

Abridged Audited Results for the 53 weeks ended 10 January 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the 53 weeks to 10 January 2021

	2020		2019	
	ZWL	ZWL	ZWL	ZWL
	53 weeks to 10.01.2021	52 weeks to 05.01.2020	53 weeks to 10.01.2021	52 weeks to 05.01.2020
Notes	Inflation adjusted		* Historical cost	
Revenue	2,067,678,993	2,670,149,890	1,527,140,440	267,001,142
Sale of merchandise	2,032,452,587	2,601,991,246	1,503,110,782	261,906,999
Cost of sales	(1,377,085,281)	(1,642,536,581)	(547,583,572)	(114,764,838)
Gross profit	655,367,306	959,454,665	955,527,210	147,142,161
Income from microfinance institution	30,449,471	55,785,624	20,458,485	4,250,887
Other income	85,562,982	22,273,178	55,659,027	37,483
Credit management and debt collection costs	(59,847,961)	(75,920,885)	(45,798,229)	(10,040,121)
Store expenses	(725,683,327)	(407,476,524)	(292,676,109)	(35,626,636)
Depreciation and amortisation	(123,539,547)	(114,104,504)	(38,967,080)	(9,934,715)
Other operating income and expenses	(357,965,678)	(398,830,274)	(251,095,068)	(40,085,727)
Finance income	279,023,510	202,621,536	177,978,986	21,065,492
Finance costs	(181,398,104)	(57,656,927)	(53,687,399)	(7,418,730)
Net monetary gain / (loss)	247,725,338	(88,583,140)	-	-
(Loss) / profit before tax	(150,306,010)	97,562,749	527,399,823	69,390,094
Income tax expense	(26,227,966)	(17,314,047)	(132,833,687)	(17,788,895)
(Loss) / profit for the period	(176,533,976)	80,248,702	394,566,136	51,601,199
Other comprehensive income				
Gain on revaluation of property, plant and equipment	27,794,756	109,434,289	472,085,951	9,148,651
Deferred tax liability arising on revaluation	(6,870,864)	(18,037,873)	(116,699,647)	(1,861,749)
Other comprehensive income for the year (net of tax)	20,923,892	91,396,416	355,386,304	7,286,902
Total comprehensive (loss) / income for the period	(155,610,084)	171,645,118	749,952,440	58,888,101
Earnings per share (cents)				
Basic	(43.24)	28.57	96.64	18.37
Diluted	(42.78)	28.13	95.61	18.09
Headline	5 (43.18)	32.38	96.58	3.26

*Historical cost amounts are shown as supplementary information. The information does not comply with IAS 29: Financial Reporting for hyperinflationary economies.

CONSOLIDATED STATEMENT OF CASH FLOWS For the 53 weeks to 10 January 2021

	2020		2019	
	ZWL	ZWL	ZWL	ZWL
	53 weeks to 10.01.2021	52 weeks to 05.01.2020	53 weeks to 10.01.2021	52 weeks to 05.01.2020
Notes	Inflation adjusted		Historical cost	
Cash flows from operating activities				
(Loss) / profit before tax	(150,306,010)	97,562,749	527,399,823	69,390,094
Finance income	(279,023,510)	(202,621,536)	(177,978,986)	(21,065,492)
Finance costs	181,398,104	57,656,927	53,687,399	7,418,730
Non cash items	73,014,033	(32,915,411)	154,598,308	20,019,189
Movements in working capital	131,611,338	(332,983,983)	(466,066,112)	(109,285,967)
Cash (utilised in) / generated from operations	(43,306,045)	(413,301,254)	91,640,432	(33,523,446)
Finance costs paid	(112,208,971)	(55,471,880)	(55,162,172)	15,794,127
Lease interest paid	(71,247,671)	(9,657,639)	(34,844,152)	(6,799,927)
Finance income received	262,097,594	194,780,340	140,320,709	(2,152,928)
Taxation paid	(87,420,273)	(109,977,858)	(63,584,068)	(11,282,822)
Cash (outflow) / inflow from operating activities	(52,085,366)	(393,628,291)	78,370,749	(37,964,996)
Cash flows from investing activities				
Purchase of property, plant and equipment	6 (40,293,928)	(30,726,042)	(36,190,005)	(4,880,951)
Proceeds from disposal of property, plant and equipment	335,548	-	335,548	-
Net cash used in investing activities	(39,958,380)	(30,726,042)	(35,854,457)	(4,880,951)
Cash flows from financing activities				
Proceeds from rights issue	81,532,953	-	69,888,507	-
Proceeds from exercise of share options	455,871	7,229,483	240,522	407,596
Proceeds from borrowings	814,911,740	548,932,466	401,695,886	52,750,000
Repayment of borrowings	(536,923,502)	(290,760,250)	(283,316,865)	(12,894,422)
Payments of dividend	-	(6,394,982)	-	(320,333)
Payments of principal portion of lease liabilities	(52,344,453)	(29,285,209)	(25,599,407)	(6,528,402)
Net cash generated from financing activities	307,632,609	229,721,508	162,908,643	33,414,439
Net increase / (decrease) in cash and cash equivalents	215,588,863	(194,632,825)	205,424,935	(9,431,508)
Cash and cash equivalents at the beginning of the period	(13,079,723)	181,553,107	(2,915,795)	6,515,713
Cash and cash equivalents at the end of the period	202,509,140	(13,079,718)	202,509,140	(2,915,795)
Being:				
Cash and bank balances	96,896,545	39,841,242	96,896,545	8,881,604
Exchange differences	183,793,786	-	183,793,786	-
Bank overdrafts	(78,181,191)	(52,920,960)	(78,181,191)	(11,797,399)
	202,509,140	(13,079,718)	202,509,140	(2,915,795)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 10 January 2021

	2020		2019	
	ZWL	ZWL	ZWL	ZWL
	as at 10.01.2021	as at 05.01.2020	as at 10.01.2021	as at 05.01.2020
Notes	Inflation adjusted		Historical cost	
Assets				
Non-current assets				
Property, plant and equipment	12 594,242,842	496,500,904	531,433,029	25,676,220
Intangible assets	52,884,177	64,640,114	1,936,727	2,234,801
Right of use asset	331,665,732	91,371,862	193,579,574	20,369,062
Total non-current assets	978,792,751	652,512,880	726,949,330	48,280,083
Current assets				
Inventories	10 549,688,772	1,349,488,852	386,034,460	146,382,574
Trade and other receivables	451,702,682	529,021,789	451,702,682	117,284,451
Loans and advances to customers	30,370,053	28,960,254	30,370,053	6,455,962
Income tax receivable	-	837,563	-	186,714
Cash and cash equivalents	280,690,330	39,841,242	280,690,330	8,881,604
Total current assets	1,312,451,837	1,948,149,700	1,148,797,525	279,191,305
Total assets	2,291,244,588	2,600,662,580	1,875,746,855	327,471,388
Equity and liabilities				
Equity				
Issued capital	164,945,848	82,957,024	73,411,672	3,523,164
Other reserves	225,403,676	203,858,356	371,141,103	15,133,370
Retained earnings	861,073,556	1,038,228,960	478,525,677	84,580,970
Total capital and reserves	1,251,423,080	1,325,044,340	923,078,452	103,237,504
Non-current liabilities				
Deferred tax liability	248,588,702	310,168,622	163,964,825	9,011,138
Interest bearing loans and borrowings	9 89,898,046	108,755,266	89,898,046	24,244,255
Lease liabilities	8 150,917,440	44,948,571	150,917,440	10,020,155
Total non-current liabilities	489,404,188	463,872,459	404,780,311	43,275,548
Current liabilities				
Trade and other payables	299,333,777	575,756,464	299,333,777	128,350,444
Contract liabilities	370,059	1,660,016	2,646,944	638,400
Dividend payable	35,539,592	20,776,598	370,059	370,059
Current tax payable	5,176,172	2,863,743	35,539,592	4,631,621
Interest bearing loans and borrowings	9 154,718,725	159,738,569	154,718,725	35,609,702
Lease liabilities	8 55,278,995	50,950,391	55,278,995	11,358,110
Total current liabilities	550,417,320	811,745,781	547,888,092	180,958,336
Total liabilities	1,039,821,508	1,275,618,240	952,668,403	224,233,884
Total equity and liabilities	2,291,244,588	2,600,662,580	1,875,746,855	327,471,388

*Historical cost amounts are shown as supplementary information. The information does not comply with IAS 29: Financial Reporting for hyperinflationary economies.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the 53 weeks to 10 January 2021

	Issued capital	Equity-settled employee benefits reserve	Revaluation reserve	Credit reserve	Retained earnings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 6 January 2019	16,014,174	39,827,761	64,534,121	7,747,016	989,229,816	1,117,352,888
Dividends declared	-	-	-	-	(30,896,516)	(30,896,516)
Issue of ordinary shares under employee share option plan	7,229,483	-	-	-	-	7,229,483
Scrip dividend	24,153,460	-	-	-	-	24,153,460
Issue of shares for brand purchase transaction	35,559,907	-	-	-	-	35,559,907
Total comprehensive income for the period	-	-	91,396,417	-	80,248,701	171,645,118
Profit for the year	-	-	-	-	80,248,701	80,248,701
Other comprehensive income for the period	-	-	91,396,417	-	-	91,396,417
Transfer to credit reserve	-	-	-	353,041	(353,041)	-
Balance at 5 January 2020	82,957,024	39,827,761	155,930,538	8,100,057	1,038,228,960	1,325,044,340
Dividends declared	-	-	-	-	-	-
Issue of ordinary shares under employee share option plan	455,871	-	-	-	-	455,871
Issue of shares under rights issue	81,532,953	-	-	-	-	81,532,953
Total comprehensive income for the period	-	-	20,923,892	-	(176,533,976)	(155,610,084)
Loss for the year	-	-	-	-	(176,533,976)	(176,533,976)
Other comprehensive income for the period	-	-	20,923,892	-	-	20,923,892
Transfer to credit reserve	-	-	-	621,429	(621,429)	-
Balance at 10 January 2021	164,945,848	39,827,761	176,854,430	8,721,486	861,073,555	1,251,423,080



Abridged Audited Results for the 53 weeks ended 10 January 2021 (continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 53 weeks to 10 January 2021

1 Directors responsibility statement

The Board of Directors is responsible for the preparation of the Group's Integrated Report for the 53 weeks ended 10 January 2021 of which these abridged results are an extract of. For the full Integrated Report and Financial Statements the reader can refer to the Zimbabwe Stock Exchange (ZSE) website www.zse.co.zw or the Edgars Stores Limited website www.edgars.co.zw. The Directors would like to emphasise the cautionary on the use of the press release and financial statements contained in the Group Chairman's Statement.

2 Basis of preparation

The principal accounting policies used in the preparation of the financial statements are consistent with those used in prior years. No material new standards were applied in the current year.

The financial statements do not comply with the International Financial Reporting Standards (IFRS) as detailed below:

IAS 21: The Effects of Changes in Foreign Exchange Rates
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The Interbank exchange rate and auction exchange rate used by the Group from 5 January to 22 June 2020 and after 23 June 2020 respectively to translate transactions and balances did not meet the definition of a spot exchange rate and closing exchange rate as they were not available for immediate delivery and not always accessible. The government promulgated SI 33 of 2019 which mandated that all assets and liabilities would be translated at 1:1 between the United States dollar and the Zimbabwean dollar. Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that these requirements were not in compliance with IAS 21. The carryover effects of this non-compliance impact the opening balances of these financial statements and remain uncorrected.

IAS 16: Property, plant and equipment
IFRS 13: Fair value measurement

Property, plant and equipment were valued using historical US\$ denominated inputs which were converted into ZWL at the auction exchange rate and interbank exchange rate in current and prior years. The use of US\$ estimated rentals and historical US\$ values for similar transactions is not consistent with IFRS 13. Leasehold improvements were not revalued as at 10 January 2021. This also affected prior year balances and the carryover effect remains uncorrected.

3 Application of IAS 29: Financial Reporting in Hyperinflationary Economies

The group continued to apply IAS 29 during the 53 weeks to 10 January 2021 based on the guidance issued by the PAAB in August 2019. The financial statements have been prepared in accordance with IAS 29 and IFRIC 7 (Applying the Restatement Approach under IAS 29) as if the economy had been hyperinflationary since 1 July 2018. In applying the standard the Group has used the Consumer Price Index (CPI) as issued by the Zimbabwe National Statistic Agency and published by the Reserve Bank of Zimbabwe (RBZ). The following table summarises the inflation adjusted indices used:

Month	CPI	Conversion Factor
December 2020	2,474.51	1.00
December 2019	551.63	4.49
Average 2020	1,579.09	2.04
Average 2019	240.27	14.72

4 Auditor's Statement

These abridged inflation adjusted financial statements should be read in conjunction with the complete set of inflation adjusted consolidated and separate financial statements for the 53 weeks ended 10 January 2021, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe). The audit opinion is adverse with respect to non-compliance with International Financial Reporting Standards (IFRS) specifically the following: IAS 21: "The Effects of Changes in Foreign Exchange Rates", IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors", IAS 29: "Financial Reporting in Hyperinflationary Economies", IAS 16: "Property, Plant and Equipment" and IFRS 13: "Fair Value Measurement" on the concerns on fair values of Property, plant and equipment in ZWL after application of closing exchange rates to the US\$ valuations. There are no other key audit matters communicated in the audit report. The Independent Audit Report on the inflation adjusted consolidated and separate financial statements, signed by Mr. David Gwande (PAAB Practising Certificate Number 132) is available for inspection at the Company's registered office.

5 Headline earnings

	2020 Inflation adjusted	2019	2020 Historical cost	2019
Earnings attributable to shareholders	(176,533,976)	80,248,701	394,566,135	51,601,197
Adjusted for non-recurring items:				
(Profit) / loss on disposal of property, plant and equipment	(237,798)	10,698,211	(237,798)	(84,030)
Headline earnings	(176,771,774)	90,946,912	394,328,337	51,517,167

Headline earnings comprise of basic earnings attributable to shareholders of the Group adjusted for profits, losses, and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects.

6 Capital expenditure

	Inflation adjusted		Historical cost	
Computer equipment	4,501,641	4,259,484	4,093,501	769,457
Factory machinery	16,092,300	1,138,680	14,313,221	253,840
Furniture, fittings and leasehold improvements	4,444,207	24,138,401	3,240,831	3,630,154
Vehicles	15,255,780	1,189,477	14,542,452	227,500
Total	40,293,928	30,726,042	36,190,005	4,880,951

7 Future Capital Expenditure

	Inflation adjusted		Historical cost	
Authorised but not yet contracted for	322,744,955	207,919,186	322,744,955	46,350,361

All expenditure is to be financed from existing cash resources and the utilisation of authorised borrowing facilities.

8 Lease commitments

Future minimum rentals under non-cancellable operating leases are as follows:

	Inflation adjusted		Historical cost	
Within one year	128,996,257	66,745,123	128,996,257	14,879,149
After one year but not more than five years	242,581,328	54,007,581	242,581,328	12,039,634
More than 5 years	-	1,206,056	-	268,860
	371,577,585	121,958,760	371,577,585	27,187,643

9 Borrowings

	Inflation adjusted		Historical cost	
Non current interest bearing loans and borrowings	89,898,046	108,755,266	163,964,825	24,244,255
Current interest bearing loans and borrowings	154,718,725	159,738,569	154,718,725	35,609,703
	244,616,771	268,493,835	318,683,550	59,853,958

Borrowings increased as a result of increased working capital investment. This with a view of growing revenue accordingly.

9 Borrowings (continued)

Terms and security

(i) Secured with a Notarial General Covering Bond over moveable assets, cession of fire policies, debtors book of ZWL431 million (2019:ZWL 34.25 million) and an unlimited guarantee from shareholders.

(ii) The weighted average effective interest rate on all the borrowings was 57.67% (2019: 20.47%) per annum.

(iii) Tenures range between 90 days and 3 years.

10 Inventories

	Inflation adjusted		Historical	
Merchandise	487,976,700	1,265,633,871	361,536,713	139,392,138
Raw material, work in progress and consumables	61,712,072	83,854,981	24,497,747	6,990,436
	549,688,772	1,349,488,852	386,034,460	146,382,574
The amount of write-down on inventories recognised in cost of sales is:	8,632,402	-	673,961	-
Amount of reversal of inventory to net realisable value (NRV) is:	(731,264)	(519,774)	(49,681)	(35,313)
Amount of stock losses recognised in cost of sales is:	14,727,046	31,382,974	6,574,274	1,907,464

11 Seasonality of operations

Our business operations are cyclical, January-June is winter and July-December is summer. The summer season is our peak period.

12 Revaluation of property, plant and equipment

The Group revalued all property, plant and equipment to their fair value as at 10 January 2021 with the exception of leasehold improvements. The valuation was determined by a director's valuation which was carried out through use of external and independent professional valuers.

13 Impact of Covid 19

The Group lost business during the months of March and April 2020 as well as the last week of 2020 trading period. The business reopened all physical stores on 3 March 2021. Resumption of normal trading had an immediate positive effect on the Group's cashflow.

14 Segment reporting

	Edgars Stores Retail	Jet Stores Retail	Manufacturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial services	Segment Totals	Adjustments Eliminations	Consolidated Total
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Inflation adjusted

53 weeks to 10 January 2021									
Revenue									
External customers	1,110,747,654	895,965,375	25,739,558	30,449,471	-	4,776,935	2,067,678,993	-	2,067,678,993
Inter-segments	-	-	259,898,542	-	511,328,492	-	771,227,034	(771,227,034)	-
Finance income	-	-	-	-	-	279,023,510	279,023,510	-	279,023,510
Total revenue	1,110,747,654	895,965,375	285,638,100	30,449,471	511,328,492	283,800,445	3,117,929,537	(771,227,034)	2,346,702,503
Total assets	879,727,301	480,715,408	176,471,813	53,260,902	435,163,324	441,409,420	2,466,748,168	(175,503,580)	2,291,244,588

52 weeks to 5 January 2020

Revenue									
External customers	1,752,300,741	981,237,384	11,785,956	55,785,624	-	-	2,801,109,705	(130,959,815)	2,670,149,890
Inter-segments	-	-	192,407,974	-	308,027,896	-	500,435,870	(500,435,870)	-
Finance income	-	-	-	-	-	202,621,536	202,621,536	-	202,621,536
Total revenue	1,752,300,741	981,237,384	204,193,930	55,785,624	308,027,896	202,621,536	3,504,167,111	(631,395,685)	2,872,771,426
Segment profit	422,467,178	192,533,232	56,593,412	4,146,397	-	225,686	675,965,905	(578,403,156)	97,562,749

In the current year the group consolidated full divisionalisation of its business units up to balance sheet level. *Certain required information has not been disclosed because it was not accurately tracked and recorded in current and prior years.

	Edgars Stores Retail	Jet Stores Retail	Manufacturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial services	Segment Totals	Adjustments Eliminations	Consolidated Total
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Historical cost

53 weeks to 10 January 2021									
Revenue									
External customers	822,308,216	663,300,693	17,501,873	20,458,485	-	3,571,173	1,527,140,440	-	1,527,140,440
Inter-segments	-	-	67,620,011	-	153,743,108	-	221,363,119	(221,363,119)	-
Finance income	-	-	-	-	-	177,978,986	177,978,986	-	177,978,986
Total revenue	822,308,216	663,300,693	85,121,884	20,458,485	153,743,108	181,550,159	1,926,482,545	(221,363,119)	1,705,119,426
Segment profit	160,073,953	121,758,108	20,040,435	3,322,169	-	108,169,519	413,364,185	(18,798,048)	394,566,136
Total assets	775,159,506	424,783,310	139,330,464	52,898,753	418,637,929	441,409,420	2,252,219,381	(376,472,526)	1,875,746,855

52 weeks to 5 January 2020

Revenue									
External customers	175,220,987	98,118,650	1,178,535	4,250,887	-	-	278,769,059	(11,767,917)	267,001,142
Inter-segments	-	-	19,239,800	-	30,801,192	-	50,040,992	(50,040,992)	-
Finance income	-	-	-	-	-	21,065,492	21,065,492	-	21,065,492
Total revenue	175,220,987	98,118,650	20,418,335	4,250,887	30,801,192	21,065,492	349,875,543	(61,808,909)	288,066,634
Segment profit	42,244,527	19,252,325	5,659,048	414,627	-	22,567	67,593,094	1,797,000	69,390,094
Total assets	82,633,077	81,483,797	16,410,750	7,943,938	32,883,603	94,300,669	315,655,834	11,815,554	327,471,388

15 Dividend

No dividend was declared for the year to 10 January 2021 as the Group elected to retain and channel all resources to business growth.



Abridged Audited Results for the 53 weeks ended 10 January 2021 (continued)

16 Chairman's Statement

Directors responsibility for the Integrated Annual Report

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and sustainability report in accordance with the Zimbabwe Stock Exchange (ZSE) requirements, International Financial Reporting Standards (IFRS) and the Companies and Other Business Entities Act (COBE).

Cautionary – reliance on the inflation adjusted financial statements

The directors have applied due care in applying judgements in the preparation of these financial statements. However there are material and pervasive impacts from the change in functional currency in Zimbabwe on February 2019 that resulted in non-compliance with IAS 21: Effect of Changes in Foreign Exchange Rates and initial application of IAS 29: Financial Reporting in Hyperinflationary Economies. Other impacts have been highlighted in the basis of preparation paragraph of the financial statements and the full audit opinion. This resulted in related qualifications in the audit opinion, which limits the usefulness of the financial statements.

Business overview

Notwithstanding the favourable fiscal and monetary policies maintained during the period, the economic environment remains challenging though it is improving. The improvement is mainly attributable to the introduction of the foreign currency auction system. Operating costs are increasing with occupancy, employment and fuel costs being some of the significant costs that are rising. Management remain focused on recalibrating the business models in response to these price corrections to preserve value and build a strong balance sheet for the business.

Material disruptions stemming from COVID-19 lockdown restrictions had a significant impact on the Group's performance, most significantly in April to May 2020 and in the last week of the 2020 trading period. The business consequently lost 1 million units in sales compared to the 2019 year. This demonstrates the significant impact on business continuity that lockdowns may have in the future.

The company continues to implement and observe WHO approved COVID-19 guidelines throughout its operations to safeguard all stakeholders. With the ongoing roll out of government vaccination programmes we look forward to an easing of business disruptions caused by the pandemic.

Financial performance

Revenue was down 23% to ZWL2.1 billion and profitability down 320% to a loss of ZWL176.5 million in inflation adjusted terms. The decline in performance was due to a combination of two factors;

(a) The business lost sales during the lockdowns as retail of clothing was not classified as an essential service. Units sold declined from 3.4million to 2.4million compared to the same period last year.

(b) As reported last year the business closed the 2019 financial year with a lot of aged stock which when indexed had the unfortunate effect of distorting the value of cost of sales by significantly reducing the gross profit margin. In historic terms revenue and profit were up 472% and 665% to ZWL1.5 billion and ZWL394 million respectively.

Trading in foreign currency since April 2020 has allowed retail chains to improve stock assortments, which in turn has improved the number of feet in our stores. The business introduced an in-store remittance agency, where diaspora remittance beneficiaries collect their money from selected branches. The selected stores have recorded improved foreign currency sales.

Gearing increased to 0.20 in the current year (2019: 0.19). The business did not have any significant foreign liabilities as at 10 January 2021.

Retail performance

The Edgars chain recorded turnover of ZWL1.1 billion (2019: ZWL1.75 billion) out of 26 stores (2019:26). Units sold for the year were 887.7k (2019:1.39m). Total sales for the Jet chain were ZWL896 million (2019: ZWL981 million) out of 27 stores (2019:25). Units sold for the year were 1.28m (2019: 1.80m).

Manufacturing

The factory recorded turnover of ZWL285m (2019: ZWL204m). The sale of face masks and other personal protective equipment contributed significantly to this performance.

Credit management

The gross retail debtors' book closed the period at ZWL431m compared to ZWL423m as at the end of 2019 trading period. The credit environment remained challenged by high inflation, making value preservation very difficult. As expected credit losses increased during lockdown period to 2.2% from 1.1% of the debtors' book at 10 January 2021.

The microfinance loan book, like the retail book, faced similar challenges in value preservation. The loan book closed at ZWL30.3m (2019: ZWL28.9m).

Board membership

Ms. Tjeludo Ndlovu was appointed Group Chief Executive Officer effective 1 July 2020. Tjeludo joined the group in 2013 and had served in various senior management positions in finance and operations prior to her appointment.

Bright Ndlovu was appointed Group Chief Finance Officer effective 1 June 2020. Bright joined the group in 2011 and had previously served as Financial Services Managing Director.

Ms. Happiness Vundla was appointed to the Board effective 3 December 2020. Happiness was previously with EY Chartered Accountants for over 10 years.

Mrs Linda Masterson retired from the board at the end of June 2020, after serving the Group for 32 years. Dr LL Tsumba also retired in December 2020 after 14 years in the Board of Directors. We remain grateful for their wise counsel over the years.

Outlook

Management continues to remodel the business to capitalise on opportunities that arise in the very uncertain operating environment. Available foreign currency will be used to improve on merchandise ranges and assortments to grow turnover whilst at the same time escalating efforts to manage operational costs. We are retooling our manufacturing unit to enhance its capacity to supply our retail chains and cater for external customers and export sales.

We will be opening two new stores in the first half of 2021 and are looking for compelling locations to grow our footprint. Our online stores are fully operational for both Edgars and Jet, whilst Club Plus microfinance online loans uptake is growing underpinned by robust promotional activities to boost awareness.

Dividend

Regrettably, your company will not declare a dividend for the 53 weeks to 10 January 2021. Cashflows will be channelled to growing the business.

Appreciation

I want to commend fellow board members, shareholders, management and staff for resilience and commitment in the face of the challenging environment. I look forward to continued effort from all during the coming year.

The business extends its deepest condolences to the bereaved family of one of our staff members who succumbed to Covid -19.



T N SIBANDA
CHAIRMAN
31 May 2021



EDGARS



Jet

CAROUSEL
A Division of Edgars Stores Limited



clubplus
A Division of Edgars