure that the carrying amounts do not differ materially from those that would be determined using fair values. Any surplus arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in the statement of profit or loss and other comprehensive income to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.7 Property and equipment (continued)

Depreciation on revalued buildings is recognised in the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land and work in progress are not depreciated.

Motor vehicles, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment.

The assets are depreciated over their estimated useful lives which are as follows:

Freehold property	20 years
Motor vehicles	5 years
Leasehold improvements	20 years
Property and equipment:	
Computers	5 years
Office furniture	10 years
Equipment	10 years
Air conditioners	10 years
Fixtures and fittings	10 years
Refrigerators	10 years
Boats	30 years

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

3.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Merchandise and consumable stores are valued at the landed cost on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

3.9 Financial instruments

Financial assets and financial liabilities are initially recognised at fair value in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. 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 fair value through profit or loss which are immediately recognised in profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.9 Financial instruments (continued)

Financial assets

The classification of financial assets is based on the contractual cash flow characteristics and the entity's business model for managing the financial asset. The categories used for these reflect their measurement, that is, amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Financial assets held at amortised cost

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognised in profit or loss.

Financial assets held at FVTOCI

Debt instruments that fall into this category are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held at FVTPL

By default, all other financial assets are measured subsequently at fair value through profit or loss.

The Group may make the following irrevocable election at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.
- The Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences arising from translation are recognised in the same manner as the recognition of interest on the respective financial asset based on its category.

Impairment of financial assets

The Group recognises a loss allowance for Expected Credit Losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.9 Financial instruments (continued)

Impairment of financial assets (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the mark to market reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the mark to market reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the mark to market reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as held at FVTPL when the financial liability is either a contingent consideration of an acquirer in a business combination, held for trading or it is designated as at FVTPL. Any gain or loss arising from changes in fair value and are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability is classified as held for trading if:
- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.9 Financial instruments (continued)

Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

All other financial liabilities are measured subsequently at amortised cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Compound instruments

The component parts of convertible loan notes are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.10 Related parties

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all executive and non-executive Directors. An entity is related to a reporting entity if any of the following conditions applies:

- The same entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third party and the other entity is an associate of the third entity.

A related party transaction is a transfer of resources, services, or obligations between reporting entity and a related party, regardless of whether a price is charged.

3.11 Revenue recognition

The revenue for the Group comprises sales of general merchandise to the local markets. The Group recognises revenue 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. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods and services sold in the normal course of business, net of discounts and value added taxes. The Group recognises revenue when it transfers control of a product to a customer.

Revenue is recognised when a performance obligation has been satisfied fully, when control of the goods has transferred, being when the goods have been collected or delivered to the customer's specific location. Following collection or delivery, the customer has full discretion over the manner in which they handle the goods, and also bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are collected by or delivered to the customer as appropriate, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. A sale of goods is recognised when goods are delivered, and title has passed to the buyer. Revenue from sales comprises the invoiced value of sales in respect of the Group's activities outlined.

3.12 Tax

Income tax expense represents the current income tax and deferred tax.

Current income tax

Current income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the 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 income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 differences arise from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.12 Tax (continued)

Deferred tax (continued)
Deferred tax assets and liabilities 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current income and deferred tax for the period
Current income and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

3.13 Employee benefits

Defined contribution plans
The entity 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 entity also participates in the National Social Security Authority scheme. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

Short term employee benefits
Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees of the entity.

Termination benefits
Termination benefits are payable when employment is terminated by the entity before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.13 Employee benefits (continued)

Retirement benefit costs (continued)

Retirement benefits are provided for Group employees through the OK Zimbabwe Pension Fund, which is a defined contribution fund, and through the National Social Security Authority ("NSSA") which is also a defined contribution scheme. Contributions to both are charged to the statement of profit or loss and other comprehensive income.

The NSSA scheme is a defined contribution scheme promulgated under the National Social Security Authority Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

3.14 Provisions and contingencies

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

3.15 Leases

The Group operates in leased premises in most of the locations. The Group applied the definition of a lease and related guidance set out in IFRS 16 to all contracts as at 1 April 2019.

The Group's leasing activities and how these are accounted for

The Group leases various properties for warehouses and shop space. Rental contracts are typically made for fixed periods of 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date of initial application since the leases were in effect as of that date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease term was used as it is lower than the useful life of the properties.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the outstanding lease payments at date of initial application for already existing leases. The lease payments are discounted using the company's incremental borrowing rate. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability in accordance with IFRS 16 para C8

Extension Options

Extension options are included in the property leases within the Group. These terms are used to maximise operational flexibility in terms of managing the contracts. The extension is exercisable by the Group and by the respective Lessor.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

3. Significant accounting policies (continued)

3.16 Share based payments

Senior management of the entity receive remuneration in the form of share-based payments, whereby they receive equity instruments as consideration for rendering services. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than linked to the price of the shares of the Group. The cost of equity settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

Fair value is measured using the Black-Scholes pricing model.

The expected life in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercised restrictions and behavioral considerations.

3.17 Impairment of assets

At each statement of financial position date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered an impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (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.

Recoverable amount is the higher of fair value less costs to sell 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 is estimated to be less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount.

An impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease. Where an impairment subsequently reverses, the carrying amount of the asset 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 impairments been recognised for the asset in prior years.

A reversal of an impairment is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case reversal of the impairments is treated as a revaluation increase.

The preparation of financial statements requires management and Directors to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. 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 revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the Directors and management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

4. Key sources of uncertainty and critical judgments

4.1 Key sources of uncertainty

4.1.1 Assessment of impairment of property, equipment and right of use asset

Determining whether property, equipment and right of use asset is impaired requires an estimation of the value in use. The value in use calculation requires the Directors to estimate the future cash flows expected and a suitable discount rate in order to calculate present value. The Directors believe that there is no evidence of impairment of property, equipment and the right of use asset at the end of the reporting period. The Directors determine a suitable discount rate for purposes of determining the right of use asset value in use as the Group's applicable incremental borrowing rate.The assessment does not relate to properties that are fair valued.

4.1.2 Useful lives and residual values of property, equipment and right of use asset

The residual values were assessed through comparison of prices of new and aged assets, on a sample basis for each asset category to give an indicative recovery rate. The useful lives are set out in note 3.7 and no changes to these useful lives have been considered necessary during the year. The assessment does not relate to properties that are fair valued.

4.1.3 Valuation of share options

The method of determining the intrinsic value of the shares by using the relationship between the strike price and the share price of the option on grant date, based on similar listed entities in the retail industry in neighboring countries which have a more stable currency, has been assessed as inappropriate since market conditions are different in the respective countries. The amount charged to the statement of profit or loss and other comprehensive income is therefore the Group's best estimate. Refer to note 8.3 for the assumptions applied in the model.

4.1.4 Impairment of goodwill

Goodwill arising on acquisition of assets is initially measured and recognised at cost as determined on the acquisition date less accumulated impairment, if any. This goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of profit or loss and other comprehensive income. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment may arise.

4.1.5 Valuation of land and buildings

The valuation was undertaken using the appropriate valuation methodology and professional judgment of the valuers. The Group engaged professional valuers, Homelux Real Estate (Private) Limited to value land and buildings at the end of the reporting period. The fair values as determined by Homelux are used for reporting purposes.

Valuations of land and buildings are based on market comparable and income methods. The market comparable approach considers comparable market evidence i.e. the sales evidence either achieved or on the market, of similar land and buildings situated in the comparable residential suburbs and undeveloped land with that of subject land and buildings or the sales evidence of complete transactions as well as transactions where offers had been made but the transaction had not been completed. The income approach involves the capitalization of expected rental income by an appropriate yield. The most acceptable approach in assessing the valuation of commercial properties is the income approach. Accordingly, the income approach was used for all land and buildings except for undeveloped land and residential properties, for which the comparative approach was used.

The valuers have stated that valuations rely on inputs such as market rentals per square metre, rental yields and recent price per square metre for comparable properties.

4.1.6 Shrinkage provision

Provision for inventory shrinkage was determined by taking into account the actual shrinkage results for the current year inventory count as a percentage of the actual sales for the period between count date and year end.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

4. Key sources of uncertainty and critical judgments (continued)

4.1 Key sources of uncertainty (continued)

4.1.7 Expected credit loss allowance

Expected credit loss allowance on trade and other receivables was estimated using a provision matrix taking into account past default rates, debtor specific circumstances, and general industry conditions and forecast conditions as at the reporting date. The Group advances relief short term loans to staff members, mainly for urgent medical expenses and these are recovered from payroll. No write offs are therefore expected from such short term loans.

4.2 Critical Judgements

4.2.1 Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest ("SPPI") test and the business model. 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 judgment 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 and how the managers of the assets are compensated.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI test).
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset managements), and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

4.2.2 Significant increase of credit risk:

As explained in note 3.9, Expected Credit Losses are measured as an allowance equal to 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 takes into account qualitative and quantitative reasonable and supportable forward looking information.

4.2.3 Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

To that end, the Group assessed that, in terms of the business model in effect, no stores would be closed and as such the entity is likely to exercise every renewal option. Pursuant to the assessment, the renewal options were considered for each lease.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

4. Key sources of uncertainty and critical judgments (continued)

4.2 Critical Judgements (continued)

4.2.4 Exchange rate

The Group transacts in foreign currency when paying for imports as well as for some revenue and expenses following the liberalization on the use of foreign currency for domestic transactions through Statutory Instrument 85 of 2020. The Group relies primarily on both the Foreign Exchange Auction System and the sale of products on the domestic market to obtain foreign currency. For the conversion of the foreign currency transactions to ZWL, management determined the appropriate exchange rate applicable using the RBZ Auction rate as a base discounted by the authorised foreign currency discount rate applicable for in-store sale of products in the domestic market.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
5. Revenue				
Sale of merchandise	79,814,018	59,271,898	60,909,032	26,831,040

Lease and sub-lease income as below was reclassified from revenue to other income to distinctly give more relevant information relating to the Group's revenue from its core retailing activities:

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Lease and sub-lease income	83,720	68,956	63,873	31,079
6. Profit before Income tax				
Profit before income tax takes into account the following:				
6.1 Other operating expenses				
Utilities and backup power expenses	1,077,755	694,400	817,420	314,283
Marketing and promotional expenses	449,536	450,443	340,949	203,869
Security expenses	411,413	315,789	312,035	142,925
Maintenance expenses	628,452	449,867	476,648	203,608
Cleaning expenses	439,817	286,679	333,578	129,750
Bank charges	343,758	244,898	260,722	110,840
Property operating expenses	232,265	158,928	176,161	71,930
Distribution expenses	189,016	137,915	143,359	62,420
Licences expenses	130,994	72,343	99,352	32,742
Insurance expenses	118,660	106,033	89,997	47,990
Loss / (profit) on sale of property and equipment	12,092	(2,268)	(21,179)	(5,405)
Current year audit fees	39,697	31,523	30,108	14,267
Foreign currency losses / (gains)	127,984	(146,212)	97,069	(66,175)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
6. Profit before Income tax (continued)				
6.2 Depreciation and amortisation expense				
Property	258,554	321,183	68,218	37,170
Equipment	624,568	403,894	164,789	46,742
Right of use asset	598,700	372,713	269,986	106,699
	1,481,822	**1,097,790**	**502,993**	**190,611**
6.3 Retirement benefit costs				
Contributions to defined contribution fund	182,058	96,925	138,330	46,036
Contributions to National Social Security Authority Scheme	79,533	14,113	60,430	6,703
	261,591	**111,038**	**198,760**	**52,739**
7. Income taxes				
7.1 Tax charge				
Income Tax:				
Current	1,339,988	1,673,299	1,113,035	698,757
Standard	1,300,769	1,623,830	1,080,463	678,108
Aids Levy	39,023	48,715	32,414	20,343
Withholding tax on interest earned	196	754	158	306
Deferred tax:				
Debit/(credit) to statement of profit or loss	680,444	(75,300)	134,313	(326,836)
Total income tax expense	**2,020,432**	**1,597,999**	**1,247,348**	**371,921**

7.2 Reconciliation of tax charge	2022 %	2021 %	2022 %	2021 %
Standard rate	24.72	24.72	24.72	24.72
Adjusted for:				
- Impact of permanent differences	17.37	38.73	9.53	5.68
- Impact of changes in rebased income tax values	—	(17.31)	—	(14.66)
- Interest taxed at special rates	0.01	(0.01)	0.01	(0.01)
	17.38	**21.41**	**9.54**	**(8.99)**
Effective rate of tax	**42.10**	**46.13**	**34.26**	**15.73**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
8. Share capital				
8.1 Share capital				
Authorised:	12,084	12,084	200	200
Issued and fully paid:	7,794	7,789	129	126

Reconciliation of issued share capital	2022	2021
Number of shares:		
At the beginning of the year	1,251,700,961	1,234,884,484
shares issued during the year	39,949,621	16,816,477
At the end of the year	**1,291,650,582**	**1,251,700,961**

The difference between the number of issued shares supporting the issued share capital balance at the end of the prior year above relates to 11 928 328 shares which were under the control of Directors.

8.2 Shares under option

The number of shares subject to options is approved by the shareholders in Annual General Meetings. The Directors in turn are empowered to grant share options to certain employees of the Group. These options are granted at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the date of grant and have a vesting period of three years. Each employee share option converts into one ordinary share of OK Zimbabwe Limited.

These shares were under option at the beginning of the year:-	Subscription Price	Number of shares
2013 Scheme		
Granted 6 June 2013	ZWL0.260	17,441,480
Granted 5 June 2014	ZWL0.181	14,766,680
Granted 21 May 2015	ZWL0.100	14,894,000
Total granted at 31 March 2022		**47,102,160**
Movements for the year under the 2013 scheme:-		
Balance at 1 April 2021		1,826,380
Options forfeited		(1,826,380)
Balance at 31 March 2022		–
2016 Scheme		
Granted 2 June 2016	ZWL0.043	17,943,380
Granted 23 May 2017	ZWL0.066	14,766,680
Granted 23 May 2018	ZWL0.210	18,900,000
Total granted at 31 March 2022		**51,610,060**
Movements for the year under the 2016 scheme:-		
Balance at 1 April 2021		13,384,220
Options exercised		(12,148,220)
Options forfeited		(311,000)
Balance at 31 March 2022		**925,000**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

8. Share capital (continued)

8.2 Shares under option (continued)

These shares were under option at the beginning of the year: -

	Subscription Price	Number of shares
2019 Scheme		
Granted 5 June 2019	ZWL0.4982	23,903,518
Granted 18 June 2020	ZWL5.0250	18,129,916
Granted 5 June 2021	ZWL17.4677	26,532,500
Balance at 31 March 2022		**68,565,934**
Movements for the year under the 2019 scheme:-		
Balance at 1 April 2021		42,033,434
Granted 5 June 2021		26,532,500
Options exercised		(10,768,293)
Options forfeited		(1,992,826)
Balance at 31 March 2022		**55,804,815**
Total options granted yet to vest		**56,729,815**

8.3 Share-based payments computation

The options outstanding at 31 March 2022 had a weighted average exercise price of ZWL 9.96 and a weighted average remaining contractual life of fifteen months.

The inputs into the Black-Scholes model in respect of the options granted during the current and prior years were as follows:

Share price at grant (2013 scheme)	ZWL 0.181
Share price at grant (2013 scheme)	ZWL 0.100
Share price at grant (2016 scheme)	ZWL 0.043
Share price at grant (2016 scheme)	ZWL 0.066
Share price at grant (2016 scheme)	ZWL 0.210
Share price at grant (2019 scheme)	ZWL 0.4982
Share price at grant (2019 scheme)	ZWL 5.0250
Share price at grant (2019 scheme)	ZWL 17.4677
Expected volatility	68.5%
Weighted average grant price	ZWL 9.960
Expected life	13.5 months
Average risk free rate	0.5%

Valuation inputs:

Exercise price - The Scheme rules state that the price for the shares comprised in an option shall be the market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. The share price for options granted on 05 June 2021 was ZWL 17.4677.

Expected volatility - Expected volatility is a measure of the amount by which the price is expected to fluctuate during a period, for example between grant date and the exercise date. Volatility was calculated as the standard deviation of log-normal daily returns for the period starting 6 June 2013 to 31 March 2022.

Expected dividend - When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting period. This is because the payment of dividends reduces the value of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

8. Share capital (continued)

8.3 Share-based payments computation (continued)

Valuation inputs: (continued)

Risk-free rate of return - A risk free rate of return is the interest rate an investor would expect to earn on an investment with no risk which is usually taken to be a government issued security. It is the interest rate earned on a risk-free security over a specified time horizon.

All options expire 6 years after the date of grant, if not exercised

The fair value determined at the grant date of the equity settled Share-based Payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group's original estimates, if any, are recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share-based Payment reserve.

		Inflation Adjusted		Historical	
		2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
8.4	**Share capital**				
	At the beginning of the year	7,789	7,782	126	123
	Share options exercised	3	7	2	3
	Treasury shares	2	—	1	—
	At the end of the year	**7,794**	**7,789**	**129**	**126**
8.5	**Share premium**				
	At the beginning of the year	2,418,877	2,228,873	147,555	38,575
	Share options exercised	58,197	190,004	49,974	108,980
	Treasury shares	102,938	—	71,985	—
	At the end of the year	**2,580,012**	**2,418,877**	**269,514**	**147,555**
8.6	**Share based payments reserve**				
	At the beginning of the year	108,414	90,631	10,516	3,526
	Recognition of share based payment	19,717	17,783	14,326	6,990
	At the end of the year	**128,131**	**108,414**	**24,842**	**10,516**
8.7	**Mark-to-market reserve**				
	At the beginning of the year	4,304	2,790	4,222	741
	Comprehensive (loss)/profit for the year	(1,095)	1,514	2,000	3,481
	At the end of the year	**3,209**	**4,304**	**6,222**	**4,222**

This reserve records fair value changes on financial assets held through other comprehensive income

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
8. Share capital (continued)				
8.8 Revaluation reserve				
At the beginning of the year	283,006	131,501	1,332,227	363,360
Comprehensive income for the year	3,159,132	151,505	4,100,610	968,867
At the end of the year	**3,442,138**	**283,006**	**5,432,837**	**1,332,227**

Revaluations of freehold land and buildings are conducted frequently to ensure that carrying amounts do not differ materially from those that would be determined using fair values. The Directors made a decision to have the freehold property revalued in the current year in order to ensure that the carrying amounts do not differ materially from the fair values as at the reporting date. The next revaluation is due in the financial year ending 31 March 2023.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
8.9 Retained earnings				
At the beginning of the year	8,772,594	7,816,007	2,132,239	580,053
Profit for the year	2,778,309	1,866,254	2,393,175	1,992,253
Dividends paid	(1,422,877)	(909,667)	(961,998)	(440,067)
At the end of the year	**10,128,026**	**8,772,594**	**3,563,416**	**2,132,239**
9. Property and equipment				
Freehold property				
Revalued amount	7,180,111	2,780,070	7,180,111	1,606,977
Accumulated depreciation	—	—	—	—
	7,180,111	**2,780,070**	**7,180,111**	**1,606,977**
Leasehold improvements				
Cost	1,728,941	1,427,101	419,263	159,326
Accumulated depreciation	(534,610)	(482,808)	(21,148)	(10,350)
	1,194,331	**944,293**	**398,115**	**148,976**
Equipment				
Cost	9,307,564	8,171,800	1,891,302	835,754
Accumulated depreciation	(4,637,486)	(4,169,015)	(231,462)	(100,837)
	4,670,078	**4,002,785**	**1,659,840**	**734,917**
Vehicles				
Cost	1,044,246	844,192	316,071	94,681
Accumulated depreciation	(453,307)	(368,862)	(42,059)	(10,942)
	590,939	**475,330**	**274,012**	**83,739**
Work in progress	**2,734,262**	**2,047,067**	**577,798**	**277,330**
Total Property and equipment	**16,369,721**	**10,249,545**	**10,089,876**	**2,851,939**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
9. Property and equipment (continued)				
Group movement in net book amount for the year:				
At the beginning of the year	10,249,545	8,676,844	2,851,939	750,186
Asset reclassification	4,643	—	2,683	—
Capital expenditure	3,056,914	2,122,538	2,284,094	1,010,889
Revaluation	3,983,877	183,726	5,186,528	1,174,924
Disposals	(42,136)	(8,486)	(2,361)	(148)
Depreciation	(883,122)	(725,077)	(233,007)	(83,912)
At the end of the year	**16,369,721**	**10,249,545**	**10,089,876**	**2,851,939**

9.1 Fair value measurement of the Group's freehold land and buildings

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment. The fair value measurements of the Group's freehold land and buildings were performed by Homelux Real Estate (Private) Limited, independent valuers not related to the Group, as at 31 March 2022. Homelux is a member of the Valuers Council of Zimbabwe, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

Key assumptions and considerations applied in the valuation process include:

- The underlying valuation has been prepared in ZWL, on account of a reducing rate of inflation and increased market evidence of transactions in ZWL.
- Rentals were invoiced in ZWL during the year
- ZWL rentals have a lower default risk as compared to USD rentals.
- Softer capitalisation rates were applied relative to previous USD valuations because of the valuation currency.

The Group changed the application of its valuation technique by replacing the USD as the valuation currency with the ZWL.

The changes in the application of the valuation technique were brought about by:

- The year on year inflation for the ZWL having fallen to 72.7% in March 2022 from a high of 240.6% in March 2021.
- There has been an increase in observable market data in the form of valuation inputs that are now being obtained in the functional currency, although overall market transactions are still low.
- Rental collection rates and void rates in the property portfolio have held steady compared to last year despite the inflationary environment which has required upward adjustment of ZWL rentals.
- A USD valuation would require translation at the official exchange rate, while at the same time rental yields in ZWL have been driven by factors that are not just limited to exchange rate movements.
- Most available USD data is from over 5 years ago when underlying economic conditions and currency factors were very different from what prevails today.

Capitalisation rates were derived from the observed transactions and adjusted using building specific factors as well as subject property performance.

The Group's current lease arrangements, which are entered into on an arm's length basis, and which are comparable to those for similar properties in the same location, are considered. Rentals are reviewed regularly in response to inflation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

9. Property and equipment (continued)

9.1 Fair value measurement of the Group's freehold land and buildings (continued)

a) Hierarchy (Level 3)

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 March 2022 are as follows:

	Level 1 ZWL 000	Level 2 ZWL 000	Level 3 ZWL 000	Fair value as at 31/03/2022 ZWL 000
Freehold land	–	–	1,719,684	1,719,684
Buildings	–	–	5,460,427	5,460,427

	Level 1 ZWL 000	Level 2 ZWL 000	Level 3 ZWL 000	Fair value as at 31/03/2021 ZWL 000
Freehold land	–	–	870,813	870,813
Buildings	–	–	1,909,257	1,909,257

If freehold land and buildings were stated at cost less accumulated depreciation the values at reporting period would have been ZWL 1.0 billion (2021: ZWL 558.1 million). There were no transfers into or out of Level 3 fair value hierarchy during the period.

b) Valuation techniques and significant unobservable inputs

Market comparable approach

This method considered comparable market evidence i.e. the sales evidence either achieved or on the market, of similar land and buildings situated in the comparable residential suburbs and undeveloped land with that of subject land and buildings. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been completed.

Income approach

This method was applied for all land and buildings except for residential and undeveloped land. Anticipated future cash flow benefits in the form of annual market rental income were capitalised into present values using an all-risk yield.

All risk yield for the different asset classes were determined by the rate/yields at which similar properties in the different asset classes traded in the recent past.

Significant unobservable inputs as at 31 March 2022

The significant unobservable inputs in the valuation of land and buildings were the percentage yield in market rentals (6.1%), rental rates per square metre (ZWL 1,574.27) and price per square metre for land (ZWL 26,835.99).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

9. Property and equipment (continued)

9.1 Fair value measurement of the Group's freehold land and buildings (continued)

c) Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/ (decrease) if the all-risk yields were lower/ (higher) as shown in the sensitivity analysis below:

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

Yield rate risk and sensitivity

The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of land and buildings. With all other variables held constant, the Group's other comprehensive income, land and buildings and deferred tax are affected through the impact on the fluctuating yield rate as follows:

	2022	
	ZWL 000 10% increase in yield	ZWL 000 10% decrease in yield
Impact on revaluation surplus	(522,800)	637,900
Impact on deferred tax expense	109,788	(133,959)
Impact on other comprehensive income	(413,012)	503,941
Impact on equity	(413,012)	503,941

Rental rate risk and sensitivity

The table below highlights the sensitivity to a reasonable possible change in the rental applied to values of land and buildings. With all other variables held constant, the Group's other comprehensive income, land and buildings and deferred tax are affected through the impact on the fluctuating rental rate as follows:

	2022	
	ZWL 000 10% increase in rental	ZWL 000 10% decrease in rental
Impact on revaluation surplus	574,100	(575,200)
Impact on deferred tax expense	(120,561)	120,792
Impact on other comprehensive income	453,539	(454,408)
Impact on equity	453,539	(454,408)

Significant increases/ (decreases) in the comparable transacted land and buildings rental per square metre in isolation would result in significant higher/ (lower) fair value measurement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

9. Property and equipment (continued)

9.1 Fair value measurement of the Group's freehold land and buildings (continued)

c) Inter-relationship between key unobservable inputs and fair value measurement (continued)

Comparable market prices risk and sensitivity

The table below highlights the sensitivity to a reasonable possible change in the comparable market prices applied to values of land and buildings. With all other variables held constant, the Group's other comprehensive income, land and buildings and deferred tax are affected through the impact on the fluctuating market price as follows:

	2022	
	ZWL 000 10% increase in market	ZWL 000 10% decrease in market
Impact on revaluation surplus	174,100	(174,100)
Impact on deferred tax expense	(36,561)	36,561
Impact on other comprehensive income	137,539	(137,539)
Impact on equity	137,539	(137,539)

The movement in the carrying amount of the land and buildings during the year is as shown below: -

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Freehold land and buildings				
At the beginning of the year	2,780,070	2,725,572	1,606,977	462,016
Capital expenditure	518,987	6,821	444,001	3,806
Depreciation	(102,823)	(136,049)	(57,395)	(33,769)
Gains on revaluation	3,983,877	183,726	5,186,528	1,174,924
At the end of the year	**7,180,111**	**2,780,070**	**7,180,111**	**1,606,977**
Capital expenditure comprised:				
Freehold property	516,699	7,991	441,713	3,806
Leasehold improvements	296,996	270,272	248,234	128,721
Plant and equipment	1,180,351	1,365,188	960,877	650,190
Motor vehicles	193,176	149,367	150,305	71,138
Work in progress	869,692	329,720	482,965	157,034
	3,056,914	**2,122,539**	**2,284,094**	**1,010,889**
Disposals:				
Plant and equipment	(42,136)	(8,486)	(2,361)	(148)

Assets pledged as security

The Group did not have any of its assets pledged as security for borrowings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
10. Property and equipment				
Long term receivable	3	79	3	46

The Group funded property structural adjustments on OK Third Street to suit its requirements which is being recovered through future rentals and the outstanding balance is charged interest at a rate of 7% per annum

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
11. Goodwill				
Arising on acquisition of business interests	25,626	25,626	400	400

Goodwill arose when the Group acquired the assets of Makro Zimbabwe at a premium. Goodwill is assessed for impairment on an annual basis and at the reporting date there was no impairment. The Group considers all legal, regulatory, contractual, competitive and economic factors in determining whether the goodwill has an indefinite useful life. The goodwill is assessed to have an indefinite useful life based on the following:

- Since the acquisition of the assets, the business has continued to operate on a satisfactory basis with significant growth over the past years;
- The business is assessed to be a going concern;
- There is no foreseeable limit to the period over which the goodwill is expected to contribute to the Group's cash flows.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
12. Right of use asset				
Cost	3,374,728	1,385,362	966,108	108,528
Additions	—	321,655	—	138,660
Lease rental modifications	1,900,822	1,667,711	1,412,911	718,920
Accumulated amortisation of Right Of Use Asset	(1,093,369)	(494,669)	(389,128)	(119,143)
At the end of the year	**4,182,181**	**2,880,059**	**1,989,891**	**846,965**

The Group leases several properties. The average lease term is between 5 and 10 years and lease extension options included in the property leases are considered for purposes of determining the right of use asset and lease liabilities. The maturity analysis of lease liabilities is presented in note 19.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
12. Right of use asset (continued)				
Amounts recognised in profit or loss				
Amortisation expense on right-of-use assets	598,700	372,713	269,986	106,699
Interest expense on lease liabilities	338,431	188,221	258,210	88,614
Expense relating to leases of low value assets	61,503	47,561	46,647	21,526
Expense relating to variable lease payments not included in the measurement of the lease liability	685,124	546,279	520,566	259,464
Total	**1,683,758**	**1,154,774**	**1,095,409**	**476,303**

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Fixed payments	581,119	348,026	446,944	186,177
Variable payments	685,124	546,279	520,566	259,464
Total payments	**1,266,243**	**894,305**	**967,510**	**445,641**

Overall, the variable payments constitute up to fifty-three per cent of the Group's entire lease payments. The Group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next five years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
13. Financial assets held at FVTOCI				
At the beginning of the year	12,018	6,090	6,947	1,032
Additions	—	4,399	—	2,399
Asset reclassification	(4,643)	—	(2,683)	—
Fair value adjustment	(1,059)	1,529	2,052	3,516
At the end of the year	**6,316**	**12,018**	**6,316**	**6,947**

The financial assets held at fair value through other comprehensive income relate to investment in shares in various companies.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
14. Inventories				
Consumable stocks	171,967	138,557	153,593	79,994
Merchandise	8,027,699	6,010,375	7,884,252	3,432,141
	8,199,666	**6,148,932**	**8,037,845**	**3,512,135**

The cost of merchandise inventories recognised as an expense during the year was ZWL 67.0 billion (2021: ZWL 51.2 billion). The cost of inventories recognised as an expense includes ZWL 308.0 million (2021: ZWL 607.5 million) in respect of mark downs and ZWL 192.4 million (2021: 205.2 million) in respect of shrinkage.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
15. Trade and other receivables				
Trade receivables	195,058	32,398	195,058	18,727
Allowance for credit losses	(6,825)	(4,128)	(6,825)	(2,386)
	188,233	**28,270**	**188,233**	**16,341**

The Group always measures the ECL for trade and other receivables at an amount equal to lifetime ECL. The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast direction of conditions at the reporting date. Nonetheless, the Group has no significant trade receivables as merchandise is sold mainly on cash basis. The impact of the outbreak of Covid-19 on the recoverability of the Group's receivables is minimal.

The Group writes off a trade and other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are a year older. Although the trade receivables carrying amount increased significantly over prior year, 95% of the balance is current and within payment terms. There has been no change in the estimation techniques or significant assumptions during the reporting period. The movement of the expected credit loss balance during the year was as follows:

Expected credit loss movement

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
At the beginning of the year	4,128	3,875	2,386	657
Movement to profit or loss	2,697	253	4,439	1,729
At the end of the year	**6,825**	**4,128**	**6,825**	**2,386**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

15. Trade and other receivables (continued)

Credit risk exposure

Set out below is the credit risk exposure on the Group's trade and other receivables. Refer to note 27.5 for the Group's credit risk management disclosure

	Gross receivables ZWL 000	Within payment terms ZWL 000	Exceeding payment terms by less than 30 days ZWL 000	Exceeding payment terms by over 30 days ZWL 000
2022				
Trade and other receivables	195,058	185,086	7,251	2,721
% expected credit losses		1%	30%	100%
Expected credit losses	6,825	1,851	2,253	2,721
2021				
Trade and other receivables	32,398	21,059	9,719	1,620
% expected credit losses		3%	20%	100%
Expected credit losses	4,128	1,053	1,455	1,620

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
16. Prepayments				
Prepayments	1,059,517	1,038,178	534,233	356,535

The prepayments relate to mainly imported inventory and capital equipment paid for in advance.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
17. Short-term loans receivable				
Unsecured	27,803	881	27,803	509

Short-term loans held at amortised cost are made up of loans given to staff. These are recovered over periods determined by management following the issue of the loan and attract interest at a rate of 15% per annum. Management has classified the loans receivable as low credit risk and has determined that there is no expected credit losses as at the reporting date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
18. Deferred tax				
Deferred tax liability movements:				
At the beginning of year	1,247,743	1,290,807	(40,090)	80,654
Credit to statement of profit or loss	680,444	(75,300)	134,313	(326,836)
Income tax relating to components of other comprehensive income	824,781	32,236	1,085,970	206,092
At the end of year	**2,752,968**	**1,247,743**	**1,180,193**	**(40,090)**

The deferred tax liability / (asset) comprises of the effects of temporary differences arising from:

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Property	1,419,028	332,241	1,222,203	69,646
Inventory	40,002	30,567	–	–
Equipment	896,214	625,201	111,840	(58,484)
Quoted investments	94	59	94	42
Right of use asset	1,033,835	711,951	491,901	209,371
Lease liability	(520,389)	(376,746)	(520,389)	(217,773)
Unrealised exchange loss	(42,867)	–	(42,867)	–
Provisions	(72,949)	(75,530)	(82,589)	(42,892)
	2,752,968	**1,247,743**	**1,180,193**	**(40,090)**

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
19. Lease liabilities				
Long term lease liability	1,794,104	1,288,054	1,794,104	744,540
Short term lease liability	311,030	236,000	311,030	136,416
	2,105,134	**1,524,054**	**2,105,134**	**880,956**
Maturity analysis				
0-12 months	643,338	464,462	643,338	268,475
Between 2 & 5 years	1,876,552	1,494,569	1,876,552	863,913
over 5 years	1,468,958	210,470	1,468,958	121,659
Total contractual cash flows	**3,988,848**	**2,169,501**	**3,988,848**	**1,254,047**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
20. Trade and other payables				
Trade payables	6,130,263	5,269,243	6,130,263	3,045,805
Accruals and other payables	752,526	609,188	752,526	352,132
	6,882,789	**5,878,431**	**6,882,789**	**3,397,937**

The average credit period on purchases is 30 days. The Group manages its financial risk by ensuring that all payables are paid within pre-agreed credit terms. The Directors believe that the carrying amounts represent the fair value.

20.1 Provisions

The movement in provisions during the year was as follows:

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
At the beginning of the year	250,696	240,894	144,911	40,834
Additional provision during the year	2,353,157	889,936	2,056,903	514,414
Utilisation of provision	(2,315,576)	(880,134)	(1,913,537)	(410,337)
At the end of the year	**288,277**	**250,696**	**288,277**	**144,911**

The provisions relate mainly to long service awards and leave pay provision.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
21. Borrowings				
Unsecured borrowings at amortised cost				
Short term loan	1,713,964	279,158	1,713,964	161,363
Bank overdraft	—	210,756	—	121,824
	1,713,964	**489,914**	**1,713,964**	**283,187**

The Group's unsecured principal bank loans:

1) A loan of ZWL 100 million. The loan was taken out on 31 March 2022 with a maturity date of 30 April 2022. The loan carries an interest rate of 42% per annum,
2) A loan of ZWL 150 million. The loan was taken out on 04 March 2022 with a maturity date of 03 April 2022. The loan carries an interest rate of 38% per annum,
3) A loan of ZWL 550 million. The loan was taken out on 22 January 2022 with a maturity date of 22 May 2022. The loan carries an interest rate of 35% per annum,
4) A loan of ZWL 350 million. The loan was taken out on 07 March 2022 with a maturity date of 6 May 2022. The loan carries an interest rate of 39% per annum,
5) A loan of ZWL 564 million. The loan was taken out on 01 September 2021 with a maturity date of 31 August 2022. The loan carries an interest rate of 35% per annum.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
22. Cash flow information				
22.1 Cash generated from trading	**5,671,081**	**4,106,628**	**4,849,461**	**2,778,431**
Profit before tax	4,798,741	3,464,253	3,640,523	2,364,174
Adjusted for:				
Finance costs	924,531	242,169	718,801	117,544
Depreciation and amortization	1,481,822	1,097,790	502,993	190,611
Share based payments expense	19,717	17,783	14,326	6,990
Finance income	(8,166)	(7,436)	(6,003)	(3,177)
Loss/(profit) on sale of property and equipment	12,092	(2,268)	(21,179)	(5,405)
Re-organisation costs	—	186,311	—	107,694
Impact of inflation on cash flows	(1,557,656)	(891,974)	—	—
22.2 Working capital changes	**(1,187,149)**	**1,165,715**	**(1,244,134)**	**(108,502)**
Increase in inventories	(2,050,734)	(648,432)	(4,525,710)	(2,689,870)
(Increase)/decrease in trade and other receivables	(159,963)	69,228	(171,892)	186
Increase in prepayments	(21,339)	(378,796)	(177,698)	(282,702)
Increase in trade and other payables	1,044,887	2,123,715	3,631,166	2,863,884
22.3 Net finance costs	**(919,313)**	**(234,733)**	**(715,746)**	**(114,367)**
Finance costs	(589,048)	(53,948)	(463,539)	(28,930)
Interest on lease liabilities	(338,431)	(188,221)	(258,210)	(88,614)
Finance income	8,166	7,436	6,003	3,177
22.4 Tax paid	**(1,266,571)**	**(2,131,214)**	**(1,019,564)**	**(756,964)**
Liability at the beginning of the year	(47,525)	(505,440)	(27,471)	(85,678)
Current tax charge for the year	(1,339,988)	(1,673,299)	(1,113,035)	(698,757)
Liability at the end of the year	120,942	47,525	120,942	27,471
22.5 Lease payments	**(242,688)**	**(159,805)**	**(188,734)**	**(76,037)**
Gross Payments	(581,119)	(348,026)	(446,944)	(164,651)
Interest on Lease liability	338,431	188,221	258,210	88,614

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
23. Directors				
23.1 Director's emoluments				
Re-organisation costs	—	186,311	—	107,694
For fees as directors	63,347	18,878	48,045	8,896
For managerial services	149,762	120,256	110,965	59,362
	213,109	**325,445**	**159,010**	**175,952**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

23. Directors (continued)

23.1 Director's emoluments

At 31 March 2022, the directors held the following number of shares in the Group:

	2022	2021
R. Mavima	600	600
R. J. Moyo	40,161,585	40,161,585
M. P. Karombo	5,697,200	–
	45,859,385	**40,162,185**

24. Related party transactions and balances

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

24.1 Compensation of key management personnel

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Short-term employment benefits	450,137	316,894	341,405	143,425
Post-employment benefits	41,385	25,913	31,388	11,728
Share-based payments	19,717	17,783	14,326	6,990
	511,239	**360,590**	**387,119**	**162,143**
24.2 Consultancy services				
Amount paid	2,761	4,055	1,889	1,570

The Group contracted Webster-Rozon (Proprietary) Limited to provide consulting services on strategy. The company is controlled and directed by the Group's non-executive director Mrs Lindsay Webster-Rozon. At the end of the reporting period no balances were owed to Webster-Rozon (Proprietary) Limited.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
25. Commitments for capital expenditure				
Authorised but not contracted	7,840,000	2,916,590	7,840,000	1,685,890

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

	Inflation Adjusted		Historical	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
26. Earnings per share				
Earnings attributable to shareholders	2,778,309	1,866,254	2,393,175	1,992,253
Basic earnings per share	217.03	149.57	186.94	159.66
Diluted earnings per share	207.82	143.36	179.01	153.04

Basic earnings

The calculations are based on the earnings attributable to ordinary shareholders. Account is taken of the weighted number of shares in issue for the period during which they have participated in the income of the Group and these amount to 1 280 167 891 (2021: 1 247 778 289) at reporting date.

Diluted earnings

The calculation is based on the earnings attributable to ordinary shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised. Dilution arising in respect of share options granted amounted to 56 729 815 shares (2021: 54 028 318).

27. Financial risk management

27.1 Treasury risk management

Senior executives of the Group meet on a regular basis to analyse, amongst other matters, interest rate exposures and report positions to the Board. The Group's exposure at the reporting period is as detailed below.

27.2 Foreign exchange risk management

The Group conducts business predominantly in ZWL. Some exchange risk occurs when the Group incurs liabilities in foreign currency as the ZWL has been depreciating against the hard currencies. The risk is managed by settling the foreign denominated liabilities as soon as the foreign currency is available to minimise the exchange losses.
The following ZWL cross rates with major transacting currencies for the Group were applied at:

	31 March 2022	31 March 2021
USD/ZWL	200.00	84.40
ZAR/ZWL	13.45	5.50
BWP/ZWL	17.02	7.38
GBP/ZWL	255.84	112.98
EUR/ZWL	216.60	96.39

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

27. Financial risk management (continued)

27.2 Foreign exchange risk management (continued)

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

	Liabilities		Assets	
	31 March 2022 ZWL 000	31 March 2021 ZWL 000	31 March 2022 ZWL 000	31 March 2021 ZWL 000
Currency of South Africa (ZAR)	72,259	36,420	33,014	28,353
Currency of Botswana (BWP)	55	42	3,136	4,451
Currency of United Kingdom (GBP)	–	–	1,559	3,136
Currency of European Union (Euro)	–	–	992	1,310
Currency of the United States of America (USD)	837,806	2,562	427,508	755,749
	910,120	**39,024**	**466,209**	**792,999**

Sensitivity analysis

Changes in exchange rates have an impact on the Group's foreign currency denominated net monetary position. Had the Group applied the official auction rate as at the financial year end, foreign exchange gains would have increased by ZWL 127.8 million. Had the Group applied the exchange rate based on the alternative foreign exchange market, foreign exchange losses would have increased by ZWL 155.4 million.

27.3 Interest rate risk management

Group policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts and long-term loans. Approved investment instruments include term and call deposits, which are placed with reputable financial institutions.

27.4 Liquidity risk management

The Group has no significant liquidity risk exposure as it has unutilised banking facilities of ZWL 873 million. The Directors of the Group may, at their discretion, borrow money and secure repayment thereof provided that the aggregate amount owing at any one time shall not exceed twice the total equity reserves. Borrowings in excess of the specified limit require prior sanction of shareholders in a general meeting. The following table details the Group's remaining contractual maturity for its financial assets and liabilities. The table has been compiled based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to repay the liability.

2022	< 12 months	1-5 years	>5 years	Total
Liabilities				
Trade and other payables	6,882,789	–	–	6,882,789
Lease liabilities	643,338	1,876,552	1,468,958	3,988,848
	7,526,127	**1,876,552**	**1,468,958**	**10,871,637**
Assets				
Trade and other receivables	188,233	–	–	188,233
Short term loans receivable	27,803	–	–	27,803
Cash and cash equivalents	723,479	–	–	723,479
	939,515	**–**	**–**	**939,515**
Liquidity gap	**6,586,612**			**9,932,122**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

27. Financial risk management (continued)

27.4 Liquidity risk management (continued)

2021	< 12 months	1-5 years	>5 years	Total
Liabilities				
Trade and other payables	5,878,431	–	–	5,878,431
Lease liabilities	464,462	1,494,569	210,470	2,169,501
	6,342,893	**1,494,569**	**210,470**	**8,047,932**
Assets				
Trade and other receivables	28,270	–	–	28,270
Short term loans receivable	881	–	–	881
Cash and cash equivalents	1,278,920	–	–	1,278,920
	1,308,071	**–**	**–**	**1,308,071**
Liquidity gap	**5,034,822**			**6,739,861**

The Group settles its obligations to suppliers in accordance with agreed terms although payments to some foreign creditors were delayed as a result of foreign currency shortages. As disclosed in note 14 the Group holds enough inventory to cover the gap between trade payables and cash balances within the next 12 months. Prepayments as disclosed in note 16 will also increase liquidity when the merchandise stocks are received and sold. For the periods beyond 12 months, the Group reasonably expects to be able to generate enough cash to cover its all its obligations, including the long-term lease liabilities, as they fall due.

27.5 Credit risk management

Credit risk arises mainly from trade and other receivables. The Group uses publicly available financial information and its own trading records to rate its customers. Customer banking records are also reviewed. Credit exposure is controlled by counterpart limits that are reviewed and approved by management.

27.6 Capital risk management

The Group's primary objectives in managing capital are:

- To guarantee the ability of the Group to continue as a going concern whilst providing an equitable return to the shareholders and benefit to customers and other stakeholders.
- To maintain a strong fallback position which is commensurate with the level of risk undertaken by the Group in the normal course of its business.

The Group's capital consists of equity attributable to the shareholders, comprising the issued share capital, reserves and retained income as disclosed in the statement of changes in shareholders' equity. The Group's operating target is to maintain operating assets at a level that is higher than the available operating funds at all times in order to restrict recourse on shareholders' equity for operational funding.

The objectives were met at all times during the course of the year under review.

The gearing ratio for the Group is 23% (2021:16%).

28. Fair value of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2022.

29. Insurance cover

The Group's assets are adequately insured at full replacement cost.

30. Segment information

IFRS 8, Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. For the purpose of decision making, allocation of resources and assessment of performance, senior management consider the Group to be a single operating unit. Consequently, no segment information is presented.

31. Subsidiaries

Details of the Group's operating subsidiaries at the end of the year are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the parent company	
			31/03/22	31/03/21
Eriswell (Private) Limited	Leasing of property	Harare, Zimbabwe	100%	100%
Swan Technologies (Private) Limited	Dormant	Harare, Zimbabwe	100%	100%
Winterwest (Private) Limited	House Boat Owning Company	Harare, Zimbabwe	100%	100%

32. Subsequent events

Dividend

On the 15th of June 2022 the Directors declared a final dividend of 36.5 ZWL cents and 0.13 US cents per share following an interim dividend of 21 ZWL cents per share declared earlier in the financial year.

Exchange rate

Subsequent to year end, The Government through the Reserve Bank of Zimbabwe introduced measures to stabilize the economy after the month on month inflation increased to 15.5% and year on year increased to 96.4%. The measures included the introduction of the willing buyer, willing seller market to be used as price discovery for retailers and wholesalers. The US$ to ZWL exchange rate moved from US$1: ZWL 200 as 31 March 2022 to US$1: ZWL 367 at date of signing of these financial statements. The directors have assessed the events and considered the events non adjusting events

33. Going concern

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. The Covid-19 pandemic continues to pose risk to the operations of the Group mainly due to the potential restrictions in economic and social activities and the resultant impact on the demand patterns. The Russian invasion of Ukraine also poses risk to the Group's operations through supply chain disruptions encountered worldwide. However, management are satisfied with the measures implemented to mitigate the impact of potential shocks and ensure the Group will remain a going concern beyond the next twelve month period.

34. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on the 2nd of June 2022.

Shareholders' Analysis

SHAREHOLDER DISTRIBUTION

Range	Number of Shareholders	%	Issued Shares	%
1 - 5 000	26,999	95.04	18,293,389	1.42
5 001 - 10 000	365	1.28	2,596,122	0.20
10 001 - 25 000	312	1.10	5,091,733	0.39
25 001 - 50 000	177	0.62	6,520,175	0.50
50 001 - 100 001	153	0.54	11,188,248	0.87
100 001 - 200 000	115	0.40	15,998,755	1.24
200 001 - 500 000	113	0.40	36,735,011	2.84
500 001 - 1 000 000	64	0.23	45,089,629	3.49
1 000 001 and Above	109	0.39	1,150,137,520	89.05
Totals	**28,407**	**100.00**	**1,291,650,582**	**100.00**

SHAREHOLDER ANALYSIS BY INDUSTRY

Industry	Number of Shareholders	%	Issued Shares	%
PENSION FUNDS	329	1.16	486,546,770	37.67
FOREIGN NOMINEE	13	0.05	285,095,296	22.07
INSURANCE COMPANIES	18	0.06	187,338,682	14.50
LOCAL COMPANIES	412	1.45	107,833,414	8.35
LOCAL NOMINEE	122	0.43	104,502,075	8.09
LOCAL INDIVIDUAL RESIDENT	26,711	94.03	91,941,876	7.12
TRUSTS	36	0.13	12,090,404	0.94
DECEASED ESTATES	461	1.62	3,682,231	0.29
OTHER INVESTMENTS & TRUST	76	0.27	3,048,637	0.24
CHARITABLE	21	0.07	3,024,681	0.23
FUND MANAGERS	16	0.06	2,544,395	0.20
GOVERNMENT / QUASI	01	0.00	2,491,300	0.19
NEW NON RESIDENT	161	0.57	902,623	0.07
FOREIGN INDIVIDUAL RESIDENT	21	0.07	474,540	0.04
FOREIGN COMPANIES	04	0.01	128,542	0.01
UNKNOWN	01	0.00	4,500	0.00
EMPLOYEES	04	0.01	616	0.00
Totals	**28,407**	**100**	**1,291,650,582**	**100.00**

TOP TEN SHAREHOLDERS

Shareholder	Issued shares	%
DATVEST NOMINEES FOREIGN	258,208,872	19.99
NSSA - NATIONAL PENSION SCHEME	207,772,917	16.09
OLD MUTUAL LIFE ASS CO ZIM LTD	172,553,339	13.36
STANBIC NOMINEES (PVT) LTD.	166,685,299	12.90
NSSA - WORKERS COMPENSATION IF	48,318,896	3.74
GROUP FIVE COMPANIES (PVT) LTD	32,496,239	2.52
MINING INDUSTRY PENSION FUND	31,208,174	2.42
OK EMPLOYEE SHARE PARTICIPATION TRUST	24,936,301	1.93
PUBLIC SERVICE COMMISS PF-INVE	15,758,546	1.22
SCB NOMINEES 033663900002	13,595,582	1.05
Other	320,116,417	24.78
Totals	**1,291,650,582**	**100.00**

Notice to Shareholders

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Shareholders of OK Zimbabwe Limited will be held at the registered Company office at 7 Ramon Road, Graniteside, Harare on Thursday 28 July 2022 at 15:00 hours for the purposes of transacting the business detailed below.

Shareholders will be requested to connect and attend the meeting virtually by logging onto: https://escrowagm.com/eagmZim/Login.aspx#

ORDINARY BUSINESS

1. Consolidated Financial Statements and Reports

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 March 2022, together with the Report of the Directors and Auditors thereon.

2. Dividend

To confirm a final dividend of 36.5 ZWL cents per share and 0.13 US cents per share following an interim dividend of 21 ZWL cents per share for the year ended 31 March 2022.

3. Directorate

3.1 To note the retirement of Mr. Albert Rufaro Katsande from the Board of Directors with effect from 30 June 2021.

3.2 To confirm the appointment of Mr. Phillimon Mushosho as Chief Finance Officer and Director of the Company with effect from 1 July 2021.

3.3 To confirm the appointment of Mr. Charl John Goncalves to the Board of Directors with effect from 1 September 2021.

3.4 In terms of the Company's Articles of Association, Mr. Tawanda Lloyd Gumbo, Mrs. Keresia Mtemererwa and Mr. Andrew Stuart McLeod are scheduled to retire by rotation at the conclusion of the meeting. Being eligible, they offer themselves for re-election.

NOTE: Each Director will be appointed through a separate resolution.

3.5 To approve the fees paid to the Directors during the financial year ended 31 March 2022.

NOTE: The consolidated directors' emoluments are included in the annual report.

4. Auditors' Fees and Appointment of Auditors

4.1 To approve the outgoing external auditors' fees for the past financial year.

4.2 To appoint Messrs. KPMG Chartered Accountants (Zimbabwe) as the new Auditors of the Company for the ensuing year.

NOTE: The Group has adopted the requirements of the Companies and Other Business Entities Act [Chapter 24:31]: Section 191 (11) and the ZSE Listing Requirements (Statutory Instrument 134/2019): Section 69 (6) from the date of enactment. Messrs Deloitte and Touche step down as the Auditors of the Company. The Board of Directors recommends the appointment of Messrs. KPMG Chartered Accountants (Zimbabwe) as the new Auditors of the Company for the ensuing financial year.

SPECIAL BUSINESS

5. Share Buy-Back

To consider, and if deemed fit, to resolve by way of special resolution with or without modification the following:

5.1 Purchase of own shares That, in accordance with Article 6 of the Articles of Association, the Company be and is hereby authorised and empowered to purchase it's own shares in issue upto a maximum of 10% of the issued share capital upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:

5.1.1 The purchase price shall not be lower than the nominal value of the Company's shares and not greater than 5% (five percent) nor 5% (five percent) below the weighted average trading price for such ordinary shares traded over five (5) business days immediately preceding the date of purchase of such shares by the Company.

5.1.2 The shares to be acquired under this resolution shall be ordinary shares in the Company and the maximum number of shares which may be acquired under this resolution shall be 10% (ten percent) of the ordinary shares of the Company in issue prior to the date of this resolution.

5.1.3 This authority shall expire on the date of the Company's next Annual General Meeting.

Notice to Shareholders (continued)

Directors' Statement

(i) The company is in a strong financial position and will in the ordinary course of business, be able to pay its debts for a period of 12 months after the Annual General Meeting.

(ii) The assets of the company will be in excess of its liabilities for a period of 12 months after the Annual General Meeting.

(iii) The ordinary capital and reserves of the company will be adequate for a period of 12 months after the Annual General Meeting.

(iv) The working capital of the company will be adequate for a period of 12 months after the Annual General Meeting.

6. Modification of the Employee Share Option Scheme - 2022

To consider, and if deemed fit, to resolve by way of special resolution with or without modification the following:

6.1 That the 'OK Zimbabwe Limited Employee Share Option Scheme – 2022' be and is hereby modified to a Share Appreciation Rights Scheme.

6.2 That the OK Zimbabwe Limited Share Appreciation Rights Scheme be and is hereby authorised for immediate adoption and implementation and that the Directors can allocate up to 63,181,464 ordinary shares to this scheme.

6.3 The rules of the scheme will be available for inspection at the registered office of the company fourteen (14) days before the meeting.

NOTE: In July 2021, the Shareholders of the Company approved, without modification, the implementation of an Employee Share Option Scheme for the year 2022. In noting the need to align the Company Share Option Scheme with the overall Corporate Strategy, the Directors are proposing the modification of the 2022 Share Option Scheme to a Share Appreciation Rights Scheme.

The share appreciation rights scheme is in all material respects similar to the traditional option schemes. The principal variation is that the scheme only allots shares representing the value of the gain i.e. total number of shares under option multiplied by the difference between price on maturity and that on grant divided by the price on maturity.

7. Any Other Business

To transact all such other business as may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

MARGARET MUNYURU (MRS.)
GROUP SECRETARY
7 July 2022

NOTE 1: In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more proxies to attend, vote and speak in his or her stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

NOTE 2: Electronic Annual Report

The Company's 2022 Annual Report will be made available on the Company's website http://www.okziminvestor.com/.

Electronic copies of the Annual Report will also be emailed to those shareholders whose e-mail addresses are on record.

Proxy Form

I/We ....

of...

being a member of the above Company and entitled to vote, hereby appoint ....

....of..

or failing him ....

of...

as my/our Proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of OK Zimbabwe Limited to be held on Thursday, 28 July 2022 at 1500 hours and at any adjournment thereof for the following purposes:-

	ITEM ON THE AGENDA FOR THE AGM	For	Against	Abstain
	ORDINARY BUSINESS			
1.	**Consolidated Financial Statements and Reports** To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 March 2022, together with the Report of the Directors and Auditors thereon.	☐	☐	☐
2.	**Dividend** To confirm a final dividend of 36.5 ZWL cents per share and 0.13 US cents per share following an interim dividend of 21 ZWL cents per share for the year ended 31 March 2022.	☐	☐	☐
3.	**Directorate**			
3.1	To note the retirement of Mr. Albert Rufaro Katsande from the Board of Directors with effect from 30 June 2021.	☐	☐	☐
3.2	To confirm the appointment of Mr. Phillimon Mushosho as Chief Finance Officer and Director of the Company with effect from 1 July 2021.	☐	☐	☐
3.3	To confirm the appointment of Mr. Charl John Goncalves to the Board of Directors with effect from 1 September 2021.	☐	☐	☐
3.4	In terms of the Company's Articles of Association, the following Directors are scheduled to retire by rotation at the conclusion of the meeting. Being eligible, they offer themselves for re-election.	☐	☐	☐
	Mr. Tawanda Lloyd Gumbo	☐	☐	☐
	Mrs. Keresia Mtemererwa	☐	☐	☐
	Mr. Andrew Stuart McLeod	☐	☐	☐
3.5	To approve the fees paid to the Directors during the financial year ended 31 March 2022. *NOTE: The consolidated directors' emoluments are included in the annual report.*	☐	☐	☐

Proxy Form (continued)

	ITEM ON THE AGENDA FOR THE AGM	For	Against	Abstain
	ORDINARY BUSINESS (continued)			
4.	**Auditors' Fees and Appointment of Auditors**			
4.1	To approve the outgoing external auditors' fees for the past financial year.	☐	☐	☐
4.2	To appoint Messrs. KPMG Chartered Accountants (Zimbabwe) as the new Auditors of the Company for the ensuing year. *NOTE: The Group has adopted the requirements of the Companies and Other Business Entities Act [Chapter 24:31]: Section 191 (11) and the ZSE Listing Requirements (Statutory Instrument 134/2019): Section 69 (6) from the date of enactment. Messrs Deloitte and Touche step down as the Auditors of the Company. The Board of Directors recommends the appointment of Messrs. KPMG Chartered Accountants (Zimbabwe) as the new Auditors of the Company for the ensuing financial year.*	☐	☐	☐
SPECIAL BUSINESS				
5.	**Share Buy-Back** To consider, and if deemed fit, to resolve by way of special resolution with or without modification the following:			
5.1	**Purchase of own shares** That, in accordance with Article 6 of the Articles of Association, the Company be and is hereby authorised and empowered to purchase it's own shares in issue upto a maximum of 10% of the issued share capital upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:	☐	☐	☐
	5.1.1 The purchase price shall not be lower than the nominal value of the Company's shares and not greater than 5% (five percent) nor 5% (five percent) below the weighted average trading price for such ordinary shares traded over five (5) business days immediately preceding the date of purchase of such shares by the Company.	☐	☐	☐
	5.1.2 The shares to be acquired under this resolution shall be ordinary shares in the Company and the maximum number of shares which may be acquired under this resolution shall be 10% (ten percent) of the ordinary shares of the Company in issue prior to the date of this resolution.	☐	☐	☐
	5.1.3 This authority shall expire on the date of the Company's next Annual General Meeting.	☐	☐	☐
	Directors' Statement (i) The company is in a strong financial position and will in the ordinary course of business, be able to pay its debts for a period of 12 months after the Annual General Meeting. (ii) The assets of the company will be in excess of its liabilities for a period of 12 months after the Annual General Meeting. (iii) The ordinary capital and reserves of the company will be adequate for a period of 12 months after the Annual General Meeting. (iv) The working capital of the company will be adequate for a period of 12 months after the Annual General Meeting.			

Proxy Form (continued)

	ITEM ON THE AGENDA FOR THE AGM	For	Against	Abstain
	SPECIAL BUSINESS (continued)			
6.	**Modification of the Employee Share Option Scheme - 2022** To consider, and if deemed fit, to resolve by way of special resolution with or without modification the following:	☐	☐	☐
6.1	That the 'OK Zimbabwe Limited Employee Share Option Scheme – 2022' be and is hereby modified to a Share Appreciation Rights Scheme.	☐	☐	☐
6.2	That the OK Zimbabwe Limited Share Appreciation Rights Scheme be and is hereby authorised for immediate adoption and implementation and that the Directors can allocate up to 63,181,464 ordinary shares to this scheme.	☐	☐	☐
6.3	The rules of the scheme will be available for inspection at the registered office of the company fourteen (14) days before the meeting. *NOTE: In July 2021, the Shareholders of the Company approved, without modification, the implementation of an Employee Share Option Scheme for the year 2022. In noting the need to align the Company Share Option Scheme with the overall Corporate Strategy, the Directors are proposing the modification of the 2022 Share Option Scheme to a Share Appreciation Rights Scheme.* *The share appreciation rights scheme is in all material respects similar to the traditional option schemes. The principal variation is that the scheme only allots shares representing the value of the gain i.e. total number of shares under option multiplied by the difference between price on maturity and that on grant divided by the price on maturity.*	☐	☐	☐
7.	**Any Other Business** To transact all such other business as may be transacted at an Annual General Meeting.	☐	☐	☐

Signed at ....this .... Day of .... 2022.

Signature of Member ....

NOTES

1. Unless otherwise instructed, the proxy will vote as he thinks fit.
2. This proxy form must be signed, dated and returned so as to reach the Company no later than forty-eight hours before the Meeting.

NOTE 1: In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more proxies to attend, vote and speak in his or her stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

NOTE 2: Electronic Annual Report

The Company's 2022 Annual Report will be made available on the Company's website http://www.okziminvestor.com/. Electronic copies of the Annual Report will also be emailed to those shareholders whose e-mail addresses are on record.

Shareholders' Calendar

Twenty-first Annual General Meeting	28 July 2022
Next financial year end	31 March 2023

ANTICIPATED DATES

Interim reports for financial year ending 31 March 2023	November 2022
Annual report published for financial year ending 31 March 2023	June 2023
Twenty-second Annual General Meeting	July 2023

REGISTERED OFFICE:
OK House
7 Ramon Road
Graniteside
P. O. Box 3081
Harare
Zimbabwe
Telephone: 263 - 242 757311/9
e-mail:mmunyuru@okzim.co.zw

TRANSFER SECRETARIES:
Corpserve (Private) Limited
2nd Floor
ZB Centre
Cnr Kwame Nkrumah Avenue/First Street
Harare
Zimbabwe
Telephone: 263 - 242 751559/61
e-mail:collen@corperserve.co.zw

INVITATION TO REGISTER ON OK ZIMBABWE INTERACTIVE INVESTOR WEBSITE

We encourage you to register on our website www.okziminvestor.com to enable you to access updates and all information you need to make informed investment decisions and monitor management's efforts to create shareholder value. We value your feedback.

Corporate Information

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Granite side
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Harare, Zimbabwe
Telephone: +263-242-757311-9

Lawyers
Wintertons Legal Practitioners
Beverley Corner
Corner Third Street / Selous Avenue
P.O. Box 452
Harare, Zimbabwe

Auditors
Deloitte and Touché Chartered Accountants
West Block, Borrowdale Office Park
Borrowdale Road, Borrowdale
P.O. Box 267
Harare, Zimbabwe

Transfer Secretaries
Corpserve (Private) Limited
2nd Floor, ZB Centre
Corner First Street / Kwame Nkrumah Avenue
P.O. Box 2208
Harare, Zimbabwe

Principal Bankers
CABS
3 Northend Close
Northridge Park, Highlands
P.O Box 2798
Harare, Zimbabwe

Nedbank Zimbabwe Limited
Old Mutual Centre
Corner 3rd Street / Jason Moyo Avenue
P.O. Box 3200
Harare, Zimbabwe

Standard Chartered Bank Zimbabwe Limited
Africa Unity Square Branch
Corner Nelson Mandela / Sam Nujoma Street
P.O. Box 2472
Harare, Zimbabwe

Sustainability Advisors
Institute for Sustainability Africa
22 Walter Hill Ave
Eastlea
Harare, Zimbabwe

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	102-47 List of material topics	44			
	102-48 Restatements of information	1			
	102-49 Changes in reporting	43 - 44	There were changes in the list of material topics		
	102-50 Reporting period	1	The reporting period for this report is from 1 April 2021 to 31 March 2022.		
	102-51 Date of most recent report		31 March 2021.		
	102-52 Reporting cycle	1	We report on an annual basis.		
	102-53 Contact point for questions regarding the report	1			
	102-54 Claims of reporting in accordance with the GRI Standards	1	This report has been prepared in accordance with the GRI Standards Core option.		
	102-55 GRI content index	125 - 130			
	102-56 External assurance	1			

GRI Standard	Disclosure	Page number(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	43 - 44			
	103-2 The management approach and its components	63			
	103-3 Evaluation of the management approach	14 - 15			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	73 - 76			
	201-3 Defined benefit plan obligations and other retirement plans	63			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	61			
	103-3 Evaluation of the management approach	61			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	62			
Anti-Corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	36 - 37			
	103-3 Evaluation of the management approach	37			
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	65			
	103-3 Evaluation of the management approach	65			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
300 series (Environmental topics)					
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	56 - 55			
	103-3 Evaluation of the management approach	56			
GRI 302: Energy 2016	302-1 Energy consumption within the business	56			
	302-2 Energy consumption outside of the business	57			
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	59			
	103-3 Evaluation of the management approach	59			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	59			
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	57			
	103-3 Evaluation of the management approach	57			
GRI 305 Emissions 2016	305-1 Direct Scope 1 GHG Emissions	58			
	305-2 Energy Indirect (Scope 2) GHG Emissions.	58			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics)					
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	47			
	103-3 Evaluation of the management approach	47			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48 - 49			
Occupational Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	52			
	103-3 Evaluation of the management approach	52			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard Identification, risk assessment, and incident investigation	52			
	403-9 Work related injuries	52			

GRI Content Index (continued)

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
400 series (Social topics)					
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	51			
	103-3 Evaluation of the management approach	51			
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	43 - 44			
	103-2 The management approach and its components	49 - 50			
	103-3 Evaluation of the management approach	50			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49			

Notes

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