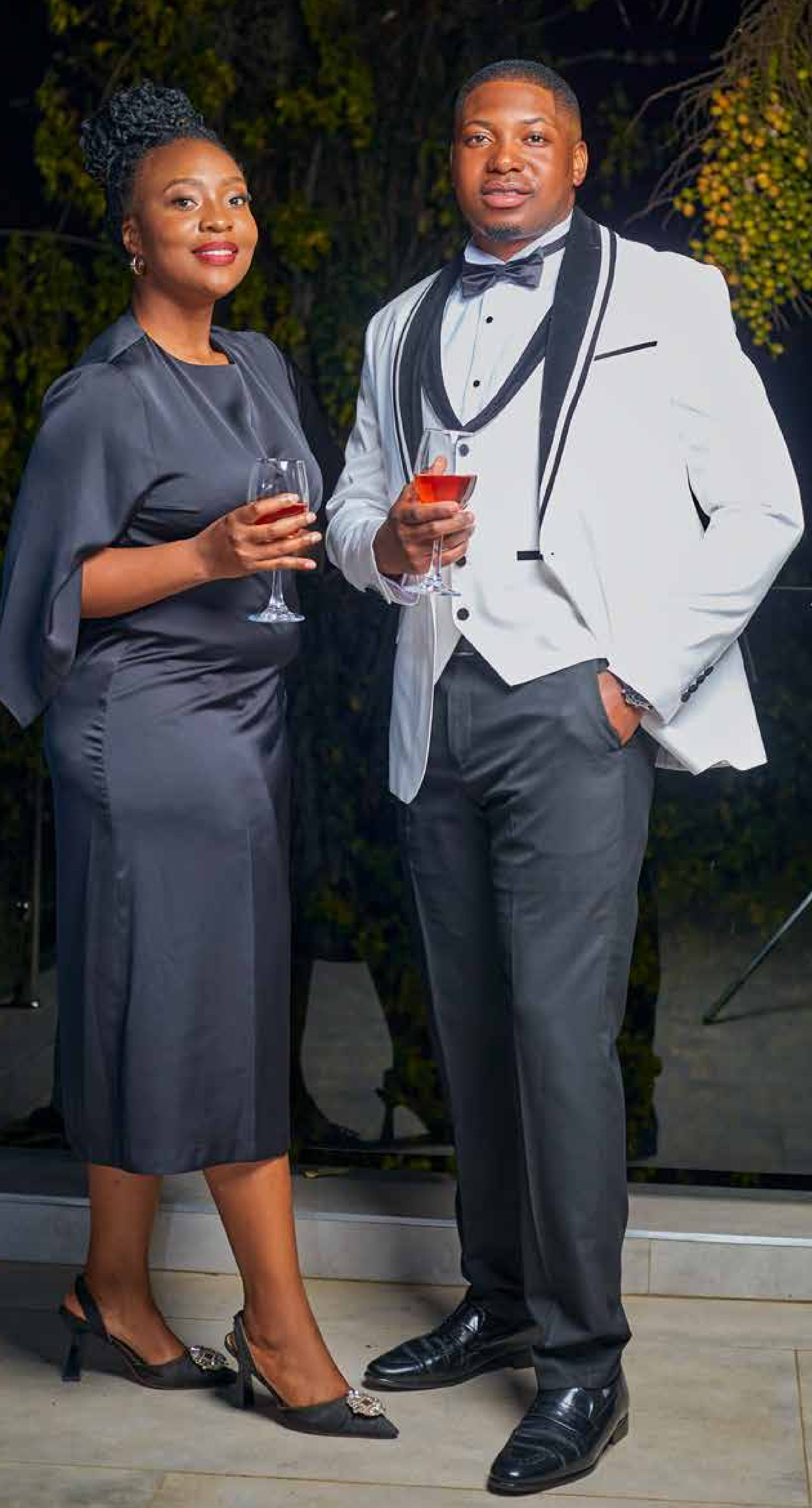
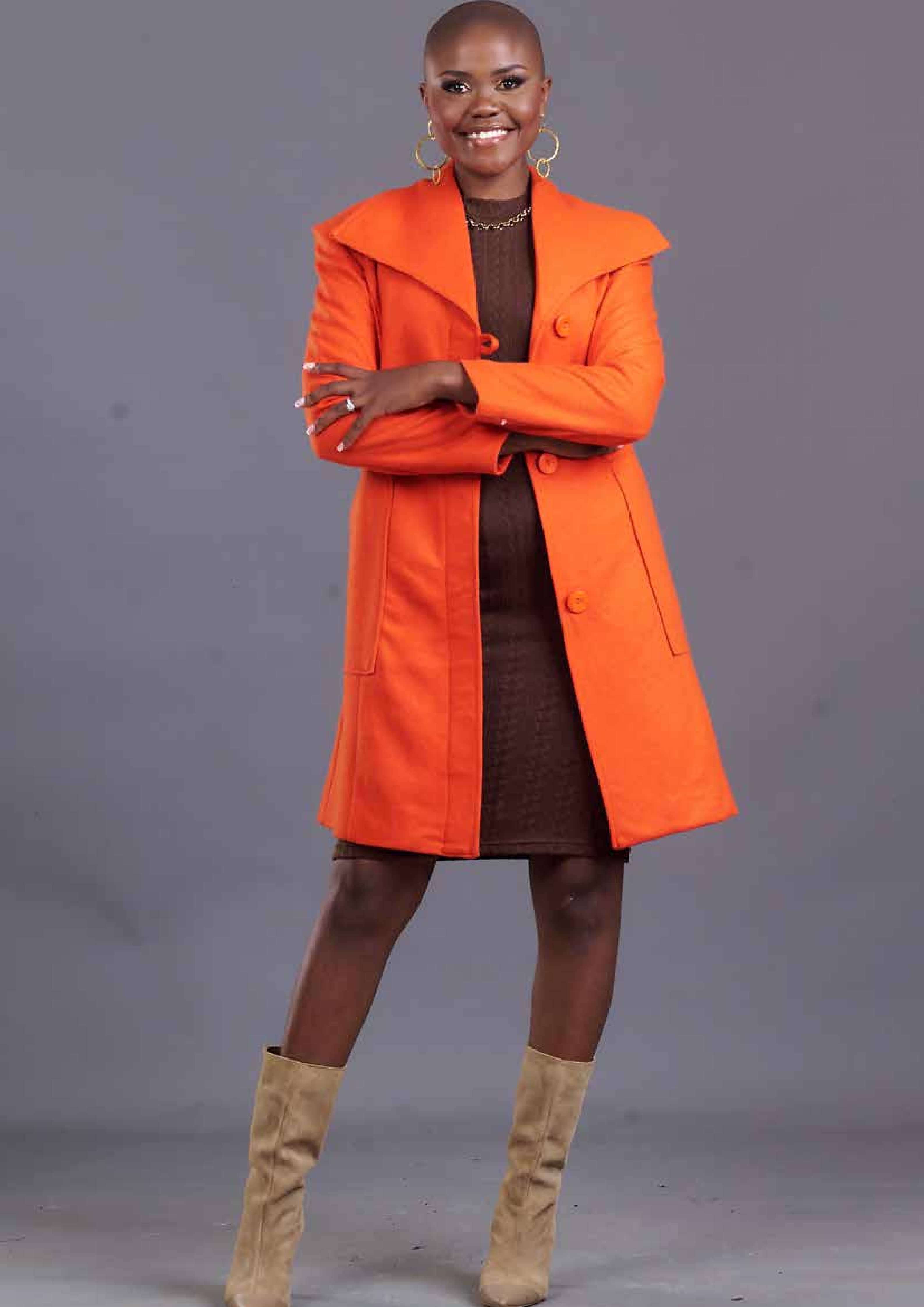


EDGARS STORES LIMITED

ANNUAL REPORT 2023



CONTENTS

Integrated Annual Report for the 52 weeks to 7 January 2024

ABOUT THIS REPORT

Reporting Scope and Boundaries

Statutory instrument 134 of 2019 requires us to disclose the relevance of sustainability to our business, disclose our sustainability policy inter alia mitigation of risks, sustainability performance data and other information that provide our stakeholders with a deep understanding of performance – financial, environmental, societal and our overall contribution to sustainable development.

Reporting Frameworks

Sustainability Report	Zimbabwe Stock Exchange rules (S.I 134/2019) Global Reporting Initiative Sustainability Reporting Standards Companies and Other Business Entities Act (COBE)
Annual Financial Statements	International Financial Reporting Standards (IFRS) Companies and Other Business Entities Act (COBE)

This is our third integrated report in compliance with S.I 134 and covers information related to our business model, strategy, material issues and risks, governance and financial performance of the Edgars Stores Limited Group for the 52 weeks to 7 January 2024. The report is composed of the Sustainability Report and the Audited Financial Statements. All reports included here-in are available for download on our website (www.edgars.co.zw) and the Victoria Falls Stock Exchange website (www.vfex.co.zw)

We developed this report through a peer review of the integrated reports from similar companies locally and regionally. In time we aim to continually improve on this report to achieve full compliance with the Global Reporting Initiatives (GRI) Sustainability Reporting Standards.

Materiality

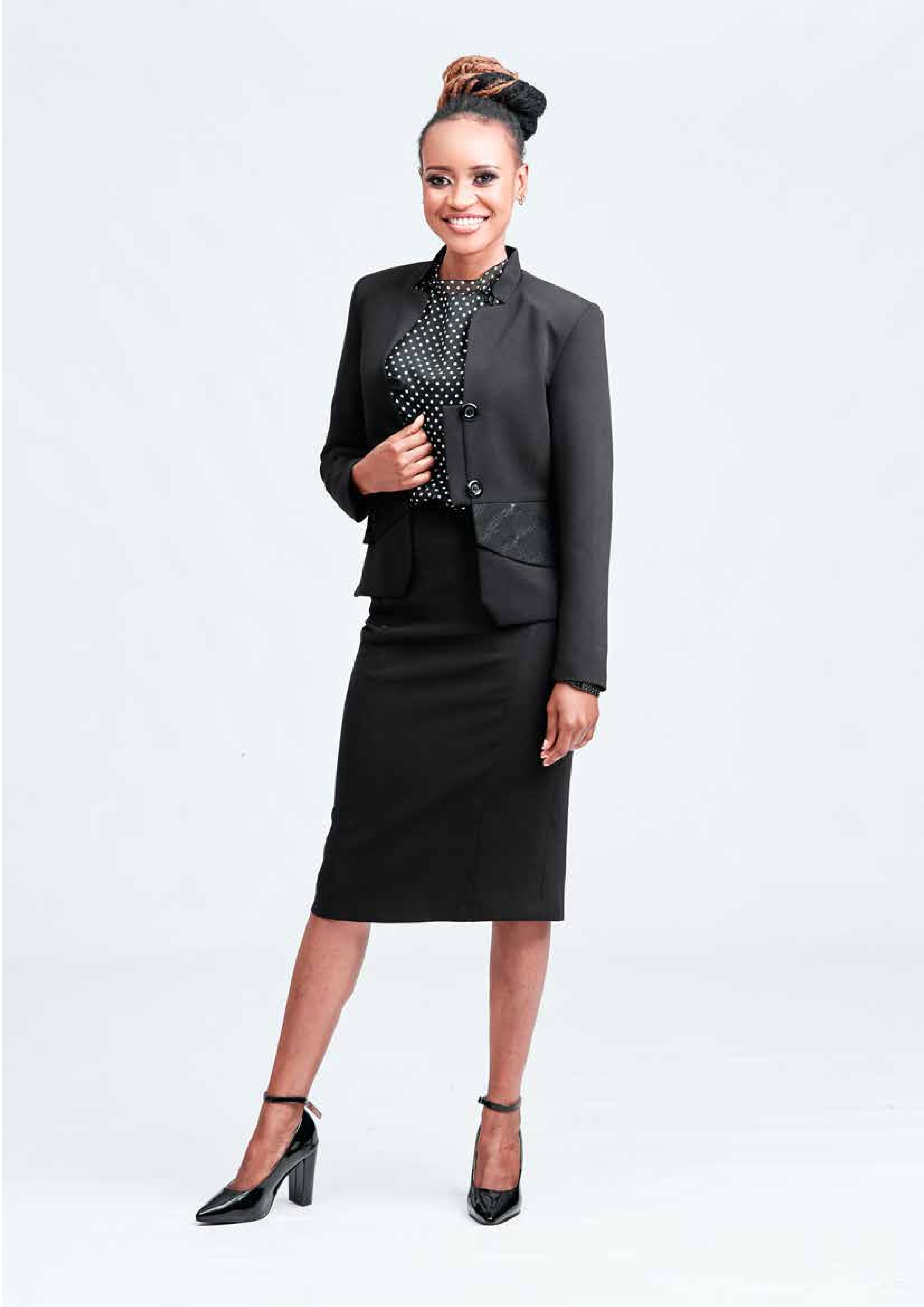
Management's judgement has been used in determining the content and disclosure included here-in.

Assurance

The sustainability report has been approved by the Board of Directors. It is not subject to a process of audit by our external auditors or other third parties. The Annual Financial Statements have been audited by Deloitte & Touche (Zimbabwe) and their report appears on page 27.

Responsibility Statement

The Board of Directors is responsible for overseeing the integrity of the integrated report. The Board acknowledges this responsibility and confirm that they have reviewed the contents of this report and believe that it is a fair representation in accordance with integrated reporting general frameworks.



GROUP CHAIRMAN'S REPORT

Directors responsibility for the Integrated Annual Report

The Directors of Edgars Stores Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements. The audited financial statements incorporate full disclosure in line with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board and best practice.

Edgars migrated its listing from the Zimbabwe Stock Exchange (ZSE) to the Victoria Falls Stock Exchange (VFEX) effective 5th of April 2024.

Stakeholders should take note that the inflation adjusted consolidated and separate financial statements for the financial year 2023 will be the last set published in ZWL. The 2024 financial statements going forward will be presented in United States Dollars (USD) which is now the functional currency of the group, and also in line with the Reporting requirements of Victoria Falls Stock Exchange (VFEX).

The principal accounting policies of the Group are consistent with those applied in previous years.

Cautionary – reliance on hyperinflation adjusted financial statements

The Directors would like to advise users to exercise caution on their use of these financial statements due to the material and pervasive impact of the technicalities brought about by the change in functional currency in Zimbabwe at the beginning of 2019 and its consequent impact on the usefulness of the financial statements for subsequent reporting periods. This was further compounded by the adoption of International Accounting Standard (IAS) 29 'Financial Reporting in Hyperinflationary Economies'.

Whilst the Directors have exercised reasonable due care in applying judgements deemed appropriate in the preparation of these financial statements, certain distortions may arise due to the various economic factors that may affect the relevance and reliability of the financial information presented in economies such as Zimbabwe, that are experiencing hyperinflation.

Operating environment and overview

Throughout the financial reporting period ended 7 January 2024, the operating environment was characterised by exchange rate volatility and incessant inflationary pressures. Liquidity challenges in both the local and foreign currencies persisted throughout the year coupled with elevated interest rates, although the cost of borrowing in ZWL declined marginally towards the end of the period. Sustained inflationary pressures impacted negatively on disposable incomes resulting in subdued volume sales during the period, compared to prior year.

The period witnessed an increased level of dollarisation in the economy. This, further buttressed by a formal confirmation by the Government that the multi-currency regime will be maintained to December 2030, has improved the ease of restocking the Group's manufacturing entity and Retail chains. The business responded by rolling out USD credit to assist customers in better planning their financial commitments.

Operating costs in real terms were maintained at a level comparable to the prior year. Occupancy, employment, and fuel costs remained key drivers to the Group's operating expenses. During the period, management focused on realigning the business model to the realities of trading in a pre-dominantly USD environment, with a specific focus on dealing with pricing volatilities in order to preserve the business' balance sheet.

Financial performance (based on inflation-adjusted results)

Notwithstanding the challenges in the operating environment, the Group managed to close the period with an improved performance over the year. The Group reported Revenue of ZWL294.0 billion which is 70.3% up from that achieved in 2023 of ZWL172.6 billion. The growth in real terms is attributed to margin improvements due to better procurement, ongoing cost management as well as other initiatives implemented by management to ensure fresher and high-quality stock availability in our stores, regardless of the supply chain challenges. Profit before tax of ZWL40.7 billion was an increase of 342.4% from the prior period of ZWL9.2billion. Increase in profit for the year was indicative of correct pricing and focussed cost management. Finance costs for the period were ZWL20.3billion, a 2.3% reduction from prior year, reflecting reduction in the lending rates to 100% as well as the switch to USD borrowing which attracted a lower cost. This interest rate benefit was passed onto our customers as reflected in lower price points of merchandise. The Group achieved basic earnings per share of 4 553 cents (2023: 163 cents).

Total Group units sold declined by 10.8% from 2.85 million to 2.55 million compared to the same period last year.

Trading in foreign currency since April 2020 has allowed our retail chains to improve stock assortments, which in turn has increased traffic in our stores. While a sizable portion of our cash sales are in foreign currency, we believe that this proportion can be increased through favourable and consistent application of regulatory policies around trading in foreign currency.

Gearing increased to 137.7% in the current year from a prior year of 103.5%. Funding raised was channelled towards growing the debtors' book as well as store expansion initiatives.

Retail performance

Total retail merchandise revenue amounted to ZWL244.8billion representing a 94.8% increase from prior year. The ZWL sales had credit sales of 6.9% (2022: 48.8%) and cash sales of 93.1% (2022: 51.2%). The USD sales had credit sales contribution of 73% (2022: 71%) and cash sales of 27% (2022: 29.0%).

The Edgars chain recorded turnover of ZWL139.3billion, up 98.5% from prior year of ZWL70.2billion, and the 1.01m units sold were down 13.03% from 1.16m in the comparative period. The ZWL sales had credit sales of 8.7% (2022: 54.5%) and cash sales of 91.3% (2022: 45.5%) while the USD sales had credit sales of 73% (2022: 71.6%) and cash sales of 27% (2022: 28.4%).

Total sales for the Jet chain were ZWL116.5 billion, up 107.34% from ZWL56.2billion achieved in the comparative period. The ZWL sales had credit sales of 4.8% (2022: 43.1 %) and cash sales of 95.2% (2022: 56.9 %) while the USD sales had credit sales of 73% (2022: 70.3%) and cash sales of 27% (2022: 29.7%). Total units sold for the period were down 12.99% from 1.56m to 1.36m.

Edgars Stores Limited won the Superbrand 2023 award in the Clothing and Fashion Sector categories in the annual competition run by the Marketers Association of Zimbabwe, whilst Jet Stores won the 1st Runner up position. The Group gave back to the community through various CSR initiatives through its different divisions. This included Cancer Association of Zimbabwe, Breast cancer Awareness campaign, Jairos Jiri shoes donation and Kidzcan clothing donations for children living with cancer.

Financial services

The USD retail debtors' book closed the period at USD12.6 million, representing a 100 % growth on prior year balance of USD6.3 million, whilst the ZWL retail debtors' book closed the period at ZWL1.4 billion, a 43.8% decline on the prior year balance of ZWL2.5 billion. The skew reflects the growing dollarisation in the market and the impact of high ZWL interest rates in discouraging credit sales, and borrowings in local currency. Active USD accounts increased to 91K, up from 64K in prior year. The increase came on the back of new accounts opening initiatives as well as account conversion initiatives employed in the last quarter of 2023. The asset quality remained strong at 80.1% for the USD book and at 76.8% for the ZWL book. Expected credit losses (ECLs) as at 7 January 2024 were 3.2% of the book compared to 4.0% as at 8 January 2023, which is within the acceptable industry benchmark of 5.0%.

Club Plus Microfinance

The USD loan book closed the year at USD 1,15 million, a growth by 18.1% compared to the prior year's USD0.98 million. The business focus for the period was to grow the USD loan book focusing on less risky loan products. Asset quality remains positive with 83.6% of the USD book being in current. Improved efficiencies in loan approval and disbursement processes have resulted in improved turnaround time for customers.

Carousel Manufacturing

The Manufacturing Division recorded a turnover of ZWL17.7bn, up 51.03% on prior year (98.6% of revenue was in USD). Total units sold were up 30.9% to 184.8k (2022: 141.2k). The unit during the period was refocussed to become a wholly in-house supplier for the Group's Retail chains, in the process improving the Group's control of its supply chain. Revenue was boosted by the improved order book from the chains. Recruitment of skilled machinists led to increased production efficiencies. The manufacturing entity plans to increase its production capacity and output in 2024 on the back of better fabric restocking, and expansion capital expenditure in cutting room solutions and the general retooling of the factory.

Board membership

The Board wishes to advise stakeholders of the departure on 31 October 2023, of the following:

1. Ms Tjeludo Ndlovu, the Group Chief Executive Officer of the Group. Ms Ndlovu was with the Group for 11 years, of which the last 3 were at the helm of the Group. She led the Group successfully since her appointment in July 2020 at the peak of the COVID 19 pandemic. It is with profound gratitude that the Board thanks Tjeludo for her service to the Group and wishes her well in her new challenge.

2. Ms Happiness Vundla, who served as the Group Chief Finance Officer for the past two years. On behalf of the shareholders, Board of Directors, management and staff, I wish to convey the Group's appreciation for the years of dedicated service to the Group.

New appointments

The Board would like to announce the following Executive appointments which took place during the course of the year:

1. Mr Sevious Mushosho – Group Chief Executive Officer
Mr Sevious Mushosho was appointed the Group Chief Executive Officer with effect from 1 November 2023. Sevious is a Fellow Chartered Accountant Zimbabwe with over 20 years of multinational experience in cross-functional management, financial management, audit, insurance, banking, retail and distribution. Mr Mushosho has worked at executive level in various companies in Zimbabwe, Zambia, Malawi and Mauritius, including Sub Sahara Capital Group, Distribution Group Africa, AfriAsia Holdings Limited and Innscor Africa among others. He has been on the Board since July 2022 as a Non-Executive Director and from May 2023 as the Group Chief Operating Officer before assuming the role of CEO.

2. Mr Peter Mnyama- Executive Director- Retail Chains
Mr Peter Mnyama was appointed as Executive Director- Retail Chains with effect from 1 November 2023. A career fashion retailer with over 25 years' experience, Peter joined the Group as Merchandise Trainee back in 1998. He rose to Group Merchandise Controller in 2004 and later became Express Merchandise Executive. He moved to Edcon in South Africa in 2008 and later returned to Zimbabwe as the Marketing and Sales Executive for Carousel in 2013, a role he kept until 2016 when he became Merchandise Executive for the Jet Chain. In 2020 he became the Jet Chain Managing Director and then moved to become Edgars Chain Managing Director in 2022. Peter holds a BCom Honours degree in Marketing, an Executive Development Diploma from ICAZ

Zimbabwe and a number of Planning and Management Development qualifications.

3. Mr Chesternoel Mutevhe- Group Chief Finance Officer
Mr Chesternoel Mutevhe was appointed as the Group Chief Finance Officer with effect from 1 January 2024. He has extensive experience in the FMCG sector, having worked for CFI Holdings Limited as Group Finance Director for 7 years. Prior to that he held the positions of Group Company Secretary, Group Treasurer and Group Financial Controller in the same entity. In addition, he headed the property development outfit for the CFI Group. His most recent assignment was as head of finance in Zimbabwe for Karo Platinum. Chesternoel is a qualified realtor and Chartered Accountant, having trained with Deloitte.

Non-Executive Director Appointment

The Board would like to announce the appointment of Mr Mark Robb as Non- Executive Director with effect from 1 November 2023.

Mark is a skilled IT professional with over 22 years multinational experience across Fintech, Banking, FMCG, Media, Manufacturing, and Agricultural sectors. He has a B. Com Honours Degree in Information Systems and Management from Rhodes University in South Africa and many other IT qualifications obtained from various Institutions.

The Board congratulates all these appointees and look forward to their contributions.

Outlook

Management will continue to remodel the business to capitalise on opportunities that arise in the operating environment. In particular, management will focus on retooling Carousel to underpin increased production and improve operational efficiencies in order to better support the Retail chains. In addition, cost containment efforts will be an area of key focus in order to underpin the long-term viability of the business.

The Group seeks to expand its geographic footprint through the opening of new stores in strategic locations. In fulfilment of our strategic thrust, we opened a new store at Ascot Shopping Centre in Bulawayo in March 2024.

Smart merchandise procurement and optimal inventory planning remain key focus areas to ensure that targeted margins are achieved without compromising the merchandise quality. Management aims to continue improving customer experiences through updating our stores to world class standards and offering broader merchandise ranges at affordable prices and flexible credit terms.

The increased dollarisation in the economy is projected to assist the business through improved access to foreign currency through domestic sales to cover import requirements, which we believe will assist with improved stock availability in the shops.

In view of the subdued agricultural output in current year, the country will increase food imports and will be impacted by food inflation. This headwind will bring disposable incomes under additional strain and reduce USD liquidity in the local financial market. In order to mitigate against the impact of sales volume declines on profitability, the Group will focus on enhancing cost-competitiveness through improving value chain efficiencies. The Group will also re-launch its Express shops, targeting the low-income segment of the economy, where it will sell for cash.

Dividend

Regrettably, the Company will not declare a dividend for the 52 weeks to 7 January 2024. The position will be reviewed in future.

Appreciation

I wish to record my appreciation to Management and staff for their continued efforts in sustaining the business in a difficult operating environment. I also thank my fellow directors for their wise counsel and our customers, suppliers, and stakeholders for their ongoing support.

T N SIBANDA
CHAIRMAN

20 MAY 2024

GROUP FINANCIAL HIGHLIGHTS-INFLATION ADJUSTED

Figures in Zimbabwe Dollars (ZWL)	7 January 2024 52 weeks $000	8 January 2023 52 weeks $000	Change %
Group Summary			
Retail sales revenue	294 001 864	172 628 577	70
Earnings attributable to ordinary shareholders	26 098 285	934 397	2983
Net cash outflow from operating activities	(51 560 809)	(8 167 529)	(531)
Total assets	216 939 102	100 501 579	116
Market capitalisation	7 012 021	5 792 540	21
Ordinary share performance (cents per share)			
Earnings			
Basic	4 553	163	2 693
Diluted	4 529	162	2 693
Net equity (ZWL)	80 352 481	41 240 272	95
Market price	11 500	9 500	21
Financial statistics			
Return on ordinary shareholders equity	50.34	22.11	128
Liquidity ratios			
Current ratio	1.67	1.45	15
Gearing-gross	1.70	1.44	18
Gearing-net	0.40	0.16	145
Borrowing times covered by stock and debtors	1.22	1.09	11

WHO WE ARE

1946
First Edgars store in Rhodesia is built by Sydney Arnold Press

1948
Registration as a company with the inaugural Board meeting held on 18 January 1949

1974
Listing on the Rhodesian Stock Exchange
Acquisition of Carousel Clothing Company

1984
Introduction of Express Mart

1993
Acquisition of the Jeans Company (dormant)

2011
Rebranding of Express Mart into Jet

2016
Launch of Club Plus (Private) Limited – a microfinance company

2019
Acquisition of Edgars and Jet trademarks from Edcon Limited (SA).

2020
Launch of CCS Bureau de Change (BdC) – a money remittance agency

EDGARS

26 stores across the country

Jet

36 stores across the country

ONLINE

shop.edgarsstores.co.zw

shop.jetstores.co.zw

WhatsApp trading

CAROUSEL

A Division of Edgars Stores Limited

Manufacturing Division with a factory in Bulawayo

clubplus

35 loan centres across the country

VISION AND MISSION STATEMENT

VISION

We aim to be Zimbabwe's undisputed market leader in the clothing and footwear retail business offering quality merchandise, value and superior customer service in world class shopping environments.

MISSION

Our mission is to create and enhance stakeholder value. We do this as follows:

Customers

To be the retailer of choice providing a memorable shopping experience.

Our customers drive the business through the purchase of merchandise and financial services. It is imperative to provide them with the latest fashion. We aim to provide them with convenient store locations, quality merchandise and flexible credit offerings.
We engage with our customers across several platforms:
In-store, call centre, SMS, WhatsApp groups, Facebook and Instagram

Investors

To deliver economic value through sustained real earnings growth as reflected through growth in the balance sheet, share price and distributions.

After adoption of the Victoria Falls Stock Exchange (VFEX) regulations, shareholders have up to date information on developments within the company through:
- Quarterly trading updates
- Reviewed half year financial statements
- Audited Annual financial statements

Employees

We want to be regarded as the preferred equal opportunity employer. To offer working conditions that are competitive and help us attract, develop and retain creative, skilled and motivated people.

We are proud to have a female representation of 54%, a marginal increase on prior year of 49%, which reflects our good employment equity.
The business managed to increase on training time with a consequent reduction in training spend owing to increased utilization of online training and the investment in the training portal.
Staff retention remains a challenge as employees seek better earnings locally and in the diaspora. Notwithstanding the challenges the business was able to retain most of its employees.

Suppliers

We aim to achieve synergies through win-win partnerships based on honesty and integrity.

Since 2019, the Group has been pursuing a merchandise import substitution programme in efforts aimed at preserving foreign currency in the economy, achieving better control of the Group's supply chain. This intervention has been encouragingly successful. We have put in place a policy and quality assurance department that ensures that suppliers incorporate appropriate processes in their production processes, so that quality products are delivered.

Community

To be a socially responsible and caring corporate citizen committed to the highest standard of professionalism and ethical behaviour.

In 2023 the group focused on our Corporate Social Responsibility (CSR) pillars:
Partnership for the goals -Activities that took place included donations to the Cancer Association of Zimbabwe (US$4 500), KidzCan Zimbabwe (US$1 500) and 300 pairs of shoes valued at US$6 000 to Jairos Jiri.
The Group is committed to supporting local clothing manufacturers, and during the period, we supported local companies with procuring ZWL46.7bn (2022-ZWL14.9bn) worth of merchandise accounting for 30% (2022-26%) of the merchandise retailed by the chains. The downstream impact of this measure is to sustain employment and enhance downstream economic impact in our local economy.
Quality Education – The Edgars Bursary program continues to pay school fees for two gifted students from disadvantaged backgrounds. The students are being covered through a 4year scholarship program.
Social Impact – The Group identified and partnered with 5 local designers through the Fashion Extravaganza, with the aim of supporting and developing local fashion designers. The Jet Baby of the Year Competition was held in December 2023 with 6 winners gifted with an assortment of prizes.

GROUP STRATEGY

The Edgars strategy remains anchored on offering families the opportunity to purchase fashionable value-for-money quality clothing and footwear merchandise on cash or on credit.Future growth in sales and profitability will be generated from:

- Promotion of credit and financial services products
- Ensuring sufficient breadth and depth of inventories for our customers
- Organic growth from our department stores
- Quality and productivity improvements; and refurbishment initiatives at our stores

Our Business Philosophy

Our business is retailing. Through credit and cash stores we aim to supply quality products. We aim to be Zimbabwe's undisputed market leader in the clothing and footwear retail business offering quality, value and superior customer service in pleasant shopping environments. Retailing is people oriented and our existence and continued success is dependent on our ability to satisfy our customers' needs and value expectations.

We endeavour to appeal to a broad spectrum of consumers, catering in a professional manner to their needs. Our staff deliver a wide selection of quality products that are competitively priced and delivered with courtesy and professionalism.

Our goal is to earn our shareholders optimum returns on invested capital through steady profit growth and astute asset management. We are committed to honesty and integrity in all relationships with suppliers of goods and services. We are demanding, but fair, and evaluate our suppliers on the basis of quality, price and service. We recognise our role in society and support worthwhile projects, particularly of a charitable or conservation nature.

Management Philosophy

Participative management lies at the heart of this strategy, which relies on the building of employee partnerships at every level to foster mutual trust and to encourage people to think always about how they can do things better. The demands of our business are such that success will only come from the dedication of our employees. The Group will continue to have its operating decisions made at the appropriate operating levels of the business.

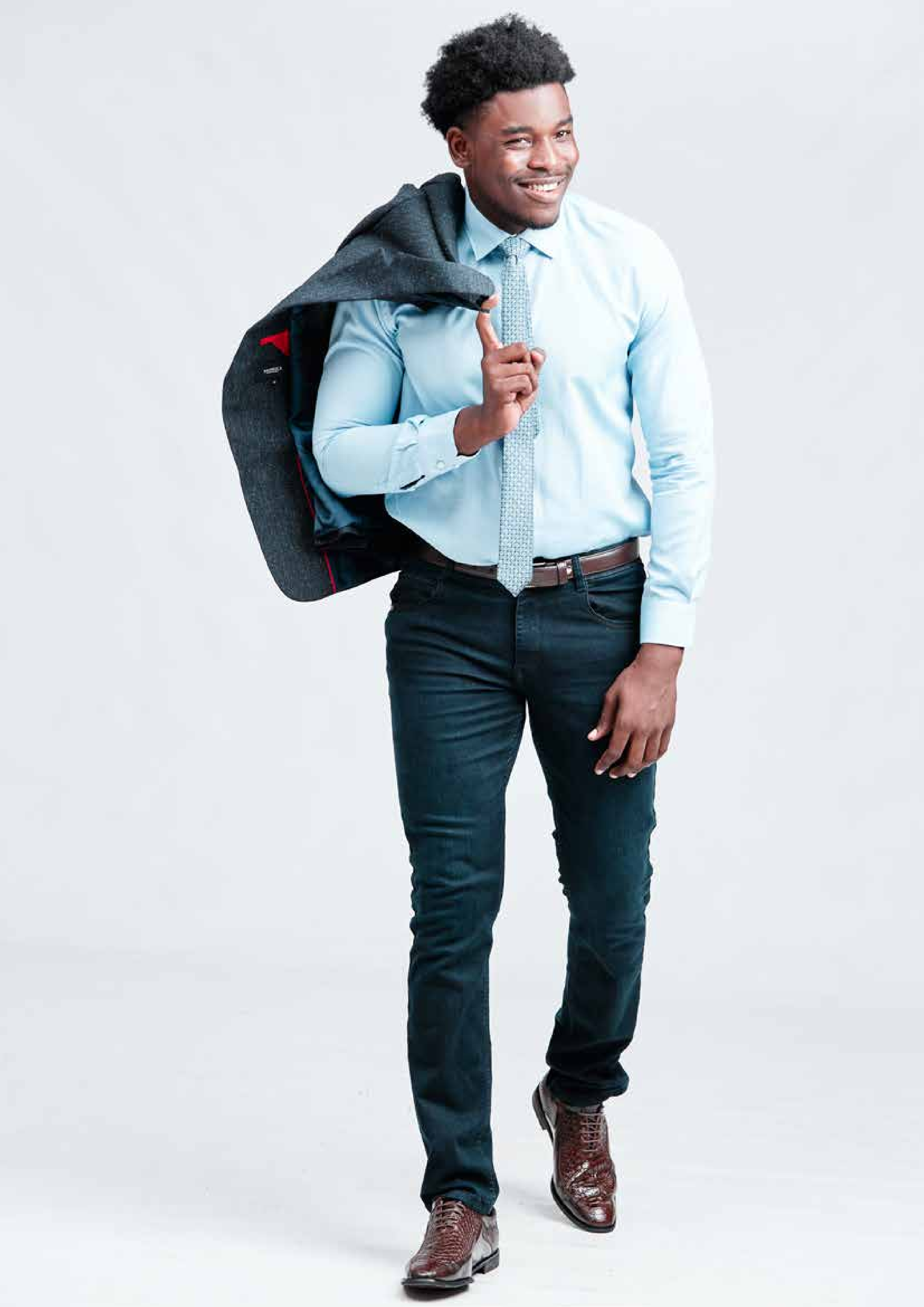
The Group's key strategy and primary focus remains anchored on providing value to our Shareholders. Our growth mindset will not only provide room for all stakeholders to prosper but will also energize our workforce and maintain a winning culture. Key to achieving this exponential growth is to gain market share, contain costs in an inflationary environment as well as undertaking an all-encompassing approach that speaks to the customer, supplier, employee, and our various stakeholders.

Our ability to deliver on real growth depends on our relationship with our stakeholders hence increased efforts to nurture these relationships. These relations will be nurtured by engaging landlords, strategic partnerships, analyst meetings, opening new stores and revamping existing stores to provide world class shopping experience to our customers. These efforts will be further compounded by offering competitive and sustainable credit facilities.

Successful implementation of the Group's strategy is largely guided by our ability to be innovative and an IT system that supports growth. Capacitating and retooling the factory to regional standards remains one of the Groups key strategy areas.

The Group's strategy is regularly monitored in line with profitability, inventory holding and overall growth in real, unitary terms.

Commencing in 2024, the Group is embarking on its ERP upgrade in order to match the dictates of the management information system requirements for the business. The Enterprise Resource Planning (ERP) currently in place was implemented in 2016.



HOW WE CREATE VALUE

Our key resources and inputs into our business model

Type of capital	Description	Key metrics and measures
Financial	Being financial resources available to the business from contributions by shareholders and accumulated profits from trading.	Profitability Equity Borrowings Cash and cash equivalents
Manufactured	The infrastructure that the business controls for acquiring, distributing and selling merchandise. This includes retail stores, distribution centres, online stores and online applications. For our business this also includes local suppliers that we have developed to cater for our needs.	Number of stores (physical, online and applications) Number of factories Distribution centres Number of Local suppliers Capital expenditure Rentals paid to property owners
Intellectual	The know how within the business – both intangible and otherwise embodied in data, systems, processes, brands and trademarks that differentiate the business from its competitors.	Brands and trademarks Manufacturing capacity Growth in customer accounts Customer feedback and engagement
Human	Our employees create value by meeting the needs of our customers, having relevant fashion, of the right quality and providing the necessary support functions to enable business operations.	Number of employees Training interventions and spend Employment equity Employee turnover
Social and relationship	The business operates in a community that encompasses the government, suppliers and the general public. Responsible corporate social responsibility requires that we carry our share of community obligations and responsibilities	Corporate Social Responsibility (CSR) spend and reach. Total tax and duty contribution Number of suppliers and spend Local supplier development spend

PERFORMANCE FOR THE YEAR

Financial capital

Group Historical Financial Information

	7 January 2024 52 weeks ZWL '000	8 January 2023 52 weeks ZWL '000	Change %
Group Summary			
Retail sales revenue	183 330 087	24 046 228	662
Earnings attributable to ordinary shareholders	27 438 524	3 341 377	721
Cash (outflow)/inflow from operating activities	(11 464 325)	797 869	(1 537)
Total assets	181 375 495	16 466 614	1 001
Market capitalisation	7 012 021	5 792 540	21
Ordinary share performance (cents per share)			
Earnings			
Basic	4 786	583	721
Diluted	4 761	580	721
Net equity (ZWL)	51 001 596	5 137 409	893
Market price	11 500	9 500	21
Financial statistics			
Return on ordinary shareholders equity	82.77	178.77	5
Liquidity ratios			
Current ratio	1.41	1.35	4
Gearing-gross	2.56	2.21	16
Gearing-net	0.5	0.11	350
Borrowing times covered by stock and debtors	1.06	1.06	1

Commentary

» Notwithstanding the challenges in the operating environment, the Group managed to close 2023 with an improved operating performance over prior year.

» Effective hedging strategies were put in place to manage inflationary risk.

Manufactured capital

	7 Jan 24	8 Jan 23
Underperforming stores closed	-	-
» New store branches opened:		
Physical	-	5
» Online applications	1	1
Stores renovated	-	1
Factory CAPEX (ZWL$)	155,207,655	35,522,156
Number of local suppliers	495	582
Number of stores	62	62
Rentals paid to landlords (ZWL$)	22.79b	1.48b

» The group was able to conclude lease renegotiations for all properties. In keeping with market developments, rentals are now largely dollarized commitments.

» Jet Chipinge and Jet Rusape moved to new sites.

» Low uptake on the online Jet and Edgars online stores – strategies are in place to grow this platform.

» Deliberate focus to grow local supplier footprint as an import substitution measure

» Plans are in place to expand the retail footprint through the addition of more shops in 2024 and the revamp of some of the existing stores.

Performance for the year (continued)

Intellectual capital

	7 Jan 24	8 Jan 23
Total trading brands	6	6
Brands acquired or developed	0	0
Units output from the factory	184 800	147 120
Number of customer accounts:		
» Absolute	105 042	156 571
» Active	24.6%	21.2%
Intangible assets and goodwill (ZWL$)	944.2m	1.13b

- » The factory during the year F2023 was refocussed to become a predominantly in-house supplier for the Groups Retail Chains, in the process improving the Group's control of its supply chain.
- » The reduction in the ZWL active account book was due to effects of the July interest review. On a positive note, customers were motivated to migrate to the USD book which held 91K active accounts as at year end.

Human capital

	7 Jan 24	8 Jan 23
Total number of employees	1 303	1 247
Training spend (ZWL)	500 000	115 431 123
Number of employees trained	2 500	1 526
Employment equity: > Female representation	54%	49%

- » The strategic focus is on creating an integrated ecosystem aimed at ensuring that the chains are adequately serviced resulted in the recapitalization of the factory, and headcount growth during the period.
- » Training spend declined by 99.57% over prior year while number of trainees increased, owing to increased leverage on digital training.
- » In line with equity and inclusion initiatives, the female split grew from 49% to 54%.

Social and relationship capital

	7 Jan 24	8 Jan 23
CSR spend (US$)	>US$5.9k	> US$23k
Followers on Facebook and Instagram	154 700	144 652
Local procurement %	>60%	>60%
Number of days lost to strike action	0 days	3 days

- » The following initiatives were taken:
  - Donated US$1 400 to KidzCan.
  - The Group made a donation of 300 shoes to Jairos Jiri worth US$6 000.
  - The Edgars Bursary Program has continued with support for two (2) beneficiaries. The bursary will cover the beneficiaries` school fees requirements for the next 4 years. 2023 – ZWL$10.75m (2022-ZWL$6.7m)
- » The business continued to support local suppliers by buying locally and assisting some suppliers with financing for their operations.
- » Online customer engagement platforms continue to grow and provide a mechanism to engage more effectively and better evaluate our brand equity in the market.

OUR MATERIAL ISSUES

Material issues are a combination of issues and risks that impact the ability of the company to create value for its stakeholders and affect its strategy. These issues are monitored and addressed by the Board and management through several platforms (Board meetings, Excom meetings and other fora). We have included in this report what we consider the most material issues affecting the business in the current year and their related outlook.

Instability of the Zimbabwean Economic Environment

Hyperinflation	» We put in place a system of monitoring inflation and adjusting pricing accordingly » Adopted a strategy of hedging the debtors' book » Adopted mechanisms of maximising value preserving assets over those subject to inflation devaluation.
Availability and high cost of borrowings	» We utilised value preserving assets as collateral to negotiate lower cost of borrowing. The cost of borrowing remained elevated with volatility in exchange rate and high inflation levels
Increasing cost of doing business	» Management continues to monitor and negotiate increases proposed by suppliers. Extensive effort and reasonable success has been achieved in rentals and borrowing costs. » Employee remuneration is benchmarked with the market in order to retain key staff.
Risk of political riots, looting and property destruction	» We are looking at obtaining insurance cover specific to damage from outlined risks. » Generally the business assets are adequately covered by existing insurance cover. We generally maintain adequate security presence in place in all our trading locations. » We have also endeavoured to develop good working relations with the police to provide additional security cover where required.
Trading disruptions	» Online channels (online stores and WhatsApp trading) have allowed us to generate revenue as an option to customers visiting our trading stores. » We continue to use online banking, Ecocash and One Wallet platforms in accounts collection. » We have used our online customer engagement platforms and SMS to communicate with our customers on available promotions and online trading channels.

Reliance on Information Technology

Cyber security incidents	» We have acquired relevant intrusion detection and stopping software on the internet gateways. » Other solutions such as artificial intelligence and machine learning have been deployed
Lost sales due to system downtime	» Manual systems have been put in place in all physical stores in case of downtime.
Unreliable electricity supply from ZETDC	» Generators and battery systems have been installed for all stores and servers.
IT personnel up-skilling and retention	» Funds have been availed for IT personnel to attend courses to up-skill. IT staff are attending University IT and business courses so as to keep abreast of current trends in IT.
Availability of key support IT systems	» An IT roadmap and budget have been drawn up to bring up to date old and obsolete infrastructure. This includes: - Replacement of the ERP - A new battery for the main server was procured and installed during the year
Cost of Information Technology (IT)	» In the current year we successfully negotiated reductions in ERP costs. » Trading in a multicurrency environment has allowed us to better service our IT software license providers, who require settlement in USD. » Management is evaluating ways of managing the increased cost of IT, through leveraging scale (growth) and efficiencies.

Managing retail presence

Store profitability	» We continue to monitor profitability of the business on a store by store basis. Staffing and rentals – being the main cost drivers are negotiated on this basis. » The number of stores closed due to poor performance have been reported in the Manufactured Capital section of this report.
Trading disruptions	» As reported under 'Instability of the Zimbabwe Economy' the Group has been working hard to increase sales through our online stores platforms.
Changing retail trends	» The Group has benefitted from developments in the retail space (regionally and internationally). » The last decade has seen the movement from single channel retail (physical stores) to multichannel (online magazines, online stores, websites and social media). » Developments noted are being evaluated and implemented across the Group where practical for the Zimbabwean situation.
Relevant store look	» In all the cities and towns that we trade in we position our stores in prime and accessible locations. » Management are committed to modern stores. This is reflected in an on-going programme of store renovations and revamps. Progress made in this regard in the current year is reported under manufactured capital.
Managing leases	» Leases were an area of focus in F2023 due to the volatility of our local currency– management successfully negotiated rentals for the 2023 year. » Leases were agreed on terms that aimed at short term tenures. » We have noted some instances where landlords are advocating for short lease tenures to allow for repricing when economic conditions deteriorate.

Managing credit risk

Drive account growth	» The ratio of the ZWL active accounts hit a low of 27.9% by the end of Q4, closing the year with an average active accounts of 24.9%. » The USD active accounts closed the year at an average of 89.4%. » Account utilisation remained low due to the hostile credit environment obtaining. There was a decline in the number of active accounts after the review of the monetary policy in July 2022. » Going forward management is looking at improving the ratio of active accounts by a combination of opening up credit and improving customer engagement.
Improved engagement with account holders	» The year to date saw increased use of existing platforms (SMS and websites), the launch of the new platforms (online stores and WhatsApp trading) and an increased uptake in online microfinance loan applications. » Subscribers in our Facebook and Instagram pages grew as disclosed under social and relationship capital. » The Thank U Loyalty program was initiated in 2021 with excited customers taking advantage of the program to buy merchandise using their loyalty points. Management has scaled up advertisement of the program to increase customer awareness.
Leverage existing information base	» The ability to synthesize information from existing data on payment history, purchasing patterns and fashion preferences as well as cross referencing against other databases e.g. the credit bureau, social media remain one of the underdeveloped areas of the business. » Bringing this information together could be key in predicting customer behaviour and in launching new products.
Adjust offering to match changes in the environment	» Management studied the market closely during the year and were able to revise credit offerings as circumstances changed e.g. customising credit limits offered to individual earning power, limiting credit period to levels that could be safely supported by available liquidity. » The experience and skills gained in this challenging period will prove invaluable in the future.

Managing the risk of fashion

Changing fashion and retail trends	» We have developed relationships with designers, merchandisers and suppliers from South Africa and other parts of the world that we can tap in for fashion direction. We continue to leverage these relationships through group procurement amongst other ways. » As a market leader we actively continue to expand our brands either internally or through partnerships with external parties.
Merchandise staff retention and up skilling	» The group has internal training programmes for its merchandisers and retail management developed from our long association with Edcon (SA).
Inventory aging and cover	» The group merchandise team constantly monitor stock aging and cover within pre-set parameters. Corrective action is taken as soon as is possible but not longer than a month where needed
Merchandise supply strategy	» We continued capacitating suppliers in the current year through local procurement and financing. » Local suppliers help to mitigate against supply disruptions. This supports our thrust to maintain adequate supplies to the chains. » As part of the IT roadmap, the Group is looking into investing in data warehouses and analytical tools that quickly and accurately allow insight into historical and current selling trends which impact forward planning and procurement.

OUR PEOPLE

EDGARS STORES LIMITED BOARD OF DIRECTORS

Executive Directors

Sevious Mushosho (49)
Group Chief Executive Officer
Chartered Accountant (Zimbabwe)
Joined the Group in 2022
Appointed to the Board in June 2022

Chesternoel Muteve (46)
Group Chief Finance Officer
Chartered Accountant (Zimbabwe)
Joined the Group in January 2024
Appointed to the Board in January 2024

Peter Danisa Mnyama (49)
B.Com Marketing Management,MDP,EDP
Joined the Group in 1997
Appointed to the Board in September 2023

Non-Executive Directors

Themba N. Sibanda (70)
Chairman of the Board of Directors
Chartered Accountant (Zimbabwe)
Appointed to the Board in 2003

Canaan F. Dube (67)
Member of the Audit and Remuneration Committees
LLB (Honours) and MBA (MSU)
Appointed to the Board in 2004

Christo Claassen (55)
Chairman of the Audit Committee
Chartered Accountant (South Africa), MBA (Scotland)
Appointed to the Board in March 2022

Mark Robb (46)
Member of the Audit Committee
B.Com Hons Information Systems
Appointed to the Board in September 2023

Matthew Hosack (41)
Chairman of the Remuneration Committee
B.Bus. Science (UCT)
Appointed to the Board in December 2019

CORPORATE GOVERNANCE REPORT

Statement of responsibility for the Financial Statements

The Board of Directors is responsible for leadership, strategy formulation and implementation, governance and performance of Edgars Stores Limited. The Board discharges this obligation directly in meetings and through delegation to its sub-committees and management.

The Board's responsibilities are well defined and adhered to. These are based on a pre-determined assessment of materiality and include amongst others:

- » Compliance with corporate governance principles (National Code of Governance in Zimbabwe).
- » Evaluating and reviewing the group's strategic direction.
- » Reviewing the group's risk universe and placing risk management responses.
- » Reviewing the performance of executive management against business plans, budgets and industry standards.
- » Ensuring that an effective and efficient internal control system through a comprehensive system of policies and procedures.
- » Setting the correct tone on ethical behaviour and ensuring compliance with relevant laws and regulations.
- » Evaluating on a regular basis material economic political, social and legal matters in the environment that impact the business and its various stakeholders, and directing appropriate responses.
- » Taking external expert advice in the discharge of its duties.
- » Relevant and reliable financial reporting.

Size and experience of the Board

This is dictated by the articles of association of the company which permit a maximum of 12 directors. The Board currently has 8 members and is chaired by an Independent non-executive Chairman.

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Board Expertise

Attendance at Board meetings

Main Board

Board Attendance	Mar 2023	Jun 2023	Sep 2023	Dec 2023
T N Sibanda*	√	√	√	√
C Claassen*	√	×	√	√
C F Dube*	√	√	√	√
H. Vundla	√	√	√	n/a
M Hosack*	√	√	√	√
M Robb*	n/a	n/a	n/a	√
M Hosack*	√	√	√	√
P D Mnyama	n/a	n/a	√	√
T N Ndlovu	√	√	√	n/a
S Mushosho	√	√	√	√

» Messrs T.N Ndlovu and H.Vundla resigned from the Company and the Board in October 2023.

Key:

*Non-Executive Director

√ - attended

× – did not attend

n/a - not applicable

In the year to date the Board deliberations included the following:

Approved

- » Strategy adjustments – adopting a variable basis for business costs, interventions on aged stock, lease costs and balance sheet value preservation.
- » Adoption of sustainability reporting and corporate governance best practice in compliance with the new Zimbabwe Stock Exchange (ZSE) regulations.
- » Financial budgets for the F2023 financial year and the ensuing 2024 financial year.
- » The General Enabling Resolution providing for general signing and authorisation matrices for the Company.

	T.N Sibanda	C. F Dube	M. Robb	M. Hosack	C. Mutevhe	P.D. Mnyama	S. Mushosho	C. Claassen
Strategic planning and risk management	•	•	•	•	•	•	•	•
Retail			•	•	•	•	•	•
Corporate law		•			•		•	•
Corporate governance	•	•	•	•	•	•	•	•
Reporting, finance and taxation	•				•		•	•
Corporate affairs and communication	•	•			•	•	•	•
Financial services and markets				•				
Information technology*				•	•		•	
Human resources*								
Marketing*						•		•

* Human resources expertise is housed within the management team (Excom) being the Group Human Resources Executive. The Remuneration Committee is currently looking at strengthening the Board experience in this area.

Approved(continued)

- The resignationof Messrs H Vundla as an Executive Director and member of the Board.
- New performance based remuneration policy for the group that covered inter alia executive remuneration, bonuses and motor vehicle scheme.

Noted and led

- Management to continuously seek to improve internal controls and keep the company growing under difficult trading conditions
- The collective experience of the Board including their knowledge of other company operations was critical in guiding management in business strategy in a hyperinflationary environment.

Audit and Risk Committee

The Audit Committee continuously evaluates the Group's exposure and response to significant risk, reviews the appropriateness and adequacy of the systems of internal financial and operational control, reviews and evaluates accounting policies and financial information issued to the public, ensures effective communication between directors, management, internal and external auditors, reviews the performance of the internal and external auditors, recommends the appointment of the external auditors and determines their fees.

The Audit Committee is regulated by specific terms of reference, it is chaired by a non-executive director and comprises of non-executive directors. The Chief Executive Officer, Chief Finance Officer, Head of Group Internal Audit, and The External Auditors attend and present reports to the Committee. The Audit Committee occasionally invites external experts to its meetings. It meets at least thrice a year to discuss accounting, auditing, internal control, financial reporting and risk management matters. The Committee also reviews compliance with VFEX listing requirements, corporate governance codes and applicable laws. The external and internal auditors meet regularly with and have unrestricted access to the Audit Committee.

Audit	March 2023	June 2023	Sep 2023	Dec 2023
C F Dube*	√	√	√	√
C Claassen*	√	√	√	√
M Robb*	n/a	n/a	n/a	√
S Mushosho*	√	√	√	n/a

- Messrs M Robb was appointed to the Board and the Audit Committee in September 2023.
- Messrs S Mushosho was appointed as the Group Chief Executive Officer effective 1 November 2023.

Key:

* - Non-Executive Director
√ - attended
× - did not attend
n/a - not applicable
• - No meeting

The year to date was a particularly busy one due to the myriad of changes in legislative and reporting requirements. The main issues deliberated on by the committee included:

Reviewed and recommended to the Board

- Approval of the internal audit plan for F2024
- Interrogation of internal audit procedure outcomes for F2023
- Review and update of the risk matrix especially the emergent areas of governance, compliance with laws and regulations, IT and Cyber risk. This exercise is on-going and will continue into F2024
- Application of IAS 29 : Financial reporting in hyperinflationary economics
- Review on-going application of sustainability reporting
- On-going assessment of the independence of internal and external auditors
- Review and ratification of significant transactions with related parties
- External Auditor performance
- Evaluation of Internal Audit department performance

Remuneration and Nominations Committee

This Committee's function is to approve a broad remuneration strategy for the Group and to ensure that directors and senior executives are adequately remunerated for their contribution to operating and financial performance, in terms of base pay as well as short and long-term incentives.

Attendance at Remuneration Committee Meetings

Remuneration	March 2023	June 2023	Sep 2023
T N Sibanda*	√	√	√
C F Dube*	√	√	√
M Hosack*	√	√	√

Key:

* - Non-Executive Director
√ - attended

Key activities for the committee in the year to date incorporated:

Reviewed and recommended to the Board

- Board of Directors composition
- Approval of Executive remuneration increase
- Approval of Executive appointments
- Approval of Sales Incentives for lower-level staff
- Approval of the 2023/2024 Succession Plan for Group Executive roles

The People Report

	F2023	F2022
Total number of employees	1 303	1 247
Female employees	54%	49%
Employees with disability	4	4
Retail employees	534	668
Manufacturing employees	405	147
Microfinance Unit employees	58	76
Corporate employees	306	356
Days lost to industrial action	Nil	3

Development of Critical Skills

We continued our efforts to develop our own mission-critical skills such as Merchandise Planning, Merchandise Procurement and specialized Apparel Retailing which are not readily available on the Zimbabwean employment market. Alongside this, a class of expedited Retail Trainees completed training and most of them have already taken up store management roles in retail chains. Some of these will readily fit into the Express Chain. In addition to the above initiatives, a training school for machinists, pattern makers and graders was introduced to ensure a continuous supply of high-quality skills in line with the Edgars quality standards. All these initiatives are in support of business growth strategy.

Along with the foregoing the business had continued to leverage online platforms for both training, development and meetings. This initiative has helped develop critical technology skills as well as significantly cut down on training and travel costs.

Building our Employee Relations Strategy

Our efforts at building collaborative and transparent employer-employee relationships continued and enabled the business to find its way through the very difficult operating environment characterized by high operating costs (people costs included). All scheduled Works Council meetings were held and communication between Management and leaders of organized labour were scaled up with a view to bring common appreciation of environmental factors affecting the operations of the business. A smaller committee consisting of key Human Resources staff and Worker's Representatives assists to close any communication gaps that could arise from time to time.

Developing a good, ethical and entrepreneurial culture

The business commenced a culture change initiative whose main objective is to embed professional and ethical standards wired in aggressive entrepreneurial spirit to withstand the tough and complex operating environment.The foundation of these ethos was to review Standard Operating Procedures (SOPs) to direct and encourage required business attitudes and set of behaviours.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with IFRS Accounting Standards.

The Group prepares financial statements with the aim to fully comply with IFRS Accounting Standards which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). 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). The external auditors are engaged to express an independent opinion on the financial statements.

The inflation adjusted consolidated and separate financial statements of the group have not been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC) as a result of non-compliance with International Accounting Standard (IAS) 21 "Effects of Changes in Foreign Exchange Rates" and IFRS 13 "Fair Value Measurements". The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing, and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

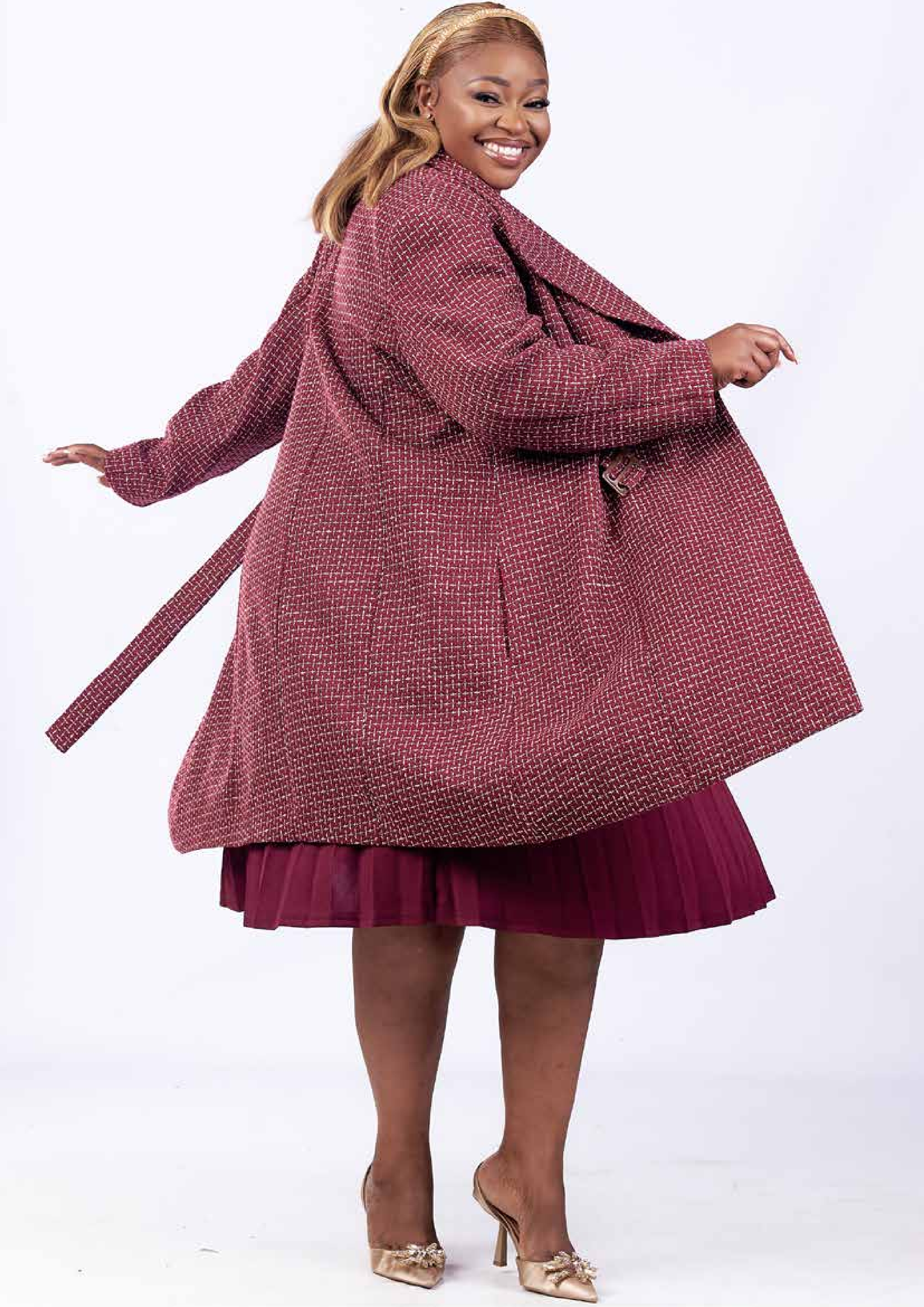
The directors have reviewed the Group's cashflow forecast for the year from the date of signing this report and, considering this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 27 to 30.

The financial statements set out on pages 32 to 97, which have been prepared on the going concern basis, were approved by the board of directors on 20 May 2024 and were signed on their behalf by:

Approval of financial statements

Director **Director**



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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EDGARS STORES LIMITED

REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS.

Adverse Opinion

We have audited the inflation adjusted consolidated and separate financial statements of Edgars Stores Limited (the "Company") and its subsidiaries (the "Group") set out on pages 32 to 97, which comprise the inflation adjusted consolidated and separate statements of financial position as at 7 January 2024, and the inflation adjusted consolidated and separate statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statements of changes in equity and the inflation adjusted consolidated and separate statements of cash flows for the 52 weeks then ended, and the notes to the inflation adjusted consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted consolidated and separate financial statements do not present fairly, the inflation adjusted financial position of the Group and Company as at 7 January 2024, and its inflation adjusted financial performance and cash flows for the 52 weeks then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21) with respect to change in functional currency and use of exchange rates

IAS 21 requires that the functional currency of an entity reflect the underlying transactions, events and conditions that are relevant to the entity, and to change the functional currency when there is a change in those underlying transactions, events, and conditions. Whilst the Group's and Company's indicators have provided evidence of a change in functional currency for the entity to United States Dollars (USD) from the beginning of the current 52 weeks period ended 7 January 2024, management have elected to maintain the Zimbabwe Dollar (ZWL) as the entity's functional currency. This does not comply with the requirements of IAS 21, which requires that when there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.

In addition, during the comparative and current periods, the Group and Company applied exchange rates that did not meet the definition of spot exchange rates in accordance with IAS 21, as they were not available for immediate delivery during the comparative and current periods.

We were unable to quantify the effects of the departures from IAS 21, but the effects are considered to be material and pervasive to the inflation adjusted consolidated and separate financial information as a whole.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EDGARS STORES LIMITED

Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements (continued)

Basis for Adverse Opinion (continued)

Non–compliance with IFRS Accounting Standard 13 "Fair Value Measurements" (IFRS 13) in the determination of the value of Property, Plant and Equipment in the comparative and current periods

The method of determining the fair value of property, plant and equipment as at 9 January 2022 and 7 January 2024 was not an accurate reflection of market dynamics and the risk associated with transactions on a willing buyer, willing seller basis. Management determined the ZWL equivalent fair values by translating the USD valuations using an estimated exchange rate. In addition, as explained in note 4, the directors determined the fair values of property, plant and equipment in the current period internally through a directors' valuation exercise.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. In the prior years, we found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable. However, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the application of the ZWL/USD blended exchange rate in the determination of the final ZWL fair valuations presented for the prior years. The Group did also not disclose the unobservable significant inputs applied in the determination of fair value as is required by IFRS 13.

IFRS 13 further requires:

- a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests; and

- fair value to reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

We were therefore unable to obtain sufficient appropriate evidence to support the determination of the ZWL fair valuations presented for the prior and current periods.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International 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 adverse opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, the Directors' Responsibility Statement, as required by the Companies and Other Business Entities Act (Chapter 24:31), and the Supplementary Information (historical financial statements), 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 and separate financial statements and our auditor's report thereon.

Our opinion on the 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 and separate 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 and separate 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. Given the nature of the matters set out in the Basis for Adverse Opinion section above, we have concluded that the other information is materially misstated for the same reasons.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EDGARS STORES LIMITED

Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements (continued)

Responsibilities of the directors for the Inflation Adjusted Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the Group's and Company'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 and/or Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate 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 and separate financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate 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 and Company'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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and separate 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 and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF EDGARS STORES LIMITED

Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated and Separate 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 and separate 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:

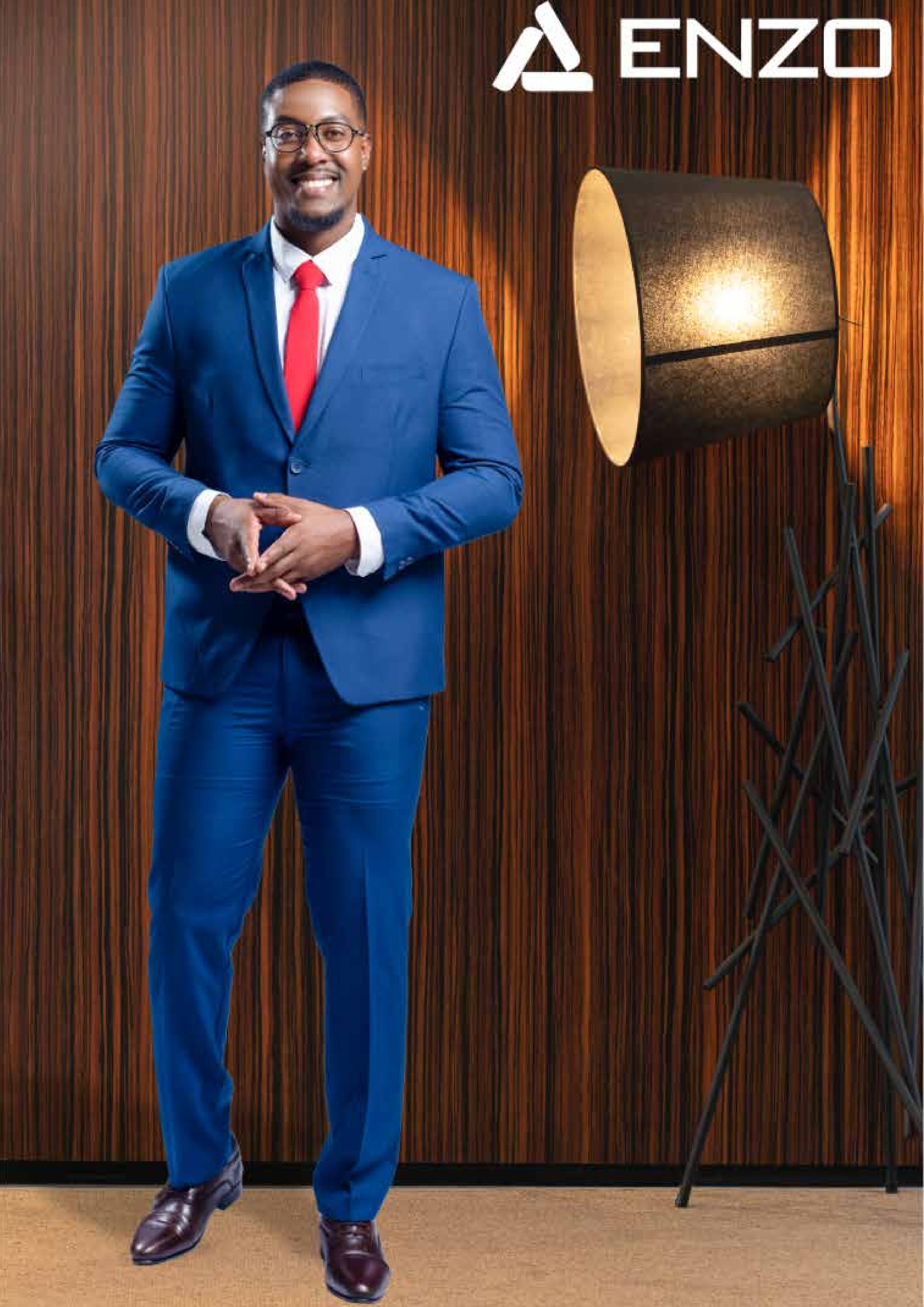
Section 193(1) (a)
Because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated and separate financial statements of the Group and Company are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's and Company's affairs 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 Section 193(2) requirements of the Act, in addition to those already addressed in the Basis for Adverse Opinion section of our report.

Deloitte & Touche

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)
PER: STELIOS MICHAEL
(PAAB PRACTICE CERTIFICATE NUMBER 0443)
PARTNER
REGISTERED AUDITOR
HARARE, ZIMBABWE

DATE: 20 MAY 2024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INFLATION ADJUSTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 7 JANUARY 2024

		Group		Company	
Figures in Zimbabwe dollars (ZWL)	**Note(s)**	**2023**	**2022**	**2023**	**2022**
		7 January 2024	**8 January 2023**	**7 January 2024**	**8 January 2023**
Assets					
Non-Current Assets					
Property, plant and equipment	4	30 452 441 420	11 653 296 390	28 884 319 829	11 181 516 075
Right-of-use assets	5	10 965 071 794	11 749 481 342	10 965 071 794	11 749 481 342
Intangible assets	6	944 189 959	1 127 622 606	944 189 959	1 123 750 977
Investments in subsidiary	7	-	-	1 036 387 894	1 036 387 894
Deferred tax	8	-	250 679 165	-	-
		42 361 703 173	**24 781 079 503**	**41 829 969 476**	**25 091 136 288**
Current Assets					
Inventories	10	56 830 176 072	19 507 738 032	56 803 102 211	19 480 432 287
Loans and advances to customers	11	7 813 659 098	3 354 044 916	-	-
Trade and other receivables	12	101 472 476 014	41 843 564 661	100 922 893 850	41 496 596 576
Intercompany loan	9	-	-	-	1 072 226 095
Income tax receivable	32	356 689 136	-	846 477 990	-
Bank and cash balances	13	8 104 398 106	11 015 151 743	7 602 065 135	10 469 221 602
		174 577 398 426	**75 720 499 352**	**166 174 539 186**	**72 518 476 560**
Total Assets		**216 939 101 599**	**100 501 578 855**	**208 004 508 662**	**97 609 612 848**
Equity and Liabilities					
Equity					
Share capital	14	4 379 657 459	4 379 657 459	4 379 657 459	4 379 657 459
Reserves	15	20 726 619 125	4 455 618 771	16 644 309 042	4 261 769 700
Retained income		55 246 203 976	32 404 996 180	54 356 710 768	31 991 435 836
		80 352 480 560	**41 240 272 410**	**75 380 677 269**	**40 632 862 995**
Liabilities					
Non-Current Liabilities					
Borrowings	16	436 581 229	329 412 697	436 581 229	329 412 697
Borrowings -Related Parties	16&36	9 369 438 525	2 409 558 182	9 369 438 525	2 409 558 182
Deferred tax	8	17 797 584 676	3 953 659 291	17 142 578 422	3 953 659 291
Lease liabilities	5	4 305 732 544	-	4 305 732 544	-
		31 909 336 974	**6 692 630 170**	**31 254 330 720**	**6 692 630 170**
Current Liabilities					
Trade and other payables	17.1	45 956 148 393	16 967 591 482	45 377 367 768	16 697 919 222
Borrowings	16	27 353 603 135	20 912 164 279	24 347 585 703	19 645 849 391
Borrowings -Related Parties	16&36	12 665 249 413	-	12 665 249 413	-
Lease liabilities	5	18 699 866 769	12 173 732 127	18 699 866 769	12 173 732 127
Current tax payable	32	-	1 610 623 408	-	862 053 964
Dividend payable	19	370 059	9 825 834	370 059	9 825 834
Intercompany loan	9	-	-	277 014 665	-
Contract liabilities	18	2 046 296	894 739 145	2 046 296	894 739 145
		104 677 284 065	**52 568 676 275**	**101 369 500 673**	**50 284 119 683**
Total Liabilities		**136 586 621 039**	**59 261 306 445**	**132 623 831 393**	**56 976 749 853**
Total Equity and Liabilities		**216 939 101 599**	**100 501 578 855**	**208 004 508 662**	**97 609 612 848**

The financial statements and the notes on pages 32 to 97, were approved by the board of directors on the 20th of May 2024 and were signed on its behalf by:

Director **Director**

INFLATION ADJUSTED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 7 JANUARY 2024

		Group		Company	
Figures in Zimbabwe dollars (ZWL)	**Note(s)**	**2023 For the 52 weeks to 7 January 2024**	**2022 For the 52 weeks to 8 January 2023**	**2023 For the 52 weeks to 7 January 2024**	**2022 For the 52 weeks to 8 January 2023**
Revenue	20	**294 001 864 237**	**172 628 577 372**	**283 109 336 263**	**161 680 587 785**
Sale of merchandise	20	244 869 336 006	125 726 219 037	244 869 336 006	125 726 219 037
Cost of sales		(185 316 875 381)	(66 718 467 810)	(185 316 875 381)	(66 718 467 810)
Gross profit		**59 552 460 625**	**59 007 751 227**	**59 552 460 625**	**59 007 751 227**
Revenue from Microfinance Institutions and debtors accounts	20	48 584 548 155	46 424 650 015	37 692 020 181	35 476 660 428
Other revenue	20	547 980 076	477 708 320	547 980 076	477 708 320
Other (losses)/income	21	(51 701 363)	370 932 688	276 009 034	418 789 635
Other expenses		(61 587 514 975)	(22 649 459 235)	(54 391 210 803)	(17 750 916 906)
Movement in credit losses	22	(2 887 626 656)	(2 700 681 016)	(3 007 189 010)	(1 346 390 581)
Selling expenses – store expenses	26	(72 960 876 412)	(28 679 484 209)	(72 960 876 412)	(28 679 484 209)
Financial Services expenses	27	(17 471 326 549)	(15 312 264 620)	(17 471 326 549)	(15 312 264 620)
Trading (loss)/profit		**(46 274 057 099)**	**36 939 153 170**	**(49 762 132 858)**	**32 291 853 294**
Net foreign exchange (losses)/gains		(34 916 195 746)	1 111 008 291	(42 071 531 862)	357 095 860
Operating (loss)/profit		**(81 190 252 845)**	**38 050 161 461**	**(91 833 664 720)**	**32 648 949 154**
Finance costs	28	(20 285 308 975)	(20 768 161 582)	(19 638 133 596)	(20 174 624 910)
Net monetary gain/(loss)		142 145 423 891	(8 089 364 504)	145 415 066 207	(4 919 867 576)
Profit before taxation		**40 669 862 071**	**9 192 635 375**	**33 943 267 891**	**7 554 456 668**
Income tax expense	29	(14 571 577 260)	(8 258 238 651)	(11 577 992 959)	(7 300 016 567)
Profit for the year		**26 098 284 811**	**934 396 724**	**22 365 274 932**	**254 440 101**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Revaluation of property, plant, and equipment		17 287 358 314	-	16 448 644 184	-
Deferred tax liability arising on revaluation		(4 273 434 975)	-	(4 066 104 842)	-
Total items that will not be reclassified to profit or loss		**13 013 923 339**	**-**	**12 382 539 342**	**-**
Other comprehensive income for the year net of taxation		**13 013 923 339**	**-**	**12 382 539 342**	**-**
Total comprehensive income for the year		**39 112 208 150**	**934 396 724**	**34 747 814 274**	**254 440 101**
Earnings per share (cents):					
Basic	33	4 552.56	163	3 901.37	44.38
Diluted	33	4 528.58	162.14	3 880.83	44.15

The accounting policies on pages 38 to 53 and the notes on pages 54 to 97 form an integral part of the financial statements.

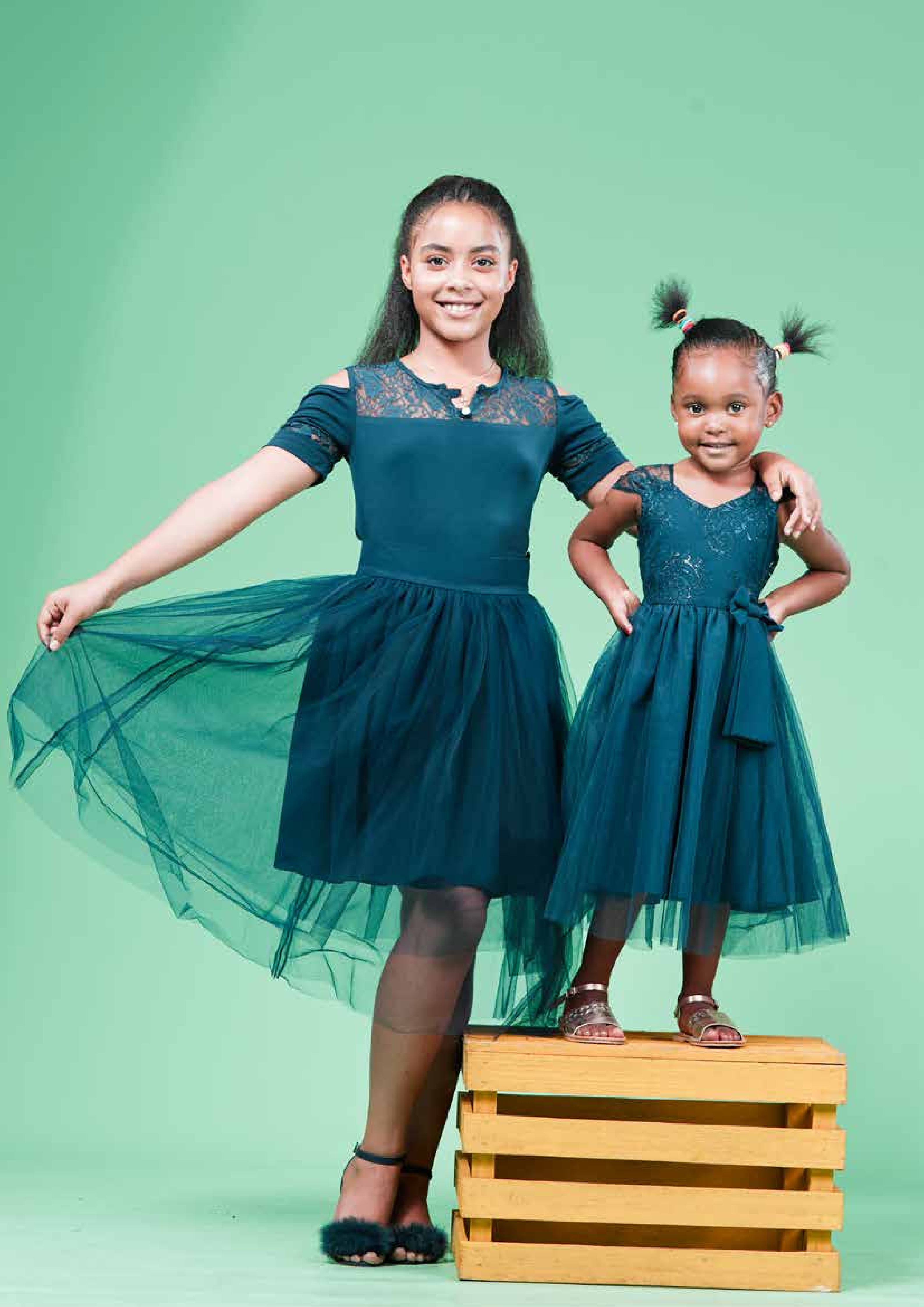
INFLATION ADJUSTED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 7 JANUARY 2024

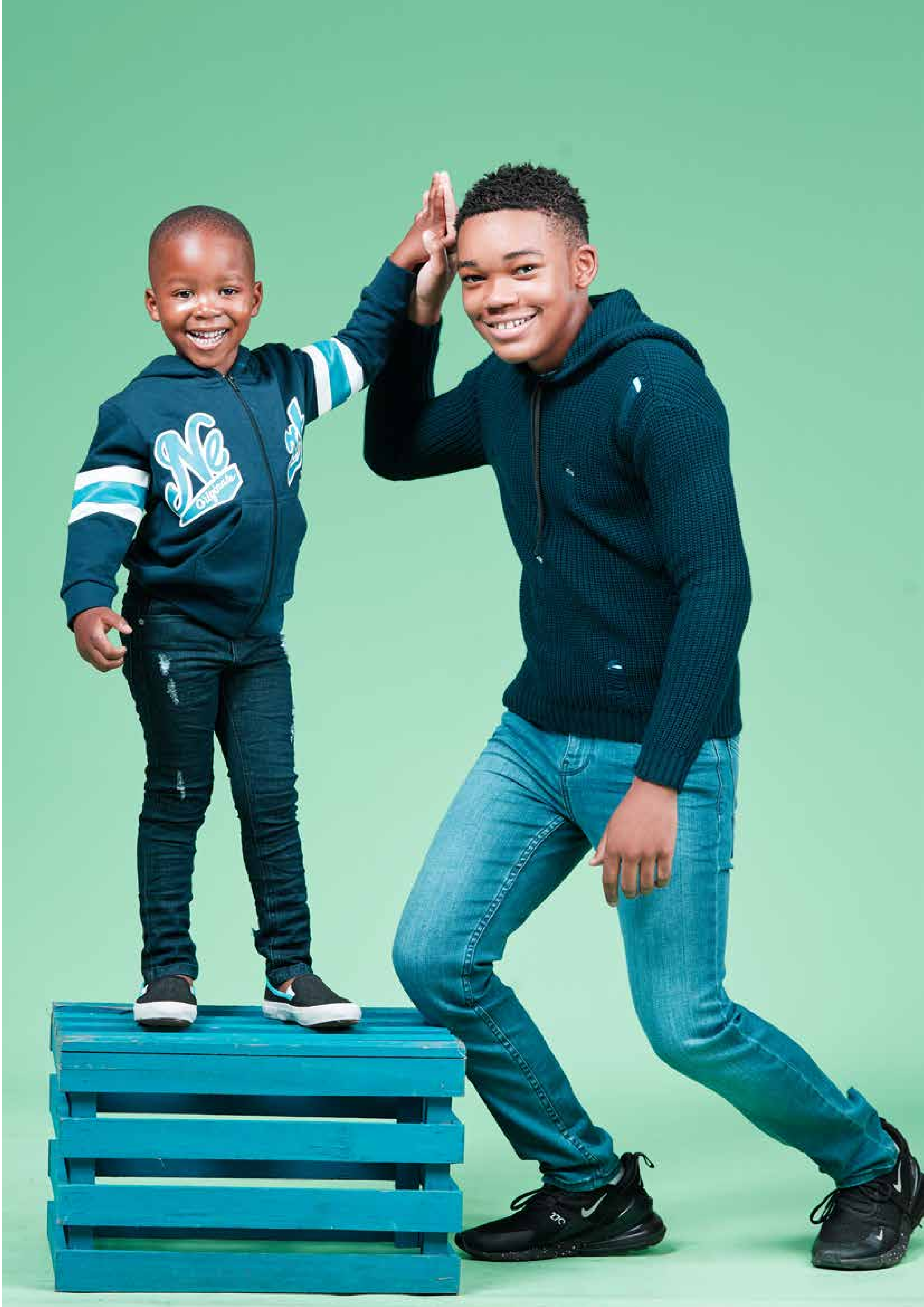
Figures in Zimbabwe dollars	Share capital	Revaluation reserve	Credit reserve	Equity settled employee benefits reserve	Total reserves	Retained income	Total equity
GROUP							
Balance at 09 January 2022	**4 379 657 459**	**3 175 922 041**	**222 186 320**	**1 057 510 410**	**8 835 276 230**	**31 470 599 456**	**40 305 875 686**
Profit for the year	-	-	-	-	-	934 396 724	934 396 724
Balance at 08 January 2023	**4 379 657 459**	**3 175 922 041**	**222 186 320**	**1 057 510 410**	**8 835 276 230**	**32 404 996 180**	**41 240 272 410**
Profit for the year	-	-	-	-	-	26 098 284 811	26 098 284 811
Other comprehensive income for the period	-	13 013 923 339	-	-	13 013 923 339	-	13 013 923 339
Total comprehensive income for the year	**-**	**13 013 923 339**	**-**	**-**	**13 013 923 339**	**26 098 284 811**	**39 112 208 150**
Transfer to credit reserve	-	-	3 257 077 015	-	3 257 077 015	(3 257 077 015)	-
Balance at 07 January 2024	**4 379 657 459**	**16 189 845 380**	**3 479 263 335**	**1 057 510 410**	**25 106 276 584**	**55 246 203 976**	**80 352 480 560**
COMPANY							
Balance at 09 January 2022	**4 379 657 459**	**3 204 259 290**	**-**	**1 057 510 410**	**8 641 427 159**	**31 736 995 736**	**40 378 422 895**
Profit for the year	-	-	-	-	-	254 440 101	254 440 101
Balance at 08 January 2023	**4 379 657 459**	**3 204 259 290**	**-**	**1 057 510 410**	**8 641 427 159**	**31 991 435 837**	**40 632 862 996**
Profit for the year	-	-	-	-	-	22 365 274 932	22 365 274 932
Other comprehensive income for the period		12 382 539 342			12 382 539 342		12 382 539 342
Total comprehensive income for the year	**-**	**12 382 539 342**	**-**	**-**	**12 382 539 342**	**22 365 274 932**	**34 747 814 274**
Balance at 07 January 2024	**4 379 657 459**	**15 586 798 632**	**-**	**1 057 510 410**	**21 023 966 501**	**54 356 710 769**	**75 380 677 270**
Note(s)	**14**	**15.1**	**15.2**	**15.3**			

INFLATION ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 52 WEEKS TO 7 JANUARY 2024

Figures in Zimbabwe dollars	Note(s)	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023 (Restated)*	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023 (Restated)*
Cash flows from operating activities					
Profit before taxation		40 669 862 071	9 192 635 375	33 943 267 891	7 554 456 668
Adjustments for:					
Finance income		(48 584 548 155)	(46 424 650 015)	(37 692 020 181)	(35 476 660 428)
Finance costs		20 285 308 975	20 768 161 582	19 638 133 596	20 174 624 910
Non-cash items	30	(87 391 614 753)	(9 542 239 221)	(87 361 243 508)	(6 439 582 884)
Changes in working capital:					
Decrease in inventories		34 178 750 360	10 670 526 956	34 178 518 476	10 682 217 965
Increase in trade and other receivables		(60 985 150 082)	(10 317 842 382)	(60 782 536 003)	(10 069 781 932)
Increase in loans and advances to customers		(3 826 305 911)	(850 076 543)	-	-
Increase in trade and other payables		28 988 556 911	298 062 572	28 679 448 546	127 759 949
(Decrease)/ Increase in contract liabilities		(892 692 849)	184 059 493	(892 692 849)	184 059 493
Cash used in operations		**(77 557 833 433)**	**(26 021 362 183)**	**(70 289 124 032)**	**(13 262 906 259)**
Tax paid	31	(5 018 343 106)	(4 743 960 216)	(2 611 103 642)	(4 397 844 025)
Finance income received		51 069 858 873	43 571 581 261	39 879 377 943	32 698 100 680
Finance costs paid		(17 257 507 112)	(17 602 814 563)	(16 610 331 733)	(17 009 277 891)
Lease interest paid	5	(2 796 984 201)	(3 370 972 999)	(2 796 984 201)	(3 370 972 999)
Net cash utilised in operating activities		**(51 560 808 979)**	**(8 167 528 700)**	**(52 428 165 665)**	**(5 342 900 494)**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(5 747 262 258)	(3 899 799 420)	(5 167 134 928)	(3 574 574 159)
Proceeds from disposal of property, plant and equipment		530 372 824	-	530 372 824	-
Loans repaid by subsidiaries		-	-	24 945 766 551	-
Loans to subsidiaries		-	-	(23 645 592 308)	(1 440 123 164)
Net cash utilised in investing activities		**(5 216 889 434)**	**(3 899 799 420)**	**(3 336 587 861)**	**(5 014 697 323)**
Cash flows from financing activities					
Proceeds from borrowings	16	177 717 130 446	92 681 979 736	162 518 179 684	89 399 963 843
Repayment of borrowings	16	(124 681 026 601)	(68 131 108 386)	(109 393 013 114)	(66 401 868 252)
Payment on lease liabilities	5	(12 130 870 145)	(3 752 334 958)	(12 130 870 145)	(3 752 334 958)
Net cash generated from financing activities		**40 905 233 700**	**20 798 536 392**	**40 994 296 425**	**19 245 760 633**
Total cash movement for the year		**(15 872 464 713)**	**8 731 208 272**	**(14 770 457 101)**	**8 888 162 816**
Cash and cash equivalents at the beginning of the year		11 015 151 743	7 414 351 377	10 469 221 602	6 655 339 889
Effect of exchange rate fluctuations on cash held		12 961 711 076	(5 130 407 906)	11 903 300 634	(5 074 281 103)
Cash and cash equivalents at the end of the year	13	**8 104 398 106**	**11 015 151 743**	**7 602 065 135**	**10 469 221 602**
Comprised of:					
Bank and cash balances		8 104 398 106	11 015 151 743	7 602 065 135	10 469 221 602
		8 104 398 106	**11 015 151 743**	**7 602 065 135**	**10 469 221 602**

*Refer to Note 43 for details on the restatement.





NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Edgars Stores Limited (the Company) is a public limited company incorporated and domiciled in Zimbabwe. Subsequent to year end, the Company withdraw its listing from the Zimbabwe Stock Exchange (ZSE) and became listed on the Victoria Falls Stock Exchange (VFEX) by way of subscription on April 5, 2024. The principal activities of the Company and its subsidiaries (the Group) include the manufacture of clothing, which it distributes and sells together with footwear, textiles and accessories through a network of stores in Zimbabwe. The Group also offers microfinance loans. The address of its registered offices and principal place of business are disclosed in the Directors' Report.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below.

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared on the going concern basis but not in compliance with the IFRS Accounting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements. This is due to non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21) with respect to change in functional currency and use of exchange rates and non–compliance with IFRS Accounting Standard 13 "Fair Value Measurements" (IFRS 13) in the determination of the value of Property, Plant and Equipment in the comparative and current periods. The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The financial statements are in compliance with the Companies and Other Business Entities Act (Chapter 24:31).

The inflation-adjusted financial statements of the Group and the Company have been compiled adopting principles from IFRS Accounting Standardsas issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations. Effective from beginning of year, the United States Dollar (USD) became the Group's functional currency. However, the Group and Company have retained the Zimbabwe Dollar (ZWL) as its functional and presentation currency up to end of the financial year 7 January 2024.

These accounting policies are consistent with the previous period.

2.2 APPLICATION OF IAS 29 - FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

These results have been prepared under the current cost basis in line with the provisions of IAS 29 as if the economy had been hyperinflationary from 7 January 2019 as confirmed by the Public Accountants and Auditors Board (PAAB) pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019.

In order to account for the rapid loss in purchasing power of the local currency, hyperinflation accounting principles require transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period. The group adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index from 08 January 2023 to the end of the reporting period. Monetary assets and liabilities and non- monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period.

Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially incurred, unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary gain or loss is recognised in the statement of profit or loss. All items in the statement of cashflows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in these consolidated financial statements have been restated to reflect the change in the general price index from 8 January 2023 to the end of the reporting period.

On the 3rd of March 2023, the Government issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTAT stopped reporting ZW$ inflation and CPI figures and only released blended CPI figures. There were further changes that introduced a geometric method of calculating blended inflation in September 2023

In May 2023, the Institute of Chartered Accountants of Zimbabwe (ICAZ) issued guidance on IAS 29 - Financial Accounting in Hyperinflationary Economies. This guidance suggested utilizing official publicly available data to determine Consumer Price Index (CPI) estimates. ZIMSTAT regularly publishes statistics on the Total Consumption Poverty Line (TCPL) in ZW$, which encompasses both food and non-food item expenses. By analysing the correlation between TCPL movements and officially published CPI data from January 2019 to January 2022, a robust relationship with a correlation coefficient of 0.99 was identified. Consequently, ICAZ determined that starting from February 2023, CPI could be estimated by adjusting the last published CPI figure based on the monthly TCPL movements. The Group has adopted this guidance.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)
2.2 APPLICATION OF IAS 29 - FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES (CONTINUED)

Date	Indices	Conversion Factor
31 December 2023	65 703.44	1.0000
30 June 2023	42 710.72	1.5383
Average 2023	35 185.37	2.5996
December 2022	13 672.91	4.8054
June 2022	8 707.35	7.5457
Average 2022	9 198.69	8.727

IAS 29 discourages the publication of historical costs results as the inflation adjusted results are the primary records.However, the historical costs results are included as supplementary information to allow for comparability, and to comply with statutory requirements.

CHANGE IN FUNCTIONAL CURRENCY

On 29 March 2020, the Government of Zimbabwe introduced Statutory Instrument, SI 85 of 2020, allowing the utilization of USD free funds for local transactions. Consequently, the Directors observed a blend of USD and ZWL sales, impacting the determination of the Group's functional currency. With more transactions predominantly in USD, the Directors concluded that the functional currency of the Group changed to United States Dollars with effect from January 9, 2023. The Group however maintained the Zimbabwean dollar as the functional and reporting currency for the year while assessing the long term national monetary policy environment.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group. The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

BUSINESS COMBINATIONS

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise because of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

2. MATERIAL ACCOUNTING POLICIES(CONTINUED)

2.3 BASIS OF CONSOLIDATION (CONTINUED)

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2.4 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

LEASE CLASSIFICATION AND LEASE TERM

The Group recognises a lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood of exercising, termination or extension of the option. The lease term will only include renewal options where we are reasonably certain that the renewal option will be exercised. The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate. The Group uses judgements when determining the borrowing rate by taking the following assumptions into account such as duration, currency, and inception of the lease.

ALLOCATION OF TRANSACTION PRICE TO CUSTOMER LOYALTY PROGRAMME

The points allocated in the customer loyalty programme provide a material right to customers that they would not receive without purchasing the goods. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis.

Management estimates the stand-alone selling price per point based on the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated based on the retail price.

KEY SOURCES OF ESTIMATION UNCERTAINTY

IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Forward-looking information used for impairment assessments as required by IFRS 9 Financial Instruments in the application of the Expected Credit Loss method incorporate significant judgements and assumptions. These judgements and assumptions are detailed further in note 2.8. Forward-looking information used for impairment assessments as required by IAS 36 Impairment of Assets incorporate significant judgements and assumptions. These judgements and assumptions are detailed further in note 2.8.

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE INVENTORY

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

CPI INDICES

The Group used the price indices provided by the Zimbabwe Statistical Office as reported on the Reserve Bank of Zimbabwe website up to February 2023.Due to lack of an officially published ZWL$ CPI, the Group adopted an estimated CPI for periods after February 2023. The estimated CPI was derived by adjusting the last published CPI (February 2023) by the monthly movement of the Total Consumption Poverty Line.

FAIR VALUE ESTIMATION

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. For land and buildings, qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs and on a need basis for all other assets or a Directors' valuation is performed. Information about the specific techniques and inputs of the various assets is disclosed in note 4.

2. MATERIAL ACCOUNTING POLICIES(CONTINUED)
2.4 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

IMPAIRMENT TESTING

Annually, the group reviews and tests the carrying value of assets due to the brands having an indefinite useful life to determine if the carrying amount may not be recoverable. Management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions which have been documented in note 6. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs. Refer to note 6 for the detailed note.

RESIDUAL VALUES AND USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Management assesses the appropriateness of the residual values and useful lives of property, plant and equipment at the end of each reporting period. The residual values of assets are reviewed annually and adjusted.The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life and residual value of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence, and usage requirements.

When the estimated useful life and residual value of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

ESTIMATION UNCERTAINTY ARISING FROM VARIABLE LEASE PAYMENTS

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets which the group holds for its own use which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment, is stated at revalued amounts less subsequent accumulated depreciation and accumulated allowance for impairment. The revalued amount is based on periodic, valuations, less subsequent accumulated depreciation, and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and net amount is restated to the revalued amount of the asset. Revaluations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Increases in the carrying amount arising on the revaluation of property and equipment is credited to a revaluation reserve in shareholder's equity. Decreases that offset previous increases of the same asset are charged against its revaluation reserve directly in equity to the extent of any credit balance existing in the revaluation surplus in respect of that particular asset. Any decreases that exceed the previously recognised revaluation surplus of a particular asset should be recognised as any expense in profit and loss. Increase in the carrying amount arising from revaluation shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss.

The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised to write off the inflation adjusted cost of assets or revalued amounts (other than land) less their residual values over their useful lives using the straight-line method.

CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost and not depreciated. Depreciation on capital work in progress commences when the assets are ready for their intended use.

The useful lives of items of property, plant and equipment have been assessed as follows:

2. MATERIAL ACCOUNTING POLICIES(CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Item	Depreciation method	Average useful life
Buildings	Straight line	40 years
Plant and machinery	Straight line	5-10 years
Furniture, fittings, and equipment	Straight line	5-10 years
Motor vehicles	Straight line	5-7 years
Computer equipment	Straight line	5-10 years
Leasehold improvements	Straight line	2-10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant, and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant, and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.6 INTANGIBLE ASSETS

An intangible asset is recognised when:

» it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

» the cost of the asset can be measured reliably.

Intangible assets (operating software and brands) are initially recognised at cost. Brands have an indefinite useful life.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors (GDP growth rates, volume/sales units' growth, cashflow projections), there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as
follows:

Item	Depreciation	Average useful life
Operating software	Straight line	5-10 years

2.7 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

2.8 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or an equity instrument of another entity.

FINANCIAL ASSETS

Financial assets are classified and measured, initially and subsequently at amortised cost or fair value through profit and loss. The classification depends on their contractual cashflows (SPPI test) and the group's business model for managing them. The group's financial assets are made up of cash and cash equivalents, trade receivables and loans to customers.

BUSINESS MODEL ASSESSMENT

The group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

1. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

2. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

3. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cashflows collected)

The expected frequency, value and timing of sales are also important aspects of the group's assessment. The group's model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cashflows after initial recognition are realised in a way that is different from the Group's original expectations, the group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

THE SPPI TEST

As a second step of its classification process the group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cashflows that are unrelated to a basic lending arrangement do not give rise to contractual cashflows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised:

» The rights to receive cashflows from the asset have expired; or

» The group has transferred its rights to receive cashflows from the asset or has assumed an obligation to pay the received cashflows in full without material delay to a third party under a 'pass-through' arrangement and either

(a) the group has transferred substantially all the risks and rewards of the asset; or

(b) the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cashflows from an asset, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

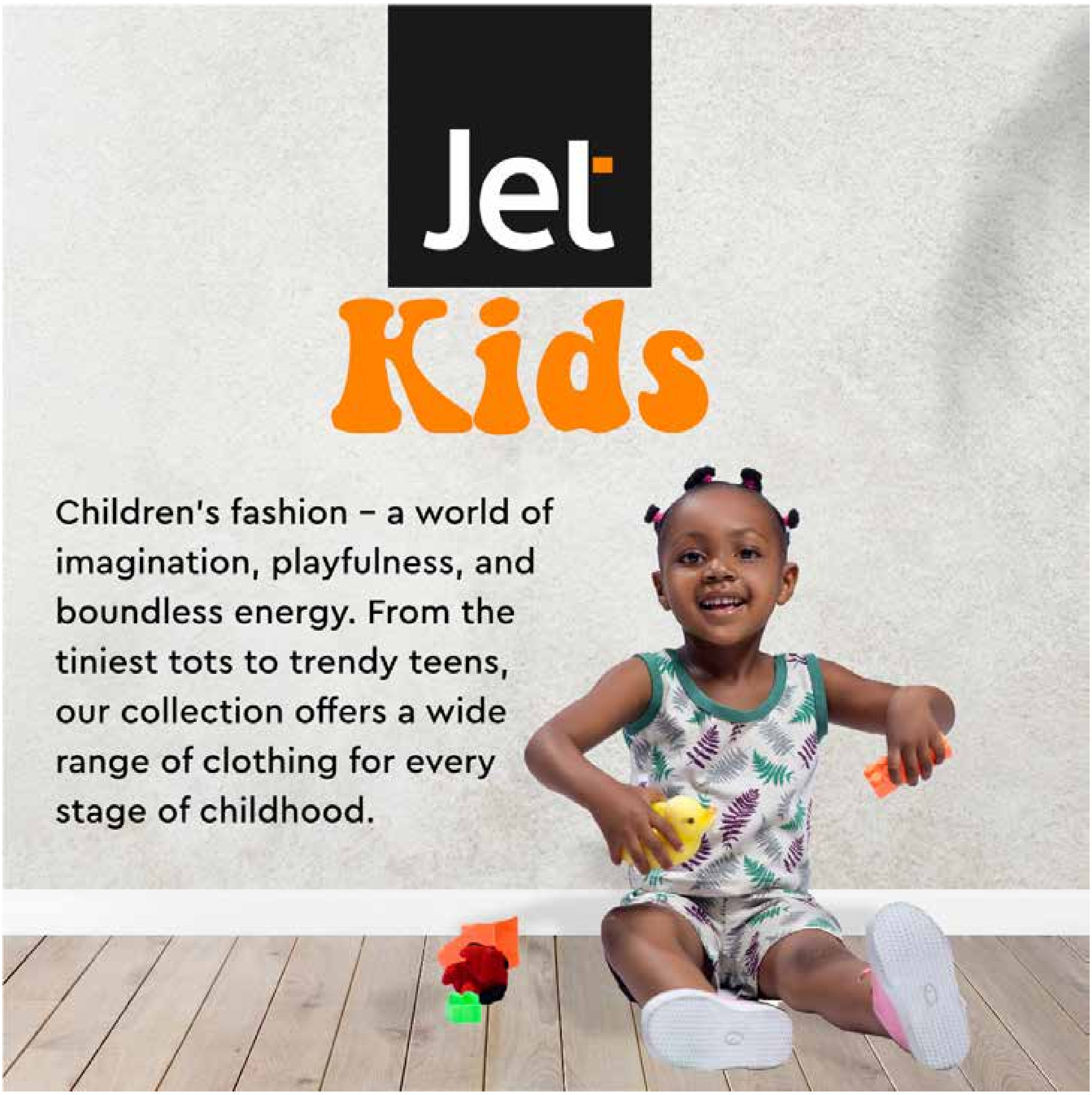
IMPAIRMENT OF FINANCIAL ASSETS

Impairment in terms of IFRS 9 is determined based on an Expected Credit Losses (ECL) model. The ECL model applies to all financial assets measured at amortised cost. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group at reporting date.

The group's financial assets are assessed for impairment each year based on the forward-looking ECL approach. The Group measures ECL by projecting the probability of write-off, exposure at write-off, timing of when write-off is likely to occur, and loss given write-off. The ECL is calculated by multiplying these components together. For variable rate financial instruments, the ECL is discounted using the current effective interest rate applicable to the portfolio of financial assets. For fixed rate financial instruments, the ECL is discounted using the original effective interest rate applicable to the portfolio of financial assets. The ECL model is recalibrated each year as needed to consider the changed economic environment in the country due to hyperinflation.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below. The Group's policies for determining if there has been a significant increase in credit risk are set out in note 12 and 37.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.


Jet
Kids
Children's fashion – a world of imagination, playfulness, and boundless energy. From the tiniest tots to trendy teens, our collection offers a wide range of clothing for every stage of childhood.

2.8 FINANCIAL INSTRUMENTS (CONTINUED)
IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The ECLs for all instruments are calculated per individual and results consolidated at portfolio level. The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The ECLs for all instruments are calculated per individual and results consolidated at portfolio level.

THE CALCULATION OF ECLS

The Group has applied the IFRS 9 general approach which takes into consideration staging, computation of 12-month ECL for stage one facilities and lifetime ECL for stage 2 and stage 3 facilities.A financial asset can move in both directions through the stages of the impairment model. The group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate or EIR. A cash shortfall is the difference between the cashflows that are due to an entity in accordance with the contract and the cashflows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

» Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. PD is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.

» Exposure at Default (EAD) is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.

» Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, a best case and a worst case). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans and advances to customers and trade receivables are expected to be recovered, including the probability that the financial assets will cure or the amount that might be received from recovery efforts. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the group has the legal right to call it earlier.

The group groups its loans and advances and trade receivables into Stage 1, Stage 2 and Stage 3, as described below:

» Stage 1: When loans and advances and trade receivables are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

» Stage 2: When a loan has shown a significant increase in credit risk since origination, and include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3. The Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. For trade and other receivables, the Group considers that there is a significant increase in credit risk when a customer's account is in arrears for more than 30 days based on contractual payment requirements.

» Stage 3: When a loan is considered as credit-impaired and there has been a default of credit terms as specified above. For trade receivables The Group's definition of credit-impaired is aligned to its internal definition of default which occurs when a customer's account is in arrears for more than 90 days based on contractual payment requirements. The group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

SIGNIFICANT INCREASE IN CREDIT RISK

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis (internal and external), based on the Group's historical experience and internally generated credit assessment and including forward-looking information.

The Group also considers the 30 days past due backstop indicator and credit risk grades. A loan is in default when the borrower is 90 days past due on any material credit obligation to the Group.

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

FORWARD LOOKING INFORMATION

In its ECL models, the group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates
- Reserve Bank of Zimbabwe minimum lending rates.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Refer to note 10 for further disclosures.

WRITE-OFFS

Financial assets are written off either partially or in their entirety only when the group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction .costs.

The group's financial liabilities include trade and other payables, loans and borrowings and bank overdrafts. Subsequent measurement. The measurement of financial liabilities depends on their classification, as described below:

LOANS AND BORROWINGS

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. For more information, refer to note 16.

TRADE AND OTHER PAYABLES

Trade payables are obligations based on normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into ZW$ using the exchange rate at the reporting date. Foreign exchange gains or losses are included in profit or loss.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Bank overdrafts that are payable on demand also comprise cash and cash equivalents as defined. For the purpose of the consolidated statement of financial position and cashflows bank overdrafts are shown under short term / current borrowings. This is because there is no automatic right to offset bank overdrafts against positive balances in separate banks – reporting cash and cash equivalents on a net basis would thus be grossly misleading.

2.9 TAX

CURRENT TAX ASSETS AND LIABILITIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

2.9 TAX (CONTINUED)

DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

TAX EXPENSES

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

» a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

» a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

2.10 LEASES

The Group operates in leased premises in most of the locations. At inception of the contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

GROUP AS LESSEE

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less. For these leases, the group recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the group is a lessee are presented in note 5 Leases (group as lessee).

LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

» fixed lease payments, including in-substance fixed payments, less any lease incentives.

» variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

» the amount expected to be payable by the group under residual value guarantees.

» the exercise price of purchase options if the group is reasonably certain to exercise the option.

» lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and

» penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of- use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the incremental borrowing rate) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 5 and 28).

2.10 LEASES (CONTINUED)
LEASE LIABILITY (CONTINUED)

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

» there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

» there has been a change in the assessment of whether the group will exercise a purchase, termination, or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

» there has been a change to the lease payments due to a change in a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

» there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

» a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

RIGHT-OF-USE ASSETS

Lease payments included in the measurement of the lease liability comprise the following:

» the initial amount of the corresponding lease liability.

» any lease payments made at or before the commencement date.

» any initial direct costs incurred.

» any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and

» less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	1-2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

GROUP AS LESSOR

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

OPERATING LEASES

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 5).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

2.11 INVENTORIES

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

2.12 IMPAIRMENT OF ASSETS

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

» tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

» tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

2.13 SHARE CAPITAL AND EQUITY

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

CREDIT RESERVE

Differences between the allowance for credit losses calculated using the Reserve Bank of Zimbabwe requirements and the expected credit loss allowance calculated using IFRS 9 specifications are recognised directly in equity. The Group has chosen to reclassify the difference in the credit loss allowance from Retained Earnings to the credit reserve.

The Reserve Bank of Zimbabwe requirements are as follows:

» 15.1.That every Microfinance Institution or MFI shall review, classify and appropriately make provisions for its loan portfolio not less frequently than each quarter, with a view to achieving the following objectives: a) to ensure the conformity of the loan portfolio and lending function to sound lending policy documented, approved and adopted by the board; b) to keep executive officers and the board adequately informed regarding portfolio risk; c) to properly identify and classify problem credits and, as necessary, place them on non-accrual basis in accordance with these Guidelines; to ensure that adequate provisions for potential losses are made; and d) to ensure that write-offs of identified losses are made in a timely manner.

» 15.2. Every MFI shall maintain sufficient records of every loan review, evaluations of individual loans and advances, and of the entries made to its provision for loan losses account.

2.14 SHARE BASED PAYMENTS

EQUITY SETTLED TRANSACTIONS

The cost of equity-settled transactions with employees for awards granted is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model, further details of which are given in note 16.

2.14 SHARE BASED PAYMENTS (CONTINUED)
EQUITY SETTLED TRANSACTIONS (CONTINUED)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

CASH SETTLED TRANSACTIONS

The cost of cash settled transactions with employees for awards granted is measured at the fair value of the liability. Until the liability is settled, the Group re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in value recognised in profit or loss for the period.

2.15 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The group pension scheme is a defined contribution scheme. The cost of retirement benefit is determined by the level of contribution made in terms of the rules. Employer contributions are recognised in profit or loss as they fall due. The group also participates in the National Social Security Authority pension scheme as required by legislation.

The cost of retirement benefit applicable to the National Social Security Authority Scheme is determined by the systematic recognition of legislated contributions and is recognised in profit or loss.

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, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all 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.

2.16 REVENUE FROM CONTRACTS WITH CUSTOMERS

The group recognises revenue from the following major sources:

- Sale of clothing, footwear, textiles and accessories.
- Loyalty points programme.
- Commission income.
- Subscriptions
- Fee Income
- Interest income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer. The revenue recognised by the entity is net of an intra group sales from the manufacturing plant to the retail chains.

SALE OF CLOTHING, FOOTWEAR, TEXTILES AND ACCESSORIES

Revenue from sale of clothing, footwear, textiles and accessories is recognised at the point in time when control of the asset is transferred to the customer, generally on when the customer has taken delivery of the merchandise, and the consideration has either been charged into their account or payment has been received in cash. Credit customers enjoy credit terms of up to 12 months. Interest income is charged on credit accounts on a month-by-month basis.

The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of clothing, footwear, textiles and accessories, the group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

LOYALTY POINTS PROGRAMME

The group has a loyalty points programme within Edgars and Jet Thank U, which allows customers to accumulate points that can be redeemed for monetary discount, subject to a minimum number (1,000) of points being obtained. The points do not expire, and no breakages were determined due to the nature of the programme. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

The stand-alone selling price of the loyalty points of the Group are fixed – each one thousand points is equivalent to one ZW$ discount on the customer's next purchase i.e., 1,000 points are equivalent to a ZW$ 1 discount. Outstanding loyalty point liabilities are therefore fixed and recorded under contract liabilities. Refer to note 18.

2.16 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

COMMISSION INCOME

Funeral and hospital insurance providers are charged a commission for collection of premiums on their behalf. Commission income is recognised as revenue when it is receivable from the underwriter i.e., in arrears.

RIGHT OF RETURN

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method based on historical data to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer. The Group's returns based on historical data are immaterial and have been accounted for net of sales.

SUBSCRIPTIONS

Revenue from subscriptions is recognised when a customer has accepted the terms and conditions applicable to the benefits of membership as offered by the group. The group runs the Edgars Club which members contribute monthly subscriptions.

FEE INCOME

Fee income, including administration fees, is recognised as the related services are performed. Administration fee relates to
account management activities such as customer request of instalment changes.

INTEREST INCOME

The entity provides a credit account for the customer's convenience, and provides finance loans through the subsidiary ClubPlus, at certain specified interest rates. The interest is charged on the utilised credit each month. Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cashflows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

INTEREST AND SIMILAR INCOME

The group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit- impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the group reverts to calculating interest income on a gross basis.

2.17 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

2.18 GROSS PROFIT

Gross profit is from the sale of merchandise only (sales of merchandise minus cost of inventory.

2.19 TRADING PROFIT

Trading profit is gross profit from the sale of merchandise as well as revenue earned in the form of interest on financing provided, other operating income and other revenue which is attributable to the ordinary revenue producing activities. Also included are expenses that are attributable to the ordinary revenue producing activities such as other operating expenses, store expenses and movement in credit losses.

2.20 OPERATING PROFIT

Operating profit is the profit before tax and finance costs. Finance income relates to income unrelated to financing provided to customers.

2.21 TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Zimbabwean dollars (ZWL). Although the Group's functional currency has changed in the current period to United States dollars (USD), the Group has maintained the ZWL as the functional currency for reporting purposes.

On Initial recognition all foreign currency transactions are recorded, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

» foreign currency monetary items are translated using the closing rate;

» non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

» non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cashflows arising from transactions in a foreign currency are recorded in ZWL by applying to the foreign currency amount the exchange rate between the ZWL and the foreign currency at the date of the cashflow.

2.22 NEW AND EFFECTIVE STANDARDS

ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.22 NEW AND EFFECTIVE STANDARDS (CONTINUED)
ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

Amendment	Nature of impact
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies	The group has adopted the amendments to IAS 1 for the first time in the current year. 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.

NEW AND REVISED IFRS ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendment	Nature of impact
1. Definition of Accounting Estimates (Amendments to IAS 8) Effective on or after 1 January 2024	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". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
2. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) Effective:1 January 2024	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
3. Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) Effective: 1 January 2024	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
4. Non-current Liabilities with Covenants (Amendments to IAS 1) Effective: 1 January 2024	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
5. IFRS 18 Presentation and Disclosure in Financial Statements Effective 1 January 2027	IFRS 18 aims to improve financial reporting by: » requiring additional defined subtotals in the statement of profit or loss; » requiring disclosures about management-defined performance measures; and » adding new principles for grouping (aggregation and disaggregation) of information

The directors anticipate that the adoption of these standards and interpretations in future years will have no material impact on the financial statements of the group and company.

3 SEGMENT INFORMATION REPORTABLE SEGMENTS

For management purposes, the group is organised into business units based on their products and services and has six operating reportable segments as follows:

RETAILING

Products are retailed through the following established brands:

Edgars: providing quality, fashion and convenient shopping at competitive prices to the whole family in the middle to upper- income groups. The brand offers fashion merchandise, with no compromise on quality, at competitive prices for the whole family. Edgars offers competitive credit to the customers. The pleasant, convenient stores offer our customers a superior shopping experience.

Jet: this brand provides quality, value and commercial fashion with compelling opening price points at very competitive prices to the whole family in the lower to middle income group. Our stores offer pleasant, economical shopping environments, laid out for self-service; with assisted service available if needed.

MANUFACTURING

Carousel (Private) Limited is our manufacturing business unit. Situated in Bulawayo, it produces a wide range of denim, ladies', children's and gents' casual wear that it supplies to our retail divisions as well as to other retailers.

MICROFINANCE

Club Plus (Private) Limited is the Group's microfinance business unit. Club Plus offers microfinance loans to the lower to middle income customer group at competitive interest rates.

FINANCIAL SERVICES

The unit manages sales extended to customers on credit. This includes activities that ensure the quality of the loan book is good such as collections, setting interest rates and establishing credit limits.

CORPORATE HEAD OFFICE

Provides centralised services to operational business units. These include treasury management, group reporting, information systems, human resources, distribution of retailing merchandise and performing centralised administration functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. All items that are not allocated to reporting segments are disclosed under Corporate.

Segment information by geographical area is not relevant as stores are spread throughout Zimbabwe. The entity does not have a customer that makes up more than 10% of revenue.

3 SEGMENT INFORMATION REPORTABLE SEGMENTS (CONTINUED)

Revenue for the 52 weeks to 7 January 2024

	Edgars Stores	**Jet Stores**	**Manufacturing**	**Microfinance**	**Corporate**	**Financial**	**Segments**	**Adjustments/**	**Consolidated**
Revenue	**Retail**	**Retail**	**Carousel**	**Club Plus**	**Head Office**	**Services**	**Total**	**(eliminations)**	**Total**
Retail sales	139 263 293 616	116 462 132 281	-	-	-	-	255 725 425 897	(10 964 077 502)	244 761 348 395
Manufacturing sales to third parties	-	-	107 987 611	-	-	-	107 987 611	-	107 987 611
Edgars club subscriptions	-	-	-	-	-	38 918 385	38 918 385	-	38 918 385
Hospital cash plan and insurance Commission	-	-	-	-	-	509 061 691	509 061 691	-	509 061 691
Inter-segments	-	-	17 570 095 183	-	-	-	17 570 095 183	(17 570 095 183)	-
Revenue from Microfinance and debtor accounts	-	-	-	10 387 137 031	-	38 197 411 125	48 584 548 156	-	48 584 548 156
Total revenue	**139 263 293 616**	**116 462 132 281**	**17 678 082 794**	**10 387 137 031**		**38 745 391 201**	**322 536 036 923**	**(28 534 172 685)**	**294 001 864 238**
Results									
Depreciation and amortisation	7 149 501 812	6 075 049 447	217 292 390	140 212 956	1 318 929 807	145 766 181	15 046 752 593	-	15 046 752 593
Operating segment Profit/(loss)	(34 853 654 361)	(43 108 370 358)	5 455 532 418	10 241 137 018	(2 285 247 475)	(16 639 650 087)	(81 190 252 845)	-	(81 190 252 845)
Finance costs	2 491 358 433	1 870 259 400	47 200 496	648 118 308	917 184 967	14 311 187 371	20 285 308 975	-	20 285 308 975
Segment profit/(loss) Before tax	14 854 987 206	7 127 061 628	5 408 331 923	9 593 018 710	(3 527 888 498)	7 214 351 102	40 669 862 071	-	40 669 862 071
Income tax	(837 568 037)	(249 568 300)	1 191 798 798	2 295 229 014	(20 810 369 172)	3 838 900 437	(14 571 577 260)	-	(14 571 577 260)
Segment assets	39 786 040 680	26 000 371 539	19 619 045 437	10 233 684 814	40 145 752 123	81 154 207 006	216 939 101 599	-	216 939 101 599
Segment liabilities	(58 815 380 058)	(52 149 589 754)	(5 747 272 064)	(582 798 376)	(9 797 204 731)	(9 494 376 056)	(136 586 621 039)	-	(136 586 621 039)
Capital expenditure	1 874 057 472	1 389 713 336	155 207 655	580 127 329	1 609 626 008	138 530 458	5 747 262 258	-	5 747 262 258

Revenue for the 52 weeks to 8 January 2023 **Restated

	Edgars Stores	**Jet Stores**	**Manufacturing**	**Microfinance**	**Corporate**	**Financial**	**Segments**	**Adjustments/**	**Consolidated**
Revenue	**Retail**	**Retail**	**Carousel**	**Club Plus**	**Head Office**	**Services**	**Total**	**(eliminations)**	**Total**
Retail sales	70 176 623 428	56 169 679 313	-	-	-	-	126 346 302 741	(7 168 504 322)	119 177 798 419
Manufacturing sales to third parties	-	-	6 548 420 618	-	-	-	6 548 420 618	-	6 548 420 618
Edgars club subscriptions	-	-	-	-	-	205 440 468	205 440 468	-	205 440 468
Hospital cash plan and insurance commission	-	-	-	-	-	272 267 852	272 267 852	-	272 267 852
Inter-segments	-	-	5 156 383 535	-	-	-	5 156 383 535	(5 156 383 535)	-
Revenue from Microfinance and debtor accounts	-	-	-	10 560 259 674	-	35 864 390 341	46 424 650 015	-	46 424 650 015
Total revenue	**70 176 623 428**	**56 169 679 313**	**11 704 804 153**	**10 560 259 674**	**-**	**36 342 098 661**	**184 953 465 229**	**(12 324 887 857)**	**172 628 577 372**
Results									
Depreciation and amortisation	2 587 358 554	2 411 158 748	52 082 125	75 585 091	1 391 507 119	124 829 127	6 642 520 764	-	6 642 520 764
Operating segment Profit/(loss)	14 952 823 784	10 031 584 740	1 956 043 040	5 584 324 438	689 922 009	4 835 463 450	38 050 161 461	-	38 050 161 461
Finance costs	3 770 304 607	3 462 511 164	4 526 857	600 846 788	(6 204 964 973)	19 134 937 139	20 768 161 582	-	20 768 161 582
Segment profit/(loss) Before tax	4 406 997 242	4 206 364 225	1 951 516 184	4 983 477 650	(7 224 256 567)	868 536 641	9 192 635 375	-	9 192 635 375
Income tax	3 357 637 885	2 238 381 910	702 325 482	1 010 492 624	(18 413 584 971)	2 846 508 419	(8 258 238 651)	-	(8 258 238 651)
Segment assets	47 600 960 127	38 163 744 079	3 634 571 883	4 947 996 596	1 021 753 476	5 132 552 694	100 501 578 855	-	100 501 578 855
Segment liabilities	(11 190 110 061)	(8 547 478 964)	(536 783 067)	(1 482 476 422)	(16 074 396 668)	(21 430 061 263)	(59 261 306 445)	-	(59 261 306 445)
Capital expenditure	2 016 716 182	762 058 436	175 375 206	325 225 261	549 102 151	71 322 184	3 899 799 420	-	3 899 799 420

** Restatement

In 2022, the Group erroneously omitted several key lines in the segment reporting note. In a bid to comply with IFRS 8, the Group has restated the 2022 segment reporting note to include additional information namely, depreciation and amortisation, finance costs, segment profit before tax, income tax, segment liabilities and capital expenditure.

4. PROPERTY, PLANT AND EQUIPMENT

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - GROUP

	Land & buildings	Leasehold improvements	Furniture, fittings & equipment	Computer equipment	Motor vehicles	Plant & machinery	Work in progress	Balance
Cost or valuation								
Balance as at 09 January 2022	**2 680 976 111**	**557 012 626**	**4 849 167 760**	**1 603 657 218**	**1 209 184 325**	**1 199 091 594**	**200 118 326**	**12 299 207 960**
Additions	-	395 561 779	2 059 022 528	382 323 649	953 398 036	109 493 428	-	3 899 799 420
Balance at 08 January 2023	**2 680 976 111**	**952 574 405**	**6 908 190 288**	**1 985 980 867**	**2 162 582 361**	**1 308 585 022**	**200 118 326**	**16 199 007 380**
Additions	-	847 124 570	1 774 627 331	878 877 833	1 842 961 405	403 671 119	-	5 747 262 258
Transfer in/(out) between categories	-	-	-	-	-	200 118 326	(200 118 326)	-
Disposals	-	-	-	-	(642 663 116)	-	-	(642 663 116)
Revaluation adjustment	6 727 049 623	248 300 339	1 131 488 344	612 455 254	43 658 385	385 882 953	-	9 148 834 898
Balance at 07 January 2024	**9 408 025 734**	**2 047 999 314**	**9 814 305 963**	**3 477 313 954**	**3 406 539 035**	**2 298 257 420**	**-**	**30 452 441 420**
Accumulated depreciation								
Balance as at 09 January 2022	**-**	**-**	**-**	**-**	**-**	**(6 529 940)**	**-**	**(6 529 940)**
Current year expense	(78 864 948)	(127 180 825)	(1 344 316 895)	(1 455 889 147)	(1 244 398 643)	(288 530 592)	-	(4 539 181 050)
Balance at 08 January 2023	**(78 864 948)**	**(127 180 825)**	**(1 344 316 895)**	**(1 455 889 147)**	**(1 244 398 643)**	**(295 060 532)**	**-**	**(4 545 710 990)**
Current year expense	(78 864 948)	(220 332 125)	(1 901 438 593)	(546 553 065)	(957 480 804)	(345 660 516)	-	(4 050 330 051)
Eliminated on disposals of assets	-	-	-	-	457 517 627	-	-	457 517 627
Transfer on revaluation	157 729 896	347 512 950	3 245 755 488	2 002 442 212	1 744 361 820	640 721 048	-	8 138 523 414
Balance at 07 January 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount at 07 January 2024	9 408 025 734	2 047 999 314	9 814 305 963	3 477 313 954	3 406 539 035	2 298 257 420	-	30 452 441 420
Net carrying amount at 08 January 2023	2 602 111 163	825 393 580	5 563 873 393	530 091 720	918 183 718	1 013 524 490	200 118 326	11 653 296 390

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - COMPANY

	Land & buildings	Leasehold improvements	Furniture, fittings & equipment	Computer equipment	Motor vehicles	Plant & machinery	Work in progress	Balance
Cost or valuation								
Balance as at 09 January 2022	**2 680 976 111**	**483 451 567**	**4 732 122 649**	**1 177 411 977**	**1 470 172 351**	**1 199 091 594**	**200 118 342**	**11 943 344 591**
Additions	-	372 598 876	1 996 661 496	341 407 128	754 413 231	109 493 428	-	3 574 574 159
Balance at 08 January 2023	**2 680 976 111**	**856 050 443**	**6 728 784 145**	**1 518 819 105**	**2 224 585 582**	**1 308 585 022**	**200 118 342**	**15 517 918 750**
Additions	-	535 615 047	1 774 627 331	775 799 492	1 677 421 939	403 671 119	-	5 167 134 928
Transfer in/(out) between categories	-	-	-	-	-	200 118 342	(200 118 342)	-
Disposals	-	-	-	-	(642 663 116)	-	-	(642 663 116)
Revaluation adjustment/(Impairment)	6 727 049 623	266 577 542	1 040 777 077	702 455 612	(280 813 525)	385 882 938	-	8 841 929 267
Balance at 07 January 2024	**9 408 025 734**	**1 658 243 032**	**9 544 188 553**	**2 997 074 209**	**2 978 530 880**	**2 298 257 421**	**-**	**28 884 319 829**
Accumulated depreciation								
Balance as at 09 January 2022	**-**	**-**	**-**	**-**	**-**	**(6 529 940)**	**-**	**(6 529 940)**
Current year expense	(78 864 948)	(111 775 431)	(1 308 110 804)	(1 075 432 444)	(1 467 158 516)	(288 530 592)	-	(4 329 872 735)
Balance at 08 January 2023	**(78 864 948)**	**(111 775 431)**	**(1 308 110 804)**	**(1 075 432 444)**	**(1 467 158 516)**	**(295 060 532)**	**-**	**(4 336 402 675)**
Current year expense	(78 864 948)	(197 511 316)	(1 853 060 197)	(458 215 932)	(794 516 960)	(345 660 516)		(3 727 829 869)
Eliminated on disposal of assets	-	-	-	-	457 517 627	-	-	457 517 627
Transfer on asset revaluation	157 729 896	309 286 747	3 161 171 001	1 533 648 376	1 804 157 849	640 721 048	-	7 606 714 917
Balance at 07 January 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount at 07 January 2024	9 408 025 734	1 658 243 032	9 544 188 553	2 997 074 209	2 978 530 880	2 298 257 421	-	28 884 319 829
Net carrying amount at 08 January 2023	2 602 111 163	744 275 012	5 420 673 341	443 386 661	757 427 066	1 013 524 490	200 118 342	11 181 516 075

If property, plant, and equipment were stated on historical cost basis, the carrying amounts would be ZWL 572 638 095 at company level and ZWL 592 848 892 at group level (2021: ZWL47 612 217 (company) and ZWL 488 432 668 (group).

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT CARRIED AT FAIR VALUE

The fair value of property, plant and equipment was determined by a combination of a director's valuation in the current year and input from independent valuers and experts. The exercise was carried out as detailed below.

» Land and buildings

As at 7 January 2024, fair values of the properties were determined by input from independent valuers and experts, using the Direct Capitalization of Net Income Method for commercial properties, and whilst the Direct Comparison Method was used for residential buildings.

» Leasehold improvements

As at 7 January 2024, fair values of the leasehold improvements were determined by a Directors valuation, using the 2021 USD Independent Valuers assessment of carrying amounts then and gross replacement costs for additions in 2022 and 2023, adjusted for the relevant cumulative depreciation costs in line with the Group policy. The valuation was done on a depreciated replacement cost basis in USD and translated to the closing carrying amount in ZWL by applying the applicable closing rates.

» Plant and machinery, furniture, fixtures, equipment, and vehicles

A Directors valuation of the group's plant and machinery, furniture, fixtures, office and computer equipment and vehicles were performed on 7 January 2024 to determine the fair value using the 2021 USD Independent Valuers assessment of carrying amounts then andgross replacement costs for additions in 2022 and 2023, adjusted for the relevant cumulative depreciation costs in line with the Group policy. The valuation was done on a depreciated replacement cost basis in USD and translated to the closing carrying amount in ZWL by applying the applicable closing rates.

5 LEASES

GROUP AS LESSEE

The group leases all of its trading premises, office space and distribution centres under operating leases of between 1 to 2 years. These typically have renewal options of between 1-2 years and it is reasonably certain that the renewal options will be exercised. The following factors were considered in determining whether it is reasonably certain the renewal option will be exercised.

- The market share in the respective areas.
- The proximity of the leased premises to core customers.
- Customer loyalty to the brands.

Over 90% of the leases on trading space have turnover clauses of between 3 and 6% which are treated as contingent rentals. Sublease arrangements are operating lease arrangements where space which is excess to requirements has been sublet to third parties.

The discount rate applied to discount lease obligations is the incremental cost of borrowing for the group which varied between 1% to 2% per month. Lease modifications consisted of increases in fixed monthly rentals and in the increases in the lease term.

5 LEASES (CONTINUED)

GROUP AS LESSEE (CONTINUED)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
Figures are in Zimbabwe dollars	**7 January 2024**	**8 January 2023**	**7 January 2024**	**8 January 2023**
Buildings	10 965 071 794	11 749 481 342	10 965 071 794	11 749 481 342

Additions to right-of-use assets

Buildings	961 887 420	315 177 366	961 887 419	315 177 366

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 25).

Buildings	10 934 864 482	2 042 195 492	10 934 864 482	2 042 195 492

Right of use assets reconciliation

Balance at the beginning of the reporting period	11 749 481 342	7 703 347 361	11 749 481 342	7 703 347 361
Additions	961 887 420	315 177 366	961 887 420	315 177 366
Modifications and remeasurements	9 227 881 144	5 773 152 107	9 227 881 144	5 773 152 107
Disposals/write off	(39 313 630)	-	(39 313 630)	-
Depreciation for the year	(10 934 864 482)	(2 042 195 492)	(10 934 864 482)	(2 042 195 492)
Reconciliation as at period end	**10 965 071 794**	**11 749 481 342**	**10 965 071 794**	**11 749 481 342**
Gross carrying amount	30 337 084 806	20 186 629 872	30 337 084 806	20 186 629 872
Accumulated depreciation	(19 372 013 012)	(8 437 148 530)	(19 372 013 012)	(8 437 148 530)
	10 965 071 794	**11 749 481 342**	**10 965 071 794**	**11 749 481 342**

5 LEASES (CONTINUED)

LEASE LIABILITIES

Figures are in Zimbabwe dollars	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023
Balance at the beginning of the reporting period	12 173 732 125	5 718 133 845	12 173 732 125	5 718 133 845
Additions	961 887 419	315 177 365	961 887 419	315 177 365
Lease modifications	9 227 881 144	5 773 152 107	9 227 881 144	5 773 152 107
Disposals	(39 313 630)	-	(39 313 630)	-
Finance costs	2 796 984 201	3 370 972 999	2 796 984 201	3 370 972 999
Net exchange loss**	12 812 282 400	4 119 603 768	12 812 282 400	4 119 603 768
Lease interest paid	(2 796 984 201)	(3 370 972 999)	(2 796 984 201)	(3 370 972 999)
Lease liability instalments paid	(12 130 870 145)	(3 752 334 958)	(12 130 870 145)	(3 752 334 958)
	23 005 599 313	**12 173 732 127**	**23 005 599 313**	**12 173 732 127**
Non-current liabilities	4 305 732 544	-	4 305 732 544	-
Current liabilities	18 699 866 769	12 173 732 127	18 699 866 769	12 173 732 127
	23 005 599 313	**12 173 732 127**	**23 005 599 313**	**12 173 732 127**
Future minimum rentals payable				
Within one year	18 742 432 613	11 799 778 280	18 742 432 613	11 799 778 280
Two to five years	5 514 735 616	370 310 082	5 514 735 616	370 310 082
Over 5 years	-	-	-	-
	24 257 168 229	**12 170 088 362**	**24 257 168 229**	**12 170 088 362**

**The Lease costs are USD based recognised monthly at fluctuating exchange rates

OTHER DISCLOSURES

Interest expense on lease liabilities	2 796 984 201	3 370 972 999	2 796 984 201	3 370 972 999

FUTURE CASH OUTFLOWS NOT REFLECTED IN LEASE LIABILITIES

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 cashflows and reduce fixed cost. The breakdown of lease payments for these stores is as follows:

	7-Jan 2024	8-Jan 2023
Variable payments	625 826 251	948 364 514

Overall, the variable payments constitute up to 9.7% of the group's entire lease payments. The group expects this ratio to remain comparable to this level in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years.

5 LEASES (CONTINUED)

GROUP AS A LESSOR

Rental income is derived from sub-leasing of the company's retail and office space to related and unrelated parties. These include microfinance space to Club Plus, residential space to employees and communications equipment installed on buildings by cellular mobile operators. The communication equipment is integral to the buildings and the income from such arrangements is incidental to the group's operations.

Future minimum rentals receivable under operating leases are as follows:

	7 January 2024	8 January 2023
Within one year	-	32 640 049
Two to five years	-	-
More than five years	-	-
	-	**32 640 049**

6 INTANGIBLE ASSETS

Reconciliation of intangible assets - Group	**Operating software**	**Brands**	**Balance**
Cost at 09 January 2022	**3 059 150 336**	**944 189 959**	**4 003 340 295**
Cost at 8 January 2023	**3 059 150 336**	**944 189 959**	**4 003 340 295**
Derecognition	(3 059 150 336)	-	(3 059 150 336)
Cost at 7 January 2024	**-**	**944 189 959**	**944 189 959**
Accumulated amortisation and impairment at 09 January 2022	(2 814 573 473)	-	(2 814 573 473)
Amortisation for the year	(61 144 216)	-	(61 144 216)
Accumulated amortisation and impairment at 8 January 2023	(2 875 717 689)	-	(2 875 717 689)
Amortisation for the year	(61 144 215)	-	(61 144 215)
Derecognition of Intangible asset	2 936 861 904		2 936 861 904
Accumulated amortisation and impairment at 7 January 2024	-	-	-
Carrying amount at 7 January 2024	-	944 189 959	944 189 959
Carrying amount at 8 January 2023	183 432 647	944 189 959	1 127 622 606

Reconciliation of intangible assets - Company	**Operating software**	**Brands**	**Balance**
Cost at 09 January 2022	3 048 166 077	944 189 959	3 992 356 036
Cost at 8 January 2023	3 048 166 077	944 189 959	3 992 356 036
Derecognised in the year	(3 048 166 077)	-	(3 048 166 077)
Cost at 7 January 2024	**944 189 959**	**944 189 959**	
Accumulated amortisation and impairment at 09 January 2022	(2 808 751 386)	-	(2 808 751 386)
Amortisation for the year	(59 853 673)	-	(59 853 673)
Accumulated amortisation and impairment at 8 January 2023	(2 868 605 059)	-	(2 868 605 059)
Amortisation for the year	(59 853 672)	-	(59 853 672)
Derecognition of Intangible asset	2 928 458 731		2 928 458 731
Accumulated amortisation and impairment at 7 January 2024	-	-	-
Carrying amount at 7 January 2024	-	944 189 959	944 189 959
Carrying amount at 8 January 2023	179 561 018	944 189 959	1 123 750 977

Intangibles are composed of operating system software and the Edgars and Jet retail trading names, acquired from Edgars Consolidated South Africa in February 2019, and associated intellectual property which the company has exclusive use of in Zimbabwe. The carrying amount of the Orion (ERP) system is nil and the remaining useful life is 0 years.

6 INTANGIBLE ASSETS (CONTINUED)

BRANDS

	Group		Company	
	2023	2022	2023	2022
Figures are in Zimbabwe dollars	**7 January 2024**	**8 January 2023**	**7 January 2024**	**8 January 2023**
Edgars	574 262 010	574 262 010	574 262 010	574 262 010
Jet	369 927 949	369 927 949	369 927 949	369 927 949
	944 189 959	**944 189 959**	**944 189 959**	**944 189 959**

The group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Edgars Chain

The recoverable amount of the Edgars Chain of ZWL9 074 286 252 as at 7 January 2024 has been determined based on a value in use calculation using cashflow projections from financial budgets approved by senior management covering a five- year period. The pre-tax discount rate applied to cashflow projections is 60% (2022: 57%). The fair value less costs of disposal could not be determined as there is no active market. As a result of this analysis, management concluded that the brands are not impaired.

Jet Chain

The recoverable amount of the Jet Chain of ZWL4 838 361 640 as at 7 January 2024 has been determined based on a value in use calculation using cashflow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cashflow projections is 60% (2022: 57%). The fair value less costs of disposal could not be determined as there is no active market. As a result of this analysis, management concluded that the brands are not impaired.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions.

The calculation of value in use for both Edgars and Jet Chains is most sensitive to the following assumptions:

- Gross margins and discount rates
- Raw materials price inflation
- Market share and growth rates during the forecast period

Gross margins - Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. The gross margins for the Edgars Chain and the Jet Chain were 54% and 53.9%, respectively. These were held constant over the forecast period because they are generally stable. Decreased demand can lead to a decline in the gross margin.

Discount rates - Discount rates represent management's assessment of current market risks specific to each business unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cashflow estimates. The discount rate used is the WACC - this was determined by using the pre-tax cost of debt (102.87%) and an expected return by the shareholder of 35%. A rise in the pre-tax discount rate to 280% (i.e., +242%) would result in impairment due to a decrease of 85.82% in the recoverable amount.

Raw materials price inflation - the company bases the inflation of current prices, exchange rate fluctuations and official inflation forecasts. Growth in cashflows is assumed at the growth in the economy as reflected in the GDP.

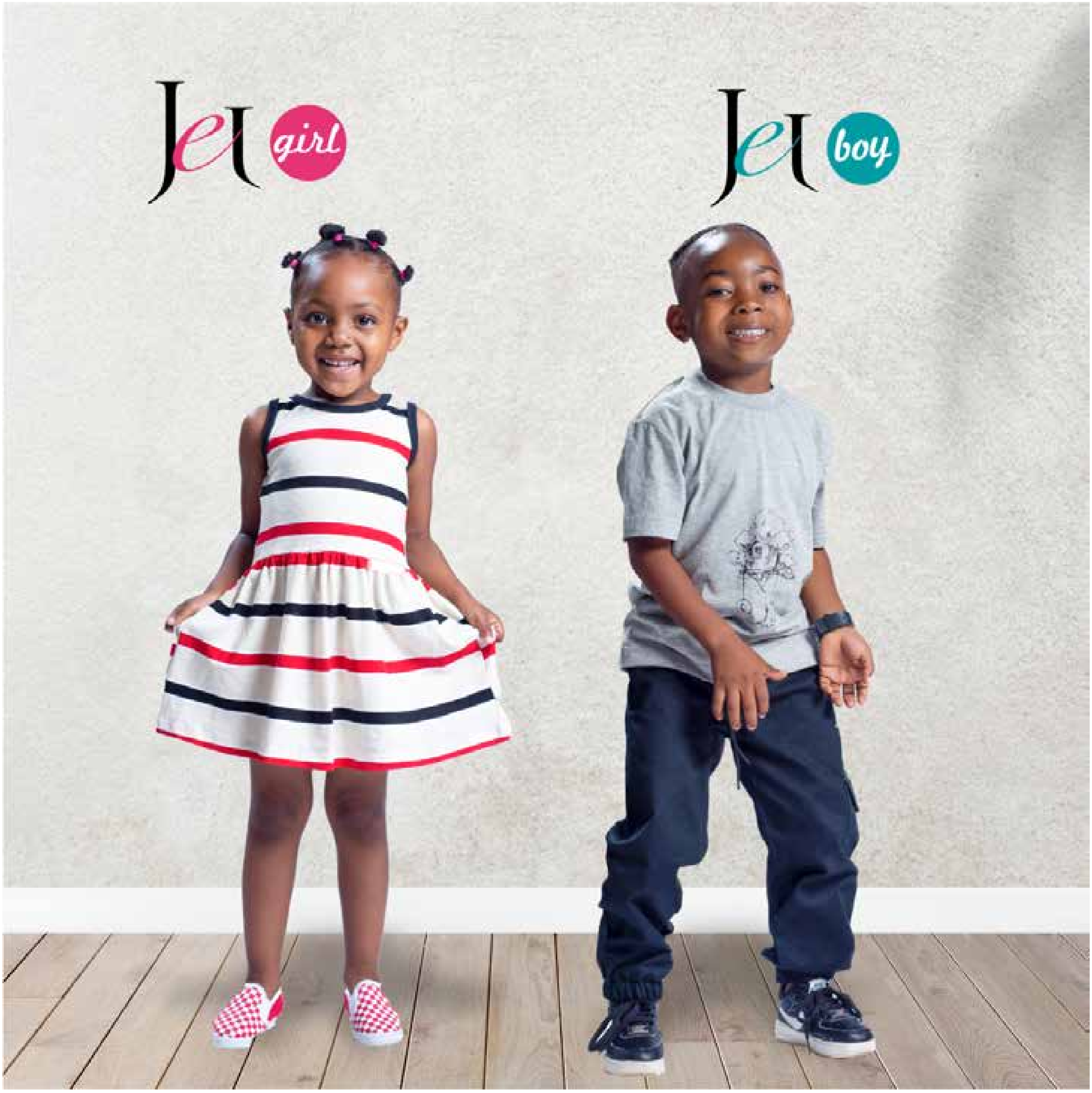
Market share assumptions - Management expects the Group's share of the Edgars market to be stable while Jet's position is expected to grow. Although management expects stability, a decline in the cashflows reflected by a market share decline of 35% would result in an impairment in the Edgars and Jet Chains.

Growth rate estimates - growth rates are based on published research. Management used Zimbabwean GDP as published by the World Bank of 2.7% over the period as the basis of growth in sales.

7 INVESTMENT IN SUBSIDIARY COMPANY

Edgars Stores holds 100% of Club Plus Shares. Club Plus (Private) Limited ("Club Plus") is a Zimbabwean company established in 2016 and registered with the Registrar of Companies under Certificate of Incorporation number 733/2016. It is registered with the Reserve Bank of Zimbabwe as a Credit-Only Microfinance institution. Club Plus started lending to customers in August 2017. The Company is in the business of issuing short term loans.

	Carrying amount 2023	Carrying amount 2022
Investment in Club Plus (Private) Limited	1 036 387 894	1 036 387 894



8 DEFERRED TAX

NET DEFERRED TAX LIABILITY

Group 2023

Temporary differences	Closing balance at 8 January 2023 $	Recognised in profit or loss $	Recognised directly in equity $	Recognised directly in other comprehensive $	Closing balance at 7 January 2024 $
Property, plant and equipment, right of use assets and intangibles	(5 065 225 891)	658 673 501	-	(4 273 434 975)	(8 679 987 365)
Accruals	1 408 655 590	1 640 165 380	-	-	3 048 820 970
Section 18 instalment allowances and allowances for bad debts	(3 314 615 530)	(10 041 590 138)	-	-	(13 356 205 668)
Unrealised profit in inventory	(100 768 146)	(517 678 606)	-	-	(618 446 752)
Inventory loss allowances	(1 422 326 106)	(2 227 646 959)	-	-	(3 649 973 065)
IFRS 9 allowances	628 669 072	178 708 410	-	-	807 377 482
Unrealised exchange differences	1 153 284 303	(4 900 156 352)	-	-	(3 746 872 049)
Lease liabilities	3 009 346 582	2 677 637 568	-	-	5 686 984 150
Other	-	2 710 717 621	-	-	2 710 717 621
	(3 702 980 126)	**(9 821 169 575)**	**-**	**(4 273 434 975)**	**(17 797 584 676)**

Group 2022

Temporary differences	Closing balance at 8 January 2023 $	Recognised in profit or loss $	Recognised directly in equity $	Recognised directly in other comprehensive $	Closing balance at 7 January 2024 $
Property, plant and equipment, right of use assets and intangibles	(4 434 832 961)	(630 392 930)	-	-	(5 065 225 891)
Accruals	260 776 203	1 147 879 387	-	-	1 408 655 590
Section 18 instalment allowances and allowances for bad debts	-	(3 314 615 530)	-	-	(3 314 615 530)
Unrealised profit in inventory	-	(100 768 146)	-	-	(100 768 146)
Inventory loss allowances	(2 062 154 716)	639 828 610	-	-	(1 422 326 106)
IFRS 9 allowances	-	628 669 072	-	-	628 669 072
Unrealised exchange differences	166 241 728	987 042 575	-	-	1 153 284 303
Lease liabilities	1 413 522 681	1 595 823 901	-	-	3 009 346 582
Other	163 972 752	(163 972 752)	-	-	-
	(4 492 474 313)	**789 494 187**	**-**	**-**	**(3 702 980 126)**

8 DEFERRED TAX (CONTINUED)

NET DEFERRED TAX LIABILITY (CONTINUED)

Company 2023

Temporary differences	Closing balance at 8 January 2023 $	Recognised in profit or loss $	Recognised directly in equity $	Recognised directly in other comprehensive $	Closing balance at 7 January 2024 $
Property, plant and equipment, right of use assets and intangibles	(4 994 274 618)	662 256 287	-	(4 066 104 842)	(8 398 123 173)
Accruals	1 387 437 235	1 652 934 997	-	-	3 040 372 232
Section 18 instalment allowances and allowances for bad debts	(3 314 615 530)	(10 041 590 138)	-	-	(13 356 205 668)
Unrealised profit in inventory	(100 768 146)	(517 678 606)	-	-	(618 446 752)
Inventory loss allowances	(1 419 292 880)	(2 226 562 028)	-	-	(3 645 854 908)
IFRS 9 allowances	385 656 312	335 262 214	-	-	720 918 526
Unrealised exchange differences	1 092 851 754	(4 375 792 204)	-	-	(3 282 940 450)
Lease liabilities	3 009 346 582	2 677 637 568	-	-	5 686 984 150
Other	-	2 710 717 621	-	-	2 710 717 621
	(3 953 659 291)	**(9 122 814 289)**	**-**	**(4 066 104 842)**	**(17 142 578 422)**

Company 2022

Temporary differences	Closing balance at 8 January 2023 $	Recognised in profit or loss $	Recognised directly in equity $	Recognised directly in other comprehensive $	Closing balance at 7 January 2024 $
Property, plant and equipment, right of use assets and intangibles	(4 345 587 457)	(648 687 161)	-	-	(4 994 274 618)
Accruals	254 819 635	1 132 617 600	-		1 387 437 235
Section 18 instalment allowances and allowances for bad debts	-	(3 314 615 530)	-		(3 314 615 530)
Unrealised profit in inventory	-	(100 768 146)	-		(100 768 146)
Inventory loss allowances	(2 061 286 034)	641 993 154	-		(1 419 292 880)
IFRS 9 allowances	-	385 656 312	-		385 656 312
Unrealised exchange differences	174 903 257	917 948 497	-		1 092 851 754
Lease liabilities	1 413 522 681	1 595 823 901	-		3 009 346 582
Other	145 786 628	(145 786 628)	-	-	-
	(4 417 841 290)	**464 181 999**	**-**	**-**	**(3 953 659 291)**
Tax losses and credits					
Tax losses	**(2 722 680)**	**2 722 680**	**-**	**-**	**-**
	(4 420 563 970)	**466 904 679**	**-**	**-**	**(3 953 659 291)**

	Group		Company	
	2023	2022	2023	2022
Figures are in Zimbabwe dollars	7 January 2024	8 January 2023	7 January 2024	8 January 2023

8 DEFERRED TAX (CONTINUED)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	-	250 679 165	-	-
Deferred tax liability	(17 797 584 676)	(3 953 659 291)	(17 142 578 422)	(3 953 659 291)
Net deferred tax liability	**(17 797 584 676)**	**(3 702 980 126)**	**(17 142 578 422)**	**(3 953 659 291)**

9 INTERCOMPANY LOAN

Loan	-	-	(277 014 665)	1 072 226 095

The loan is (payable) / receivable from the subsidiary. No interest is charged on the outstanding balance. Further information has been included in note 36.

10 INVENTORIES

Raw materials	10 272 206 870	5 931 394 702	10 272 206 870	5 931 394 702
Work in progress	251 081 995	79 768 337	251 081 995	79 768 337
Merchandise	44 754 651 425	86 264 214 227	44 754 651 425	86 264 214 227
Consumables stores	1 245 418 390	540 414 567	1 218 344 528	513 108 823
Goods in transit	2 499 023 167	385 340 374	2 499 023 168	385 340 373
	59 022 381 847	93 201 132 207	58 995 307 986	93 173 826 462
Inventory obsolescence	(2 192 205 775)	(73 693 394 175)	(2 192 205 775)	(73 693 394 175)
	56 830 176 072	**19 507 738 032**	**56 803 102 211**	**19 480 432 287**

11 LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are presented at amortised cost, which is net of loss allowance, as follows:

Loans and advances	8 163 412 149	4 337 106 238	-	-
Credit loss allowance	(349 753 051)	(983 061 322)	-	-
	7 813 659 098	**3 354 044 916**	**-**	**-**

The table shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. The increase in the current year gross amount in comparison to prior year is due growth in the USD loan book which attracts lower interest rates. The prior year ECL provision was as a result of elevated mandatory interest rates of 200%, this position was revised downwards in 2023, with interest rates closing the year at 100%. The introduction of the USD book diluted the asset quality in 2023. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

11 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 8 January 2023	3 601 679 842	295 716 454	439 709 941	4 337 106 237
New assets originated or purchased	19 633 337 695	866 130 735	1 239 284 659	21 738 753 089
Assets derecognised or repaid (excluding write offs)	(12 504 064 614)	(1 058 083 224)	(1 184 026 432)	(14 746 174 270)
Transfers to Stage 1	447 147 899	(433 892 761)	(13 255 138)	-
Transfers to Stage 2	(2 124 982 924)	2 218 492 356	(93 509 432)	-
Transfers to Stage 3	-	(1 058 401 094)	1 058 401 094	-
Amounts written off	-	(2 291 654)	(700 351 721)	(702 643 375)
Net monetary loss	(1 887 910 223)	(225 502 204)	(350 217 105)	(2 463 629 532)
Gross carrying amount as at 7 January 2024	**7 165 207 675**	**602 168 608**	**396 035 866**	**8 163 412 149**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances as at 8 January 2023	**584 672 937**	**103 133 928**	**295 254 457**	**983 061 322**
New assets originated or purchased	132 164 510	178 148 721	1 282 576 421	1 592 889 652
Assets derecognised or repaid (excluding write offs)	(245 086 402)	(77 016 434)	(658 675 504)	(980 778 340)
Transfers to Stage 1	37 502 353	(27 983 205)	(9 519 148)	-
Transfers to Stage 2	(73 112 997)	140 615 616	(67 502 619)	-
Transfers to Stage 3	-	(178 851 616)	178 851 616	-
Amounts written off	-	(1 080 881)	(499 566 483)	(500 647 364)
Net monetary loss	(429 288 593)	(81 671 723)	(233 811 903)	(744 772 219)
ECL allowance as at 7 January 2024	**6 851 808**	**55 294 406**	**287 606 837**	**349 753 051**

2022	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 09 January 2022	**2 337 269 118**	**146 279 520**	**99 236 251**	**2 582 784 889**
New assets purchased or originated	6 846 001 119	346 657 488	288 082 737	7 476 741 344
Assets derecognised or repaid (excluding write offs)	(3 175 005 190)	(277 365 287)	(305 851 680)	(3 758 222 157)
Transfers to Stage 1	245 876 145	(237 263 986)	(8 612 159)	-
Transfers to Stage 2	(995 105 525)	1 048 915 179	(53 809 654)	-
Transfers to Stage 3	-	(623 779 760)	623 779 760	-
Amounts written off	-	-	(129 969 890)	(129 969 890)
Net monetary loss	(1 657 355 825)	(103 726 700)	(73 145 423)	(1 834 227 948)
Gross carrying amount as at 8 January 2023	**3 601 679 842**	**295 716 454**	**439 709 942**	**4 337 106 238**

2022	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 09 January 2022	867 875	767 567	77 181 053	78 816 495
New assets originated or purchased	402 735 883	87 210 441	440 128 129	930 074 453
Assets derecognised or repaid (excluding write offs)	172 968 376	(27 689 196)	(3 179 846)	142 099 334
Transfers to Stage 1	9 065 353	(1 765 293)	(7 300 060)	-
Transfers to Stage 2	(349 149)	45 838 499	(45 489 350)	-
Transfers to Stage 3	-	(683 810)	683 810	-
Amounts written off	-	-	(112 040 242)	(112 040 242)
Net monetary gain	(615 400)	(544 281)	(54 729 037)	(55 888 718)
ECL allowance as at 8 January 2023	**584 672 938**	**103 133 927**	**295 254 457**	**983 061 322**

	Group		Company	
	2023	2022	2023	2022
Figures are in Zimbabwe dollars	7 January 2024	8 January 2023	7 January 2024	8 January 2023

12 TRADE AND OTHER RECEIVABLES

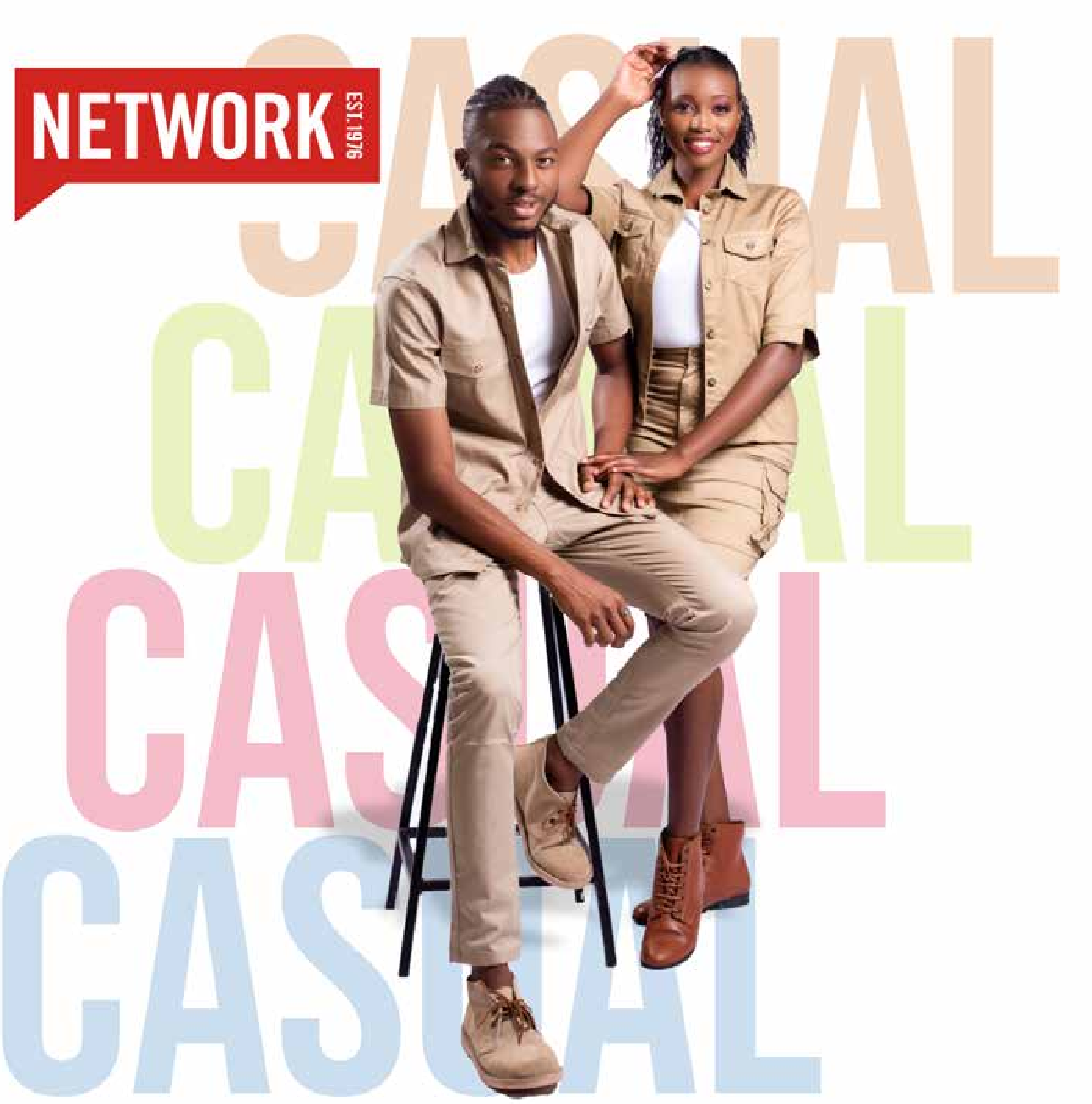
Financial instruments:				
Trade receivables	94 596 445 007	39 552 495 766	94 596 445 007	39 539 099 147
Loss allowance	(2 793 386 748)	(1 557 495 186)	(2 793 386 748)	(1 557 495 186)
Other receivables	9 792 368 088	3 851 167 247	9 242 785 924	3 517 595 781
General allowance for credit losses	(122 950 333)	(2 603 166)	(122 950 333)	(2 603 166)
Total trade and other receivables	**101 472 476 014**	**41 843 564 661**	**100 922 893 850**	**41 496 596 576**

The general allowance for credit losses pertains to Carousel receivables. The factory sells to a few organisations on credit and thus does not require a complex model for determining lifetime credit losses from amounts due. At 7 January 2024 Carousel had outstanding trade debtors of ZWL$1.6billion. The specific allowance for credit losses is based on a complex IFRS 9 model applied to individual account holders with the Edgars and Jet retail divisions.The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The trade and receivables amounts presented are gross of impairment allowances The Increase in the gross amount for the current year, in contrast to the previous year, was primarily propelled by the expansion of the USD debtors' book, benefiting from attractive interest rates and extended repayment periods. The escalation in the Expected Credit Loss (ECL) provision can be attributed to subpar performance in the ZWL book, coupled with a forecast indicating a decrease in consumer disposable income and altering spending habits. An analysis of the changes in the gross carrying amount and corresponding ECL allowances is outlined below:

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The trade and receivables amounts presented are gross of impairment allowances. The increase in the current year gross amount in comparison to prior year is due to the inflationary effects in the economy. The reduction in ECL in the current year in comparison to prior year is due to the favourable forward-looking information in the current year due to the reduced effect of COVID on lockdowns and consumer disposal income and spending patterns. An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 8 January 2023	**32 614 992 331**	**4 668 070 447**	**2 256 036 370**	**39 539 099 148**
New assets originated and purchased	97 030 449 308	13 922 312 846	5 802 287 641	116 755 049 795
Assets derecognised or repaid (excluding write offs)	(34 445 224 869)	(1 860 828 441)	(3 388 839 218)	(39 694 892 528)
Transfers to Stage 1	33 061 523 746	(32 034 474 748)	(1 027 048 998)	-
Transfers to Stage 2	(36 030 119 488)	38 377 396 070	(2 347 276 582)	-
Transfer to Stage 3	-	(5 878 088 640)	5 878 088 640	-
Amounts written off	(3 469 580)	(30 940 600)	(2 482 169 086)	(2 516 579 266)
Net monetary gain reversal	(16 611 017 049)	(818 354 734)	(2 056 860 359)	(19 486 232 142)
	75 617 134 399	**16 345 092 200**	**2 634 218 408**	**94 596 445 007**

2023	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 09 January 2022	**28 362 217 996**	**2 910 946 753**	**617 648 862**	**31 890 813 611**
New assets originated and purchased	35 849 860 360	8 848 203 597	2 166 436 489	46 864 500 446
Assets derecognised or repaid (excluding write offs)	(22 068 017 815)	(1 074 856 517)	(876 030 633)	(24 018 904 965)
Transfers to Stage 1	17 275 871 691	(16 806 720 403)	(469 151 288)	-
Transfers to Stage 2	(14 813 153 168)	15 823 803 830	(1 010 650 662)	-
Transfers to Stage 3	-	(2 959 138 718)	2 959 138 718	-
Amounts written off	(186 256)	(10 017 884)	(693 380 763)	(703 584 903)
Net monetary gain reversal	(11 991 600 476)	(2 064 150 211)	(437 974 355)	(14 493 725 042)
	32 614 992 332	**4 668 070 447**	**2 256 036 368**	**39 539 099 147**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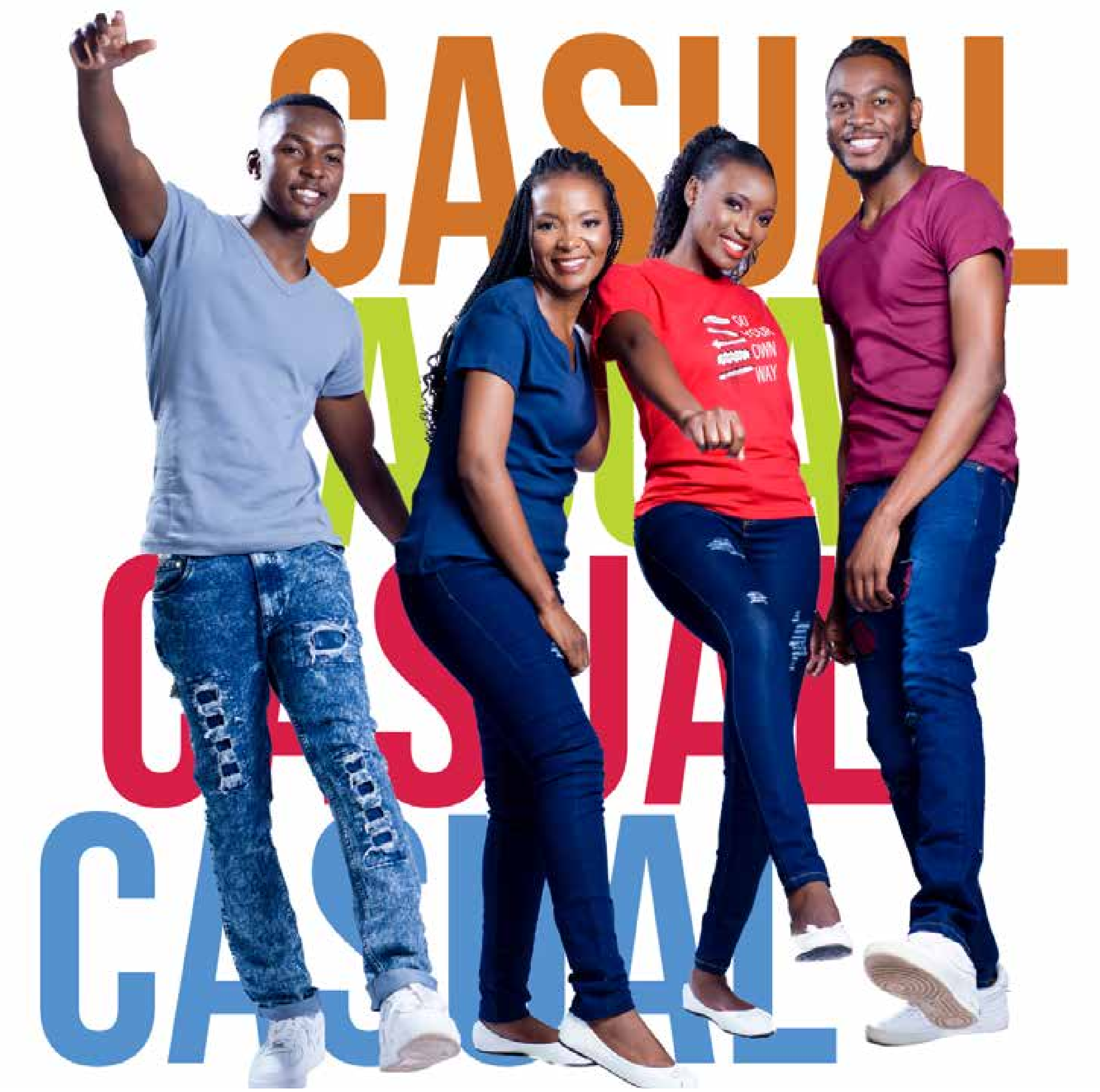
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12 TRADE AND OTHER RECEIVABLES (CONTINUED)

The ECL allowance excludes Carousel receivables.

Contractual amounts outstanding in relation to loans and advances that were still subject to enforcement activity, but otherwise had already been written off, were nil both at 7 January 2024 and at 8 January 2023. The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages.

Credit terms offered to retail customers vary but do not exceed 12 months. The maximum credit period on sales of goods at the factory, is 390 days. Interest is charged on 3-month accounts at 1% per month, 2% per month on 6 months accounts and at 6% per month on 12-month accounts. Additional late payment interest is charged at 10% per month on the outstanding balance for customers who default on their repayments. The group has recognised an allowance for credit losses against all trade receivables based on the arrear's records at the end of the period.

2024	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 8 January 2023	**462 396 330**	**137 598 284**	**960 103 741**	**1 560 098 355**
New assets originated or purchased	792 828 074	594 211 129	4 736 453 909	6 123 493 112
Assets derecognised or repaid	(783 054 819)	(817 158 989)	(1 035 430 283)	(2 635 644 091)
Transfers to Stage 1	990 376 826	(540 414 399)	(449 962 427)	-
Transfers to Stage 2	(338 600 179)	1 375 048 102	(1 036 447 923)	-
Transfers to Stage 3	-	(193 951 242)	193 951 242	-
Amounts written off	(5 240)	(3 627 595)	(1 066 453 080)	(1 070 085 915)
Net monetary gain	(243 221 163)	(108 964 037)	(709 339 180)	(1 061 524 380)
	880 719 829	**442 741 253**	**1 592 875 999**	**2 916 337 081**

2023	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 09 January 2022	**50 048 910**	**87 303 910**	**443 433 837**	**580 786 657**
New assets originated or purchased	515 712 678	576 381 490	2 564 677 868	3 656 772 036
Assets derecognised or repaid (excludingwrite offs)	(751 094 313)	(557 791 130)	(483 451 913)	(1 792 337 356)
Transfer to Stage 1	906 385 952	(591 121 312)	(315 264 640)	-
Transfer to Stage 2	(223 167 123)	908 856 029	(685 688 906)	-
Transfer to Stage 3	-	(223 337 483)	223 337 483	-
Amounts written off	(130)	(790 869)	(472 501 378)	(473 292 377)
Net monetary gain	(35 489 645)	(61 902 274)	(314 438 689)	(411 830 608)
	462 396 329	**137 598 361**	**960 103 662**	**1 560 098 352**

13 CASH AND CASH EQUIVALENTS (***RESTATED)

Cash and cash equivalents consist of:				
Bank and cash balances	**8 104 398 106**	**11 015 151 743**	**7 602 065 135**	**10 469 221 602**

*** Refer to Note 43 for details of the restatement.

Figures are in Zimbabwe dollars	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023

14 SHARE CAPITAL

Authorised ordinary share capital 700,000,000 ordinary share capital (2022:700,000,000 shares of $0.01 each)	318 243 280	318 243 280	318 243 280	318 243 280
Issued				
Ordinary	4 379 657 459	4 379 657 459	4 379 657 459	4 379 657 459

Issued ordinary shares and premium

	Number. of shares 000s	Share capital $	Share premium $	Issued capital total $
Balance at 09 January 2022	609 740	223 486 642	4 156 170 817	4 379 657 459
Balance at 8 January 2023	609 740	223 486 642	4 156 170 817	4 379 657 459
Balance at 7 January 2024	609 740	223 486 642	4 156 170 817	4 379 657 459

Included in shares are shares held by special purpose entities – Zimed Group Employee Trust (35 950 445 shares) and Edgars Employee Share Trust Company (524 150 shares) which have been consolidated as treasury shares in the group financial statements. In relation to the remaining 90 260 000 unissued shares, 84 788 401 are under the control of the Directors for an unlimited period, subject to the limitations contained in section 183 of the Companies and Other Business Entities Act (Chapter 24:31) and the balance of 5 471 599 are under the control of the shareholders in a general meeting.

15 RESERVES

15.1 REVALUATION RESERVE

Revaluation reserve	16 189 845 380	3 175 922 041	15 586 798 632	3 204 259 290

The revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. The revaluation reserve is realised to retained earnings when the concerned assets have been derecognised. There was a Directors revaluation of property, plant and equipment performed in the current year. A Directors valuation of the group's plant and machinery, furniture, fixtures, office and computer equipment and vehicles were performed on 7 January 2024 to determine the fair value using the 2021 USD Independent Valuers assessment of carrying amounts then and gross replacement costs for additions in 2022 and 2023, adjusted for the relevant cumulative depreciation costs in line with the Group policy. The valuation was done on a depreciated replacement cost basis in USD and translated to the closing carrying amount in ZWL by applying the applicable closing rates.

15.2 CREDIT RESERVE

Credit reserve	3 479 263 335	222 186 320	-	-

The Credit reserve relates to the difference between the allowance for credit losses calculated using the Reserve Bank of Zimbabwe requirements and the expected credit loss allowance calculated using IFRS 9 specifications. The reserve is maintained for statutory purposes and adjusted each year against retained earnings.

15.3 EQUITY SETTLED EMPLOYEE BENEFITS RESERVE

Equity settled employee benefits reserve	1 057 510 410	1 057 510 410	1 057 510 410	1 057 510 410

The equity-settled employee benefits reserve is used to record the value of equity settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration.

Figures are in Zimbabwe dollars	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023

16. BORROWINGS

Loans	45 998 601 226	19 467 887 595	42 997 916 176	18 220 708 277
Bank overdrafts	3 826 271 076	4 183 247 563	3 820 938 694	4 164 111 993
	49 824 872 302	**23 651 135 158**	**46 818 854 870**	**22 384 820 270**

Split between non-current and current portions

Non-current liabilities - borrowings	436 581 229	329 412 697	436 581 229	329 412 697
Non-current liabilities – related parties	9 369 438 525	2 409 558 182	9 369 438 525	2 409 558 182
Current liabilities – borrowings	27 353 603 135	20 912 164 279	24 347 585 703	19 645 849 391
Current liabilities – related parties	12 665 249 413	-	12 665 249 413	-
	49 824 872 302	**23 651 135 158**	**46 818 854 870**	**22 384 820 270**

Summary of borrowing arrangements

(i) Secured with a Notarial General Covering Bond over immoveable assets (Edgars Industrial Park), cession of fire policies, debtors' book of ZW$1.7 billion (2022: ZW$1.9 billion) and ZW$ 1.97 billion shareholder's guarantees.

(ii) The weighted average effective interest rate on all the ZWL borrowings is 105.85% (2022: 41.28%) per annum

(iii) Tenures for 2023/2022 range between 90 days and 365 days

Reconciliation of loan movements

Opening balance	23 651 135 158	24 986 606 773	22 384 820 271	23 609 984 632
Movement in overdraft position	7 683 710 778	5 595 272 972	7 680 200 308	5 565 092 691
Repayment of borrowings	(124 681 026 601)	(68 131 108 386)	(109 393 013 114)	(66 401 868 252)
Net monetary loss	(26 862 366 701)	(31 087 672 753)	(28 691 131 971)	(29 404 891 408)
Proceeds from borrowings	170 033 419 668	92 288 036 552	154 837 979 376	89 016 502 607
	49 824 872 302	**23 651 135 158**	**46 818 854 870**	**22 384 820 270**

17 TRADE AND OTHER PAYABLES

The amount that the group expects to pay for the awarded provisional allocations is recognized as a liability in the group's financial statements as shown below:

17.1 FINANCIAL INSTRUMENTS:

Trade payables	26 382 000 394	6 911 231 635	26 381 919 314	6 910 842 026
Sundry accounts payable and accrued expenses*	19 574 147 999	10 056 359 847	18 995 448 454	9 787 077 196
	45 956 148 393	**16 967 591 482**	**45 377 367 768**	**16 697 919 222**

*Included in sundry accounts payable is the cash value plan liability of ZWL 7 468 477 (2022: ZWL 7 468 477).

17.2 CASH VALUE PLAN

The cash value plan (CVP) is an executive incentive scheme introduced in 2018. This scheme (CVP) retrospectively cancels and replaces the 2014 Cash Settled Share Based Incentive Scheme. Under this scheme an employee is given a provisional allocation (PA) which is a provisional promise of a cash award which does not give the participant any right to receive cash or any interest in cash until such time as the Board decides to release payment or part thereof as an "award". The PA is the maximum amount that can be paid and will be subject to all the performance criteria provisions thereto being fulfilled, at which time, and after due consideration, an award will be made, and payment effected for the amount awarded. The awards are intended as an incentive to Employees to promote the continued growth of the company and/or its subsidiaries by granting them cash awards in a manner and on terms and conditions set out in this award scheme. Each award granted will remain in force for a period not exceeding 5 (five) years after the award date. The Performance Criteria (PC) upon the achievement of which will depend on the eligibility and quantum for an Award consequent to the PA. PC may include, but shall not be limited to:

	Group		Company	
	2023	2022	2023	2022
Figures are in Zimbabwe dollars	7 January 2024	8 January 2023	7 January 2024	8 January 2023

17 TRADE AND OTHER PAYABLES (CONTINUED)

17.2 CASH VALUE PLAN (CONTINUED)

» individual performance as specified in the Key Performance Areas (KPAs) agreed to.
» growth in group and/or divisional profitability;
» growth as measured by EBITDA;
» volumes and/or real growth after inflation; and
» return on investment.

18 CONTRACT LIABILITIES

Lay bye deposits relate to deposits paid by customers for the purchase of products in the group's retail stores.
Deferred income relates to the value of loyalty points accumulated by customers when they purchase products in the group's retail stores.

Included in the current year balance are 0.15% of the points that were accrued for in the current year due to the Thank U Programme.

	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023
Lay bye deposits	-	79 053 281	-	79 053 281
Deferred income	2 046 296	815 685 864	2 046 296	815 685 864
	2 046 296	**894 739 145**	**2 046 296**	**894 739 145**

	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023
Reconciliation				
Opening balance of contract liabilities	894 739 145	710 679 652	894 739 145	710 679 652
Hyper inflationary effects	-	22 458 224	-	22 458 223
Laybyes derecognised	(79 053 285)	-	(79 053 285)	-
Breakages recognised in current year*	(2 502 022 396)	-	(2 502 022 396)	-
Points issued during the year	1 688 382 832	161 601 269	1 688 382 832	161 601 270
Closing balance	**2 046 296**	**894 739 145**	**2 046 296**	**894 739 145**

*A breakage assessment was undertaken in the current and prior year, and 99% of the points were written off.

19 DIVIDEND PAYABLE

	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023
Balance at the beginning of the year	370 059	370 059	370 059	370 059
Hyperinflationary effects	-	9 455 775	-	9 455 775
Balance at the end of the year	**370 059**	**9 825 834**	**370 059**	**9 825 834**

Dividend payable are unclaimed amounts from 2018.

Figures are in Zimbabwe dollars	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023

20 REVENUE

Sale of merchandise				
Retail sales	244 761 348 395	119 177 798 419	244 761 348 395	119 177 798 419
Manufacturing sales to third parties – local sales	107 987 611	6 548 420 618	107 987 611	6 548 420 618
	244 869 336 006	**125 726 219 037**	**244 869 336 006**	**125 726 219 037**
Revenue from Microfinance Institution and Debtors accounts	48 584 548 155	46 424 650 015	37 692 020 181	35 476 660 428
Other revenue	**547 980 076**	**477 708 320**	**547 980 076**	**477 708 320**
Hospital Cash Plan and Insurance Commission	509 061 691	272 267 852	509 061 691	272 267 852
Edgars Club Subscriptions	38 918 385	205 440 468	38 918 385	205 440 468
	49 132 528 231	**46 902 358 335**	**38 240 000 257**	**35 954 368 748**
Total revenue	**294 001 864 237**	**172 628 577 372**	**283 109 336 263**	**161 680 587 785**

21 OTHER (LOSSES)/INCOME

Sundry income*	(271 917 617)	338 324 027	(338 217 806)	310 345 545
Rent received	(125 011 080)	32 608 661	268 999 506	108 444 090
Profit on disposal of assets	345 227 334	-	345 227 334	-
	(51 701 363)	**370 932 688**	**276 009 034**	**418 789 635**

22. Other operating income

Sundry income*	70 405 344	76 952 697	64 583 013	57 396 287
Rent received	6 785 873	19 901 923	22 567 250	24 750 216
	77 191 217	**96 854 620**	**87 150 263**	**82 146 503**

* Sundry income is comprised of commission on funeral policy payments received from employees and unallocated bank deposits.

23 MOVEMENT IN CREDIT LOSS ALLOWANCES

Trade and other receivables	4 039 789 868	1 667 813 094	4 039 789 869	1 667 813 094
Loans receivables at amortised cost	243 294 480	1 370 952 274	-	-
Bad debts recoveries	(1 395 457 692)	(338 084 352)	(1 032 600 859)	(321 422 513)
	2 887 626 656	**2 700 681 016**	**3 007 189 010**	**1 346 390 581**

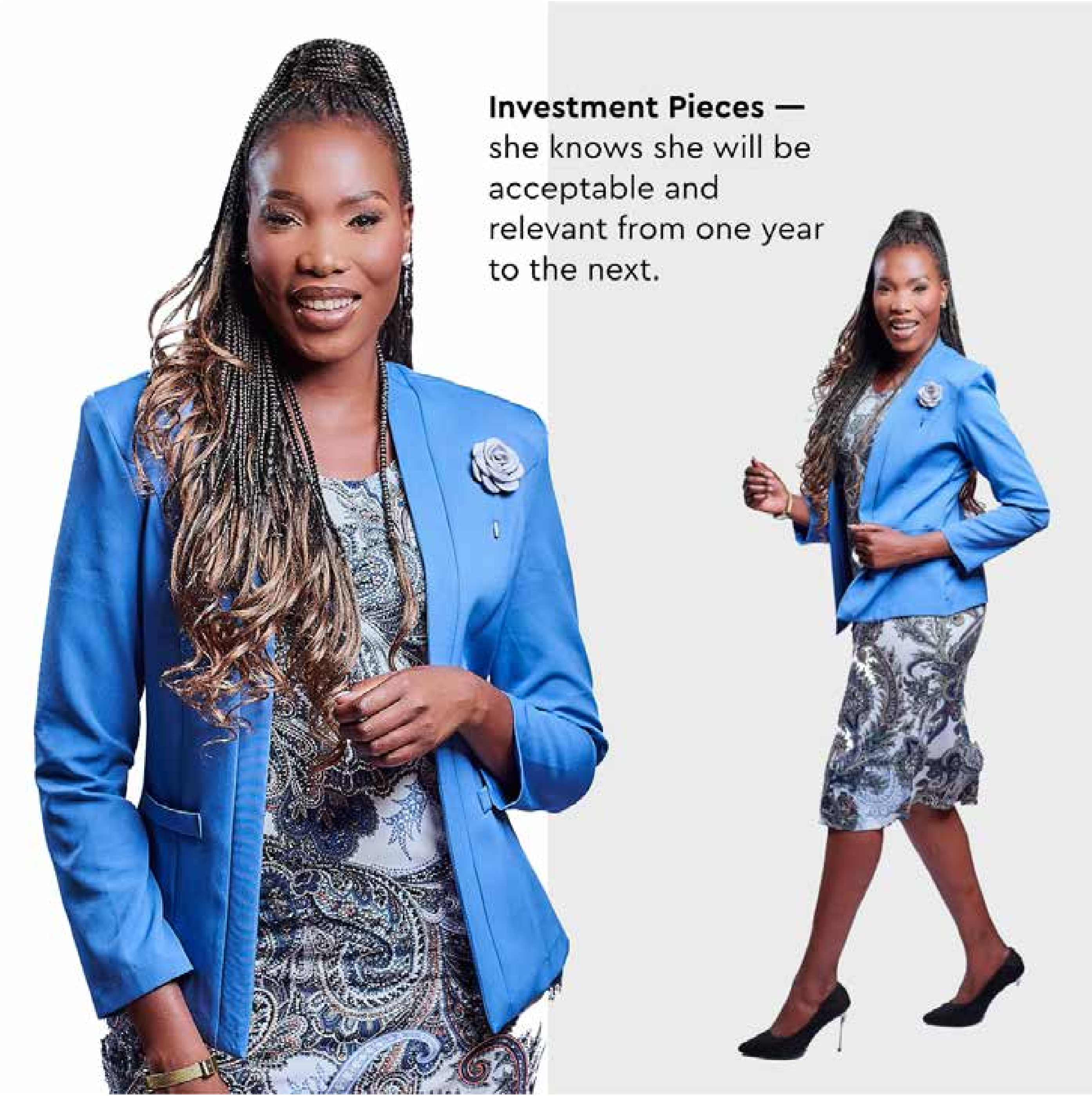
23 OPERATING PROFIT (LOSS)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

The total cost of sales, employee costs, lease expenses, depreciation, amortisation and impairment and other operating expenses are analysed by nature as follows:

Cost of sales	185 316 875 381	66 718 467 810	185 316 875 381	66 718 467 810
Employee costs	64 963 275 460	33 123 061 619	61 033 733 273	30 856 769 624
Lease expenses	12 729 963 050	4 342 129 435	12 716 661 649	4 334 888 624
Depreciation, amortisation	14 996 645 528	6 618 705 464	14 672 854 803	6 408 106 606
Other expenses	117 418 965 274	22 318 725 562	121 117 018 506	21 021 940 140
	395 425 724 693	**133 121 089 890**	**394 857 143 612**	**129 340 172 804**

*Depreciation of ZWL 19 115 768 (2022: ZWL19 536 488) on plant and machinery was reclassified to cost of sales.


Investment Pieces —
she knows she will be
acceptable and
relevant from one year
to the next.

Figures are in Zimbabwe dollars	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023

23 OPERATING PROFIT (LOSS) CONTINUED

DEPRECIATION AND AMORTISATION

Depreciation				
Property, plant and equipment	4 000 636 830	4 539 181 050	3 678 136 648	4 329 872 735
Right-of-use assets	10 934 864 482	2 018 380 198	10 934 864 482	2 018 380 198
	14 935 501 312	**6 557 561 248**	**14 613 001 130**	**6 348 252 933**
Amortisation				
Intangible assets	61 144 216	61 144 216	59 853 673	59 853 673
Total depreciation and amortisation				
Depreciation	14 935 501 312	6 557 561 248	14 613 001 130	6 348 252 933
Amortisation	61 144 216	61 144 216	59 853 673	59 853 673
	14 996 645 528	**6 618 705 464**	**14 672 854 803**	**6 408 106 606**

24 EMPLOYEE COSTS

Salaries	59 928 577 932	30 443 668 024	56 108 552 295	28 285 004 896
Medical aid - Company contributions	2 316 164 629	1 367 203 177	2 530 934 169	1 298 244 011
Pension contributions	2 572 878 929	1 275 359 051	2 249 986 065	1 237 629 178
National Employment Council ("NEC") contributions	145 653 971	36 831 367	144 260 744	35 891 539
	64 963 275 461	**33 123 061 619**	**61 033 733 273**	**30 856 769 624**

Pension Funds

The group's operating companies and all employees contribute to the Edgars Pension Fund and National Social Security Authority scheme.

Edgars Pension Fund

The Edgars Pension Fund is a defined contribution fund and provides pensions and other associated benefits for all employees on the permanent staff of the Group, their spouses, and dependents. Member contributions to the fund are set at 5% whilst the employer rate is set at 12% of monthly pensionable salaries. Employer contributions are recognised in profit or loss. The Fund is governed by legislation in the form Pension and Provident Funds Act, Chapter 24:09.

25 SHARE BASED PAYMENTS

The group has an ownership-based compensation scheme for executives and senior employees. The following shares have been set aside for this plan, as approved by shareholders at previous annual general meetings.

Resolution date	Shares set aside
29 May 2007	15 000 000
10 June 2010	16 000 000
	31 000 000

Directors were authorised to grant options from shares set aside at their discretion.

Each employee share option converts into one ordinary share of Edgars Stores Limited on exercise. The options carry neither right to dividends nor voting rights. Options must be exercised within 10 years of grant date but can only be exercised from the 2nd anniversary upon which a third can be exercised every year thereafter. Share options vest in full during the fourth year after grant date. The exercise price is determined as the mid-market price on the date the options were granted. The option is exercisable provided that the participant has remained in the Group's employ until the option vests. An exception is made where termination of employment is as a result of death or retirement. In such an event, options may be taken up and must be paid for within twelve months of such an event. In the event of a resignation, options which have vested may be taken up and paid for before expiration of notice period being served. Share options granted and forfeited can be granted at the directors' discretion in subsequent periods.

Figures are in Zimbabwe dollars	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023

25 SHARE BASED PAYMENTS (CONTINUED)

The following share-based payments arrangements were in existence during the current and prior years.

Issue date	Number of shares
15 March 2013	4 550 000

There were no share options forfeited this year (2023: nil). There have been no cancellations or modifications to any of the plans during 2023 and 2022. Cancelled and forfeited options are issued to other employees and are included in the share options granted above.

The fair value at grant date is determined by applying the Black Scholes Option Pricing Model. Options granted prior to the change in functional currency were treated as if the grant date was the change in functional currency date. The vesting period was determined as being that period remaining until vesting conditions have been met.

Movements in the year

The following table illustrates the movements

	52 weeks to 7 January 2024 No.	52 weeks to 7 January 2024 WAEP ZWc	52 weeks to 9 January 2023 No.	52 weeks to 9 January 2023 WAEP ZWc
Outstanding at the beginning of the period	2 209 999	9.78	3 460 833	9.78
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the period	2 209 999	9.78	3 460 833	9.78
Exercisable at the end of the period	**2 209 999**	**-**	**3 460 833**	**-**

26 SELLING EXPENSES

Selling expenses are expenses incurred by Edgars and Jet Stores. It covers employee costs, rent and occupancy and other operating expenses.

Employee expenses	35 124 303 456	9 853 201 639	35 124 303 456	9 853 201 639
Rent and occupancy	15 360 320 387	4 591 235 780	15 360 320 387	4 591 235 780
Other operating expenses	22 476 252 569	14 235 046 790	22 476 252 569	14 235 046 790
	72 960 876 412	**28 679 484 209**	**72 960 876 412**	**28 679 484 209**

27 FINANCIAL SERVICES EXPENSES

Financial services expenses are expenses incurred by Club Plus and Finserve Divisions. It covers employee costs, rent and occupancy and other operating expenses.

Employee expenses	4 271 254 698	1 918 394 910	4 271 254 698	1 918 394 910
Rent and occupancy	105 560 440	45 756 178	105 560 440	45 756 178
Other operating expenses	13 094 511 411	13 348 113 532	13 094 511 411	13 348 113 532
	17 471 326 549	**15 312 264 620**	**17 471 326 549**	**15 312 264 620**

28 FINANCE COSTS

Lease interest expense	2 796 984 201	3 370 972 999	2 796 984 201	3 370 972 999
Interest expense	17 488 324 774	17 397 188 583	16 841 149 395	16 803 651 911
Total finance costs	**20 285 308 975**	**20 768 161 582**	**19 638 133 596**	**20 174 624 910**

Figures are in Zimbabwe dollars	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023
29 TAXATION				
Major components of the tax income				
Current				
Local income tax - current period	4 750 407 685	9 047 732 839	2 455 178 671	7 764 198 566
Withholding tax	-	-	-	-
Deferred				
Originating and reversing temporary differences	9 821 169 575	(789 494 188)	9 122 814 288	(464 181 999)
	14 571 577 260	**8 258 238 651**	**11 577 992 959**	**7 300 016 567**
Taxes recognised in other comprehensive income				
Deferred tax on revaluation of property, plant and equipment	(4 273 434 975)	-	(4 066 104 842)	-
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	40 669 862 074	9 192 635 377	33 943 267 892	7 554 456 667
Tax at the applicable tax rate of 24.72% (2022: 24.72%)	10 053 589 905	2 272 419 465	8 390 775 823	1 867 461 688
Tax effect of adjustments on taxable income				
Expenses which are not tax deductible	(28 773 757 799)	8 549 826 722	(30 995 634 110)	7 130 212 262
Permanent differences relating to passenger motor vehicles	(1 846 603 632)	(564 316 631)	(1 763 753 120)	(481 466 119)
Non-monetary loss/(gain)	35 138 348 786	(1 999 690 905)	35 946 604 366	(1 216 191 265)
	14 571 577 260	**8 258 238 651**	**11 577 992 959**	**7 300 016 566**

Expenses which are not tax deductible include donations(ZWL 54 216 144), fines and penalties (ZWL125 278 053), excess pension fund contributions (ZWL 49 229 400) , IMTT (ZWL 4 057 385 012)and disallowed interest.

30 CASHFLOW

	Group 2023	Group 2022	Company 2023	Company 2022
Non-cash items				
Depreciation of property, plant and equipment and right of use assets	14 935 501 312	6 557 561 248	14 613 001 130	6 348 252 933
Inventory obsolescence	762 878 541	73 693 394 175	762 878 541	73 693 394 175
Amortisation of intangible assets	61 144 216	61 144 216	59 853 673	59 853 673
(Profit)/Loss on disposal of property, plant and equipment	(345 227 334)	-	(345 227 334)	-
Allowance for credit losses - trade and other receivables	4 039 789 868	1 667 813 094	4 039 789 868	1 667 813 094
Allowance for credit losses - loans and advances	243 294 480	1 370 952 274	-	-
Unrealised exchange (gain)/loss	(26 715 730 164)	5 182 132 272	(24 860 851 015)	5 004 220 838
IAS29 hyperinflation effects	61 772 158 219	(106 164 601 004)	63 784 377 834	(98 132 985 173)
Monetary (gain)/loss	(142 145 423 891)	8 089 364 504	(145 415 066 207)	4 919 867 576
	(87 391 614 753)	**(9 542 239 221)**	**(87 361 243 508)**	**(6 439 582 884)**

The total cash outflow for leases during the year was ZWL 14 927 854 346 (2022: ZWL 7 123 307 956).

	Group		Company	
	2023	2022	2023	2022
Figures are in Zimbabwe dollars	For the 52 weeks to 7 January 2024	For the 52 weeks to 8 January 2023	For the 52 weeks to 7 January 2024	For the 52 weeks to 8 January 2023

30 CASHFLOW (CONTINUED)

			Non-cash changes	
	Opening balances	Financing Cashflow	Monetary Adjustment	Closing Balances
Bank loans	21 215 713 113	(9 505 884 049)	16 080 355 300	27 790 184 364
Loans from related parties	2 435 422 045	14 203 625 719	5 395 640 174	22 034 687 938
Lease liabilities	12 173 732 127	961 887 419	9 869 979 767	23 005 599 313
	35 824 867 285	**5 659 629 089**	**31 345 975 241**	**72 830 471 615**

31 TAX PAID

Balance at beginning of the year	(1 610 623 408)	(86 025 878)	(862 053 964)	(350 144 608)
Current tax for the year recognised in profit or loss	4 750 407 685	9 047 732 839	2 455 178 671	7 764 198 565
Tax receivable	-	-	-	-
Inflation adjustment	(7 801 438 247)	(15 316 290 585)	(3 357 750 359)	(12 673 951 946)
Balance at end of the year	(356 689 136)	1 610 623 408	(846 477 990)	862 053 964
	(5 018 343 106)	**(4 743 960 216)**	**(2 611 103 642)**	**(4 397 844 025)**

32 CURRENT TAX RECEIVABLE / (PAYABLE)

Normal tax	356 689 136	(1 610 623 408)	846 477 990	(862 053 964)

33 EARNINGS PER SHARE

Weighted average number of ordinary shares (basic)	**000's**	**000's**	**000's**	**000's**
Issued ordinary shares at the beginning of the period	573 267	573 267	573 267	573 267
Weighted average number of ordinary shares used in earnings per share	**573 267**	**573 267**	**573 267**	**573 267**
Weighted average number of ordinary shares (diluted)	000's	000's	000's	000's
Weighted average of ordinary shares (basic)	573 267	573 267	573 267	573 267
Effect of share options on issue	3 035	3 035	3 035	3 035
Weighted average number of ordinary shares (diluted)	**576 302**	**576 302**	**576 302**	**576 302**
Attributable basis				
Profit attributable to ordinary shareholders	26 098 284 812	934 396 724	22 365 274 932	254 440 101
Adjustments to basic earnings	-	-	-	-
(Profit) / loss on disposal of property, plant and equipment	(345 227 334)	-	(345 227 334)	-
Profit adjusted for cost of dilutive instruments	**25 753 057 478**	**934 396 724**	**22 020 047 598**	**254 440 101**
Basic earnings per share (cents)	4 552.56	163	3 901.37	44.38
Diluted earnings per share (cents)	4 528.58	162.14	3 880.83	44.15
Headline earnings per share (cents)	4 492.34	163	3 841.15	44.38

Figures are in Zimbabwe dollars	Group 2023 7 January 2024	Group 2022 8 January 2023	Company 2023 7 January 2024	Company 2022 8 January 2023

34 COMMITMENTS

Authorised capital expenditure	-	-	-	-
Authorised and contracted	-	-	-	-
Authorised but not yet contracted for	25 790 140 721	27 253 945 129	25 394 854 616	27 253 945 129
	25 790 140 721	**27 253 945 129**	**25 394 854 616**	**27 253 945 129**

35 INTEREST OF DIRECTORS IN SHARE CAPITAL

The interests, direct and indirect of the directors in office, aggregated as to beneficial interest and non-beneficial interest are as follows:

Director's name	7 January 2024 Beneficial	7 January 2024 Non beneficial	8 January 2023 Beneficial	8 January 2023 Non beneficial
R Mlotshwa	-	100	-	100
C F Dube	-	100	-	100
V Mpofu	-	100	-	100
T N Sibanda	-	100	-	100
L L Tsumba	-	100	-	100
T N Ndlovu (resigned 1 October 2023)	-	-	-	100
Nominees	-	300	-	300
	-	**800**	**-**	**900**

No changes in Directors' shareholdings have occurred between the financial year end and the date of publishing of this annual report.

During the course of the period, no director of the company had any material interest in any contract of significance with the company or any of its subsidiaries which would have given rise to a related conflict of interest.

36 RELATED PARTIES

Relationships	
Parent company	SSCG Africa LLP
Subsidiary	Club Plus (Private) Limited - 100% owned by Edgars Stores Limited
Major Shareholder	Annunaki (Private) Limited
Common ownership	Simbisa (Private) Limited
Common ownership	Innbucks MicroBank
Former parent company	Edcon Holdings (Proprietary) Limited
Members of key management	Senior management in the group included in the Executive.

Related party relationships exist between the group, fellow subsidiaries and the holding company. All purchasing and selling transactions were concluded at market rate. All intra-group balances, income and expenses, unrealised gains and losses resulting from intra-group transactions are eliminated in full. Intercompany balances have no fixed repayment terms. Interest is charged on the Club Plus (Private) Limited loan at 12% (2022: 20% per annum.)

36 RELATED PARTIES (CONTINUED)

Related party balances

Balances between Edgars Stores Limited and Club Plus Limited	As at 7 January 2024	As at 8 January 2023
Intercompany loan	(277 014 665)	1 072 226 095
Investment in subsidiary	1 036 387 894	1 036 387 894

The intercompany balances are used to fund the subsidiary's debtor's book. The group expects to recover the amounts when the customers settle their dues as the company has sufficient liquid assets to settle its debt. Resultantly no allowance has been made for this balance.

Balances between Edgars Stores Limited and Edcon Holdings (Proprietary) Limited		
Dividend payable	370 059	9 825 834

Balances between Edgars Stores Limited and Annunaki Investments (Proprietary) Limited		
Principal*	9 369 438 525	2 435 422 045

* The breakdown of the Annunaki loans is as follows:

Annunaki Investments Loan 1 – USD 680 000 (ZWL 4 381 329 284)

Edgars Stores Limited has a loan of USD 680 000 availed by Annunaki effective the 25th of January 2023. Interest is chargeable at a rate of 12% per annum payable in 24 monthly instalments. The loan capital amount together with any interest due if any was due and payable on the 25th of January 2025.

Annunaki Investments Loan 2 – USD 724 000 (ZWL 4 664 827 061)

Edgars Stores Limited has a loan of USD 724 000 availed by Annunaki effective the 5th of December 2022. Interest is chargeable at a rate of 12% per annum payable in 24 monthly instalments. The loan capital amount is payable in monthly instalments over a period of 24 months ending the 5th of December 2024.

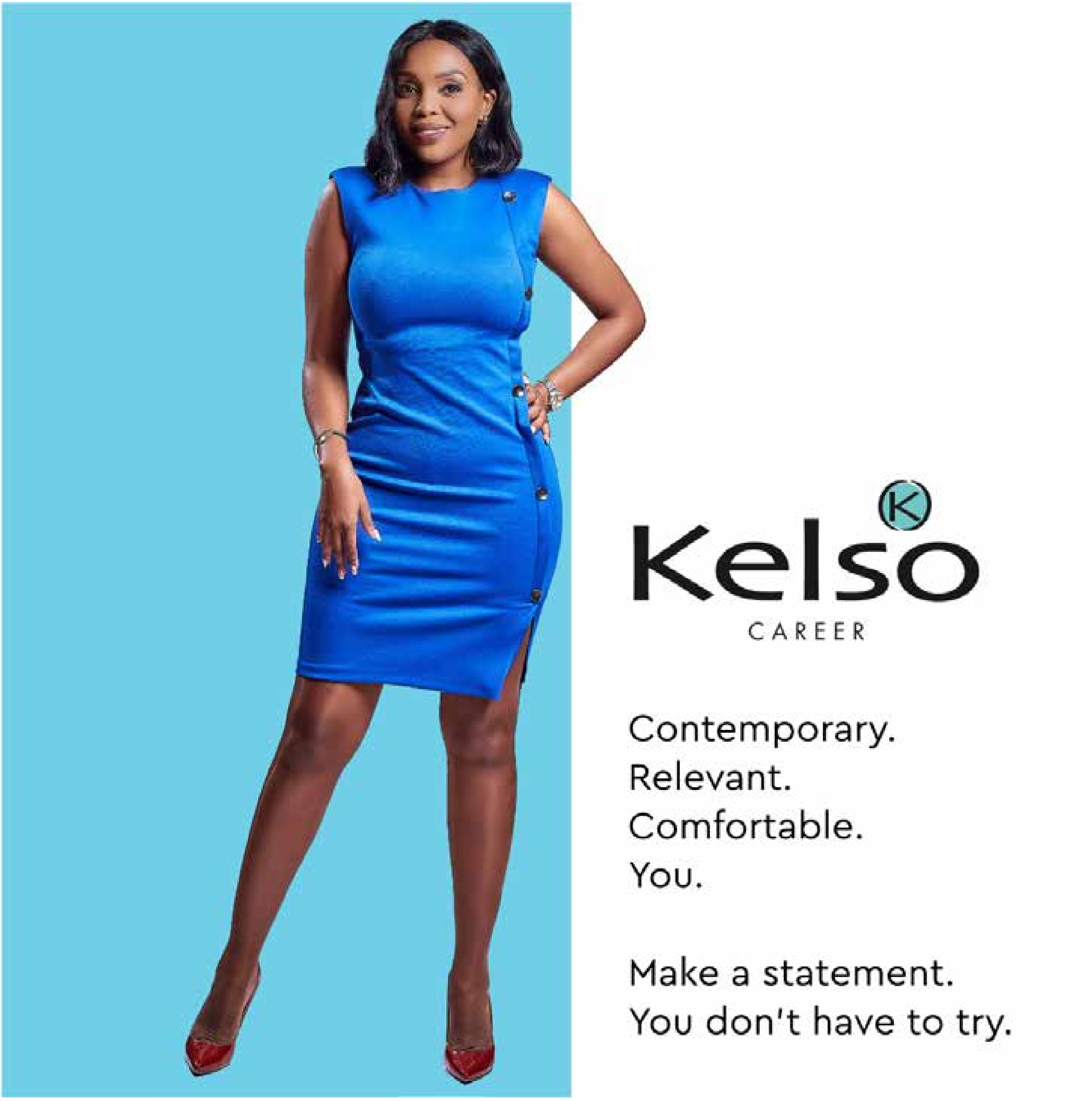
Annunaki Investments Loan 3 – USD 50 000 (ZWL 322 156 565)

Edgars Stores Limited has a loan of USD 50 000 availed by Annunaki effective July 2023. Interest is chargeable at a rate of 12% per annum payable in 24 monthly instalments.

Related party transactions

Transactions between Edgars Stores Limited and Club Plus (Private) Limited	7 January 2024	8 January 2023
Rental of premises	394 010 586	11 829 308
Interest on intercompany loan	-	62 736 524

Transactions between Edgars Stores Limited and Annunaki Investment (Private) Limited		
Interest on loan	1 267 081 940	6 244 166 588
Commission paid for loan guarantees	2 382 698 340	162 497 084
Consultation fees	364 359 648	-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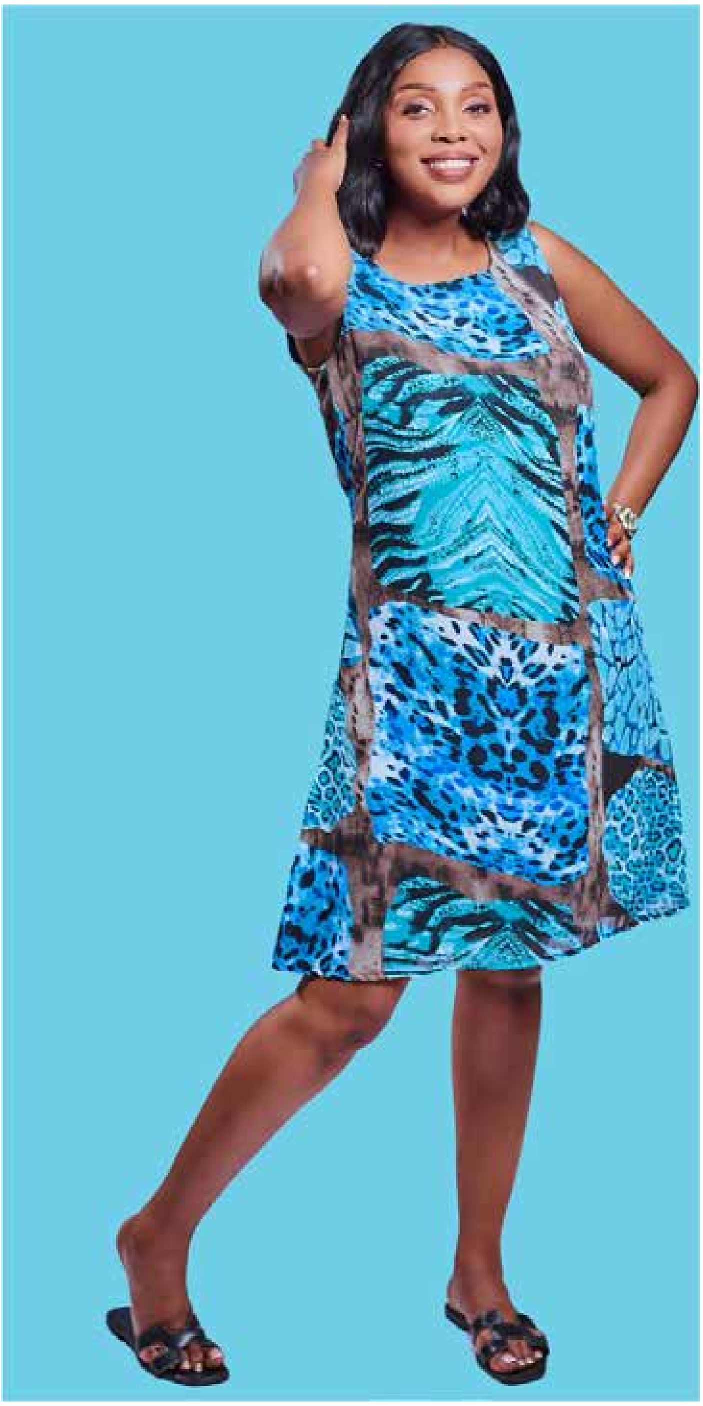


Kelso
CASUAL

Step outside for some air and look great while you do, without going out of budget!

Figures are in Zimbabwe dollars	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023

36 RELATED PARTIES (CONTINUED)

Transactions between the group and other fellow subsidiary companies

Innbucks Microfinance Bank				
Loan balance	12 665 249 413	-	12 665 249 413	-
Interest on loan	-	411 582 359	-	411 582 359
Simbisa Brands (Private) Limited –Financing	-	746 548 996	-	746 548 996
Compensation to directors and other key management				
Non-Executive Directors fees	731 588 538	512 234 023	646 108 046	468 119 509
Short-term employee benefits	8 021 320 381	1 578 441 804	6 918 552 760	1 455 479 461
Pension and medical aid benefits	228 802 189	171 745 973	215 010 848	158 952 325
Cash value plan and profit share plans	-	1 090 794 348	-	1 001 051 179
	8 981 711 108	**3 353 216 148**	**7 779 671 654**	**3 083 602 474**

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

Management of Capital

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders or issue new shares. The Group manages equity and borrowings as capital. The Group monitors capital based on the gearing ratio and level of borrowings, and this is calculated as net borrowings, divided by shareholder's equity. During the period, the Group's strategy was to maintain a healthy gearing ratio.

Capital risk management	Notes				
Borrowings	16	49 824 872 302	23 651 135 158	46 818 854 870	22 384 820 270
Lease liabilities	5	23 005 599 313	12 173 732 127	23 005 599 313	12 173 732 125
Trade and other payables	17	45 956 148 393	16 967 591 482	45 377 367 768	16 697 919 222
Contract liabilities	18	2 046 296	894 739 145	2 046 296	894 739 145
Total borrowings		**118 788 666 304**	**53 687 197 912**	**115 203 868 247**	**52 151 210 762**
Cash and cash equivalents	13	(8 104 398 106)	(11 015 151 743)	(7 602 065 135)	(10 469 221 602)
Net borrowings		**110 684 268 198**	**42 672 046 169**	**107 601 803 112**	**41 681 989 160**
Equity		80 352 480 561	41 240 272 410	75 380 677 269	40 632 862 995
Gearing ratio		137.70%	103.50%	142.70%	102.60%

Financial risk management

Overview

Financial risk management is carried out at group level and covers risks to both the group and company. The group's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finances for the group's operations. The group has trade and other receivables and cash and short-term deposits that derive directly from its operations.

The group is exposed to market risk, credit risk and liquidity risk.

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

The group's senior management oversees the management of these risks. The Treasury, Credit and Audit Committees play a role by continuously evaluating the group's exposure and response to significant risks. Taking an acceptable level of risk is considered core to doing business. The group therefore analyses, evaluates, accepts and manages risk to achieve an appropriate balance between risk and return, at the same time minimising potential adverse effects to the business.

The Board of Directors reviews and agrees policies for each of the risks, which are summarized below.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables, loans and advances to customers and cash deposits). The maximum exposure to credit risk is equal to the carrying amounts disclosed in the Statement of Financial Position. The Group's governance structures include the Financial Services division which mainly focuses on credit management which is led by the Financial Services Executive. The Financial Services division is responsible for approving all credit risk related policies and processes and will inform the credit risk appetite within the guidelines specified through the Board of directors under which the Financial services division operates.

- Credit risk relating to cash deposits: The group deposits cash with reputable banks. In addition, most of these banks loaned money to the group, with the borrowed amount exceeding our deposits.

- Credit risk relating to trade receivables: The Group does not have any balances past due date which have not been adequately provided for, as the provisioning methodology applied takes the entire trade receivables – retail population into consideration. The group uses an internally developed credit assessment tool. Before accepting any new customer, the group uses a robust credit scoring system to assess the customer's credit profile. A credit facility is established for each customer, which represents the maximum possible exposure to any account holder. The facility is made available to the account holder over time depending on the quality of credit behaviour displayed by the customer. These credit facilities are reviewed monthly. The customer is allocated a credit limit above which the customer cannot make further purchases on their account. Credit assessment tools are also applied to track the customer's credit performance during the time the group is exposed to the customer. Credit concentration risk is low due to a large and unrelated customer base.

- Credit risk relating to loans and advances to customers: The group uses an internally developed credit assessment tool for each loan advanced. Before accepting any new customer, the group uses a robust credit scoring system to assess the customer's credit profile. Thereafter the customer is allocated a loan limit above which the customer cannot borrow. Credit assessment tools are also applied to track the customer's credit performance during the time the group is exposed to the customer. The credit concentration risk is low due to a large and an unrelated customer base.

Limits and behavioural scores attributed to customers are reviewed regularly. The maximum exposure to credit risk is the carrying amount of the receivables.

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Trade receivables

The characteristics of trade receivables are as follows

2023	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	75 617 134 399	-	-	75 617 134 399
Significant increase in credit risk	-	13 957 044 377	-	13 957 044 377
Past due but not impaired		2 388 047 824	-	2 388 047 824
Credit impaired	-	-	2 634 218 407	2 634 218 407
	75 617 134 399	**16 345 092 201**	**2 634 218 407**	**94 596 445 007**

2022	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	32 614 992 331	-	-	32 614 992 331
Significant increase in credit risk	-	4 668 070 446	-	4 668 070 446
Credit impaired	-	-	2 256 036 370	2 256 036 370
	32 614 992 331	**4 668 070 446**	**2 256 036 370**	**39 539 099 147**

Loans and advances to customers

The characteristics of loans and advances are as follows:

2023	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	7 165 207 675	-	-	7 165 207 675
Significant increase in credit risk	-	602 168 608	-	602 168 608
Credit Impaired	-	-	396 035 866	396 035 866
	7 165 207 675	**602 168 608**	**396 035 866**	**8 163 412 149**

2022	Stage 1	Stage 2	Stage 3	Total
Credit risk has not increased significantly	3 601 679 842	-	-	3 601 679 842
Significant increase in credit risk	-	295 716 454	-	295 716 454
Credit impaired	-	-	439 709 942	439 709 942
	3 601 679 842	**295 716 454**	**439 709 942**	**4 337 106 238**

Intercompany loan

The Group expects to recover the intercompany loan amounts as Club Plus has sufficient liquid assets to settle its debt as and when it falls due.

Impairment assessment

The references below show how the group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

Definition of default and cure

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower/ debtor becomes 90 days past due on its contractual repayment obligations.

As a part of qualitative assessment of whether a customer is in default, the group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- internal rating of the borrower indicating default or near-default
- whether the borrower is deceased
- whether the debtor is filing for bankruptcy application/protection

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Definition of default and cure (continued)

It is the group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The group's internal rating and Probability of Default (PD) estimation process

The PDs applied in the ECL computation are a result of the portfolio specific regression models. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplementary information that could affect the borrower's behaviour. These information sources are first used to determine the PDs within the group's Basel framework.

PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information. The IFRS 9 Stage classification of the exposure is determined by scores from the behavioural scorecard.

Consumer lending and short-term loans

Consumer lending comprises unsecured personal loans. These products are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products;
- use of limits and volatility thereof:
- GDP growth.
- Unemployment rates, changes in personal income/salary levels based on records of current accounts, persona indebtedness and expected interest repricing.

Exposure at Default (EAD)

Exposure at Default is defined as an estimation to which the Group will be exposed to a counterparty in the event of a default. The EAD models have been built using the historical experience of debt instruments that defaulted. Credit Conversion Factors (CCF) are determined using linear regression-based approach. EAD models are used at the portfolio level to forecast the proportion of the exposure that will be outstanding at the point of default.

Loss Given Default (LGD)

The Loss Given Default is defined as an estimate of the ultimate credit loss in the event of a default. The LGD models were built using the historical experience of defaulted credit facilities and the observed recoveries from the default date to the point of model development. The linear regression approach was used to construct LGD models. The LGD models are used at the portfolio level to evaluate 12-months LGDs for financial instruments with no significant increase in credit risk since initial recognition and lifetime LGDs are applied for financial instruments for which a significant increase in credit risk has occurred.

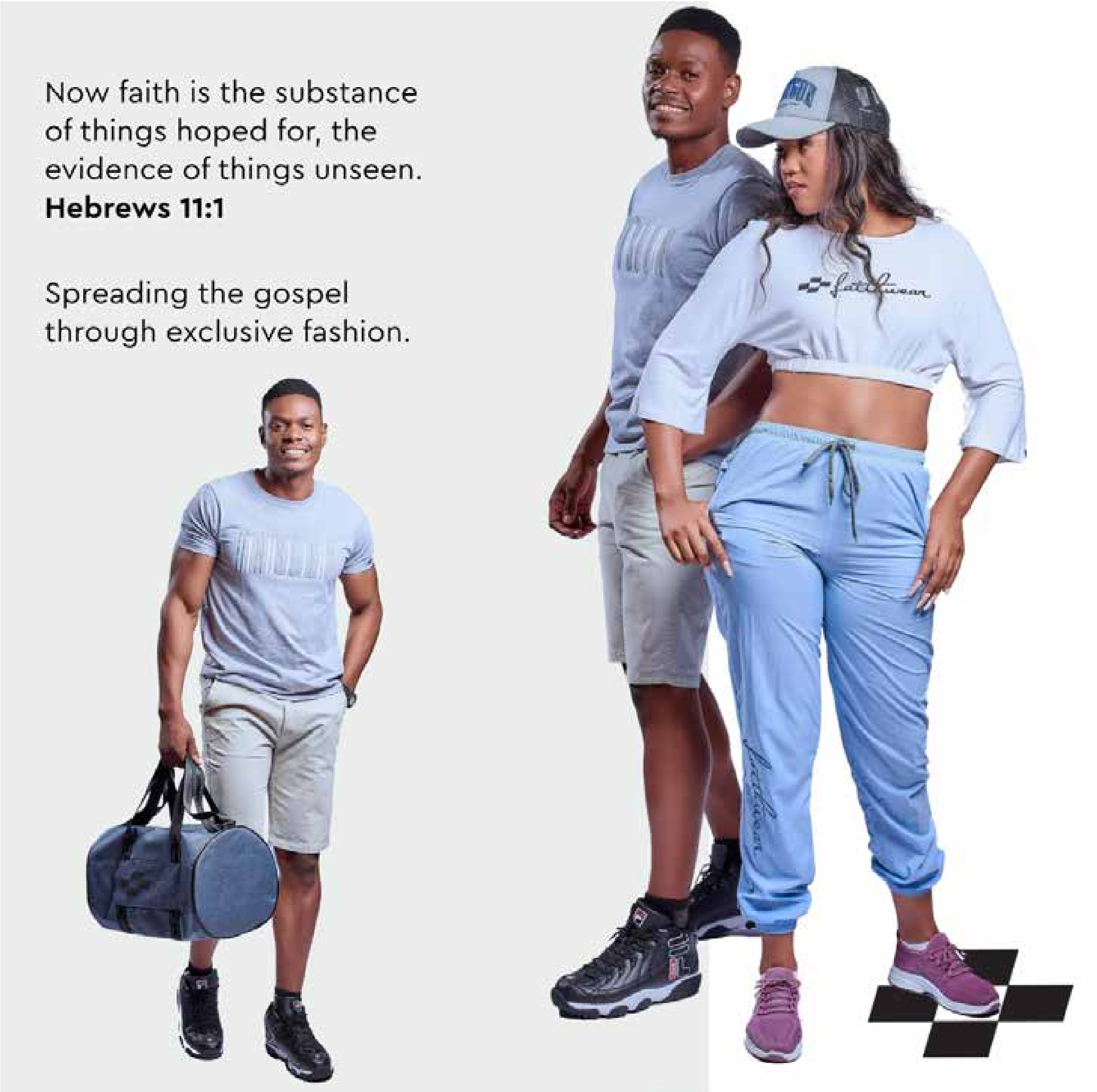
12-months LGDs were derived from discounted cashflows while lifetime LGDs were derived using a combination of 12-months LGDs and forward-looking macroeconomic factors. GDP per Capita and Annual Inflation were the statistically significant variables considered.

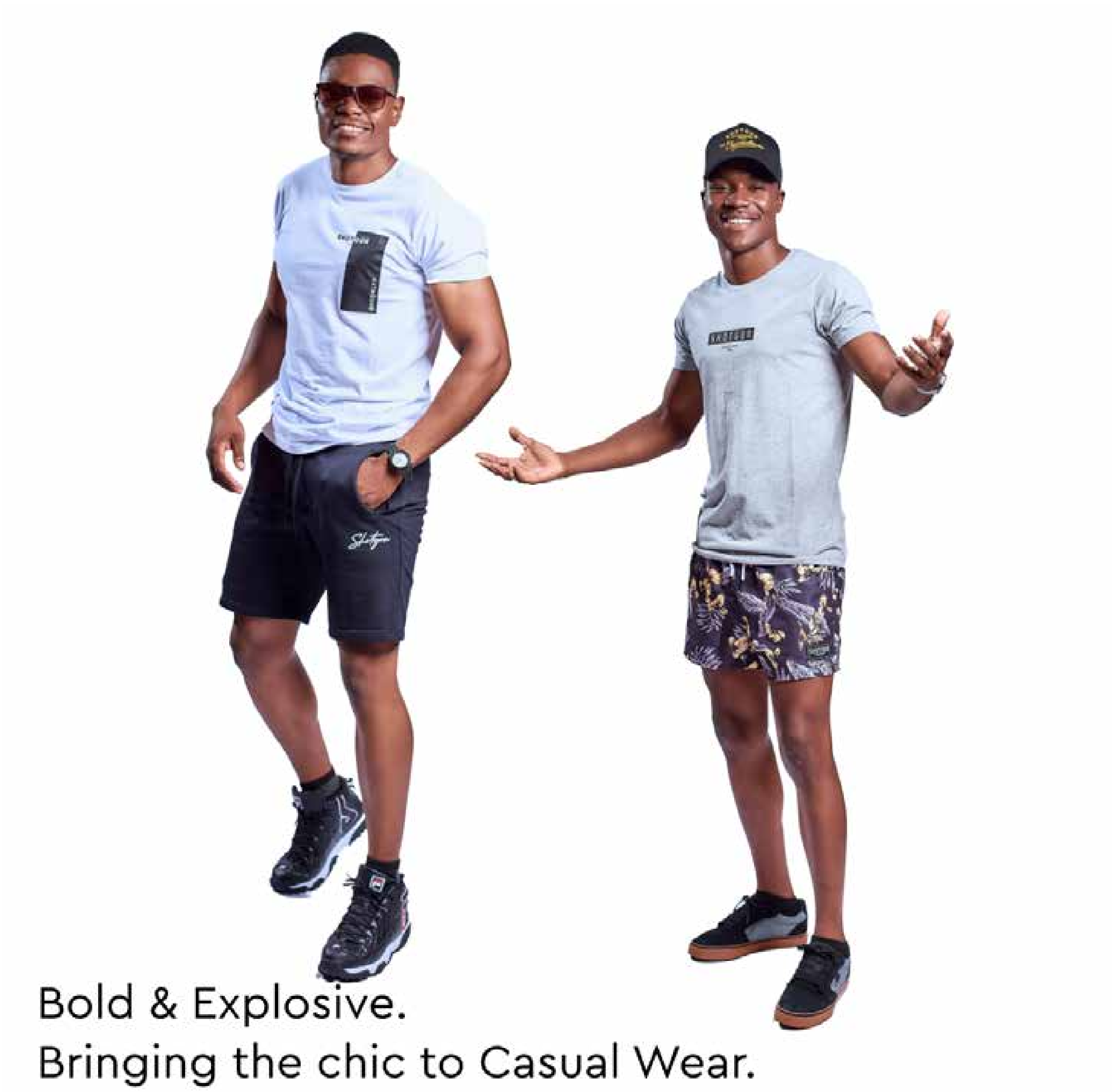
Significant increase in credit risk

The group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the group assesses whether there has been a significant increase in credit risk since initial recognition. The group's independent Credit Risk Department operates its internal rating models that assigns grades to different clients. This information is combined together with other observable variables to form the IFRS 9 behavioural scorecards (rate of inflation, GDP per Capita, Payment behaviour) whose main variable is the days past due status of any given facility. The thresholds specified in the model documentations determines the transitions to stage 2 and 3 and Lifetime PDs are then determined for those that would have moved from Stage 1. This will result in facilities in Stage 1 recognizing a 12month ECL while instruments in Stage 2 and 3 recognising a Lifetime ECL. The probability weighted ECL is then determined considering the base, best- and worst-case scenarios.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.


Now faith is the substance of things hoped for, the evidence of things unseen.
Hebrews 11:1
Spreading the gospel through exclusive fashion.


Bold & Explosive.
Bringing the chic to Casual Wear.

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk(continued)

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cashflows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at banking institutions.

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The group has access and has utilised the following:

	52 weeks to 7 January 2024	53 weeks to 8 January 2023
Total banking and loan facilities	57 929 270 408	34 666 286 901
Utilised interest-bearing debt	(49 824 872 302)	(23 651 135 158)
Unutilised banking facilities	**8 104 398 106**	**11 015 151 743**

The aggregate amount of the group's year-end interest - bearing debt is limited to an amount determined in terms of the Company's Articles of Association. This limit is calculated as the aggregate of shareholders' equity, inventories and debtors.

	52 weeks to 7 January 2024	53 weeks to 8 January 2023
Maximum permissible interest-bearing debt	253 118 680 037	105 945 620 018
Interest bearing debt	(49 824 872 302)	(23 651 135 158)
	203 293 807 735	82 294 484 860
Cash and cash equivalents	8 104 398 106	11 015 151 743
Unutilised borrowing capacity	211 398 205 841	93 309 636 603

The table below summarises the maturity profile of the group 's financial liabilities based on contractual undiscounted payments

Group - 2023	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Interest bearing loans and borrowings	4 818 240 535	7 926 290 932	54 352 374 634	-	67 096 906 101
Trade and other payables	-	45 956 148 393	-	-	45 956 148 393
Lease liabilities	1 921 497 179	3 842 994 357	12 977 941 077	5 514 735 616	24 257 168 229
	6 739 737 714	**57 725 433 682**	**67 330 315 711**	**5 514 735 616**	**137 310 222 723**

Group – 2022 *Restated					
Interest bearing loans and borrowings	2 878 112 414	10 057 075 549	28 844 214 493	2 764 834 743	44 544 237 199
Trade and other payables	-	16 967 591 482	-	-	16 967 591 482
Lease liabilities	983 314 856	1 966 629 711	8 849 833 710	370 310 082	12 170 088 359
Restated	**3 861 427 270**	**28 991 296 742**	**37 694 048 203**	**3 135 144 825**	**73 681 917 040**
Reported	(14 748 566 372)	(16 967 591 480)	(20 746 888 220)	(329 412 699)	(52 792 458 771)
Restatement	**(10 887 139 102)**	**12 023 705 262**	**16 947 159 983**	**2 805 732 126**	**20 889 458 269**

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Cash and cash equivalents (continued)

Company - 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Interest bearing loans and borrowings	4 068 786 584	7 875 467 512	47 680 537 946	-	59 624 792 042
Trade and other payables	-	45 377 367 768	-	-	45 377 367 768
Lease liabilities	1 921 497 179	3 842 994 357	12 977 941 077	5 514 735 616	24 257 168 229
	5 990 283 763	**57 095 829 637**	**60 658 479 023**	**5 514 735 616**	**129 259 328 039**

Company – 2022 (Restated)*	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Interest bearing loans and borrowings	2 878 112 414	10 057 075 549	27 770 293 665	2 764 834 743	43 470 316 371
Trade and other payables	-	16 697 919 222	-	-	16 697 919 222
Lease liabilities	983 314 857	1 966 629 714	8 849 833 710	370 310 082	12 170 088 363
Restated	**3 861 427 271**	**28 721 624 485**	**36 620 127 375**	**3 135 144 825**	**72 338 323 956**
Reported	(4 246 479 078)	(34 503 571 868)	(12 177 007 977)	(329 412 699)	(51 256 471 622)
Restatement	**(385 051 807)**	**(5 781 947 383)**	**24 443 119 398**	**2 805 732 126**	**21 081 852 334**

*Restatement

In the prior year, the Group and Company disclosed the quantitative maturity analysis of the Group's and Company's financial liabilities based on contractual discounted cashflows in error instead of disclosing the undiscounted cashflows as required by IFRS 7 paragraph B11D. This resulted in an understatement of the undiscounted cashflows by ZWL 20 889 458 269 and ZWL 21 081 852 334 for the Group and Company respectively. The restatement had no impact on the statement of financial position.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense are denominated in a different currency from the group's functional currency). The group manages foreign currency risk by ring fencing foreign denominated bank balances as security against ZWL loan borrowings.

Furthermore, we have engaged our suppliers such that all local suppliers can be paid in either foreign currency or Zimbabwean dollars translated at the exchange rate on the day of payment. In this way the group exercises some discretion depending on movements in exchange rates. Beginning July 2023, all suppliers are being contracted for in US$ and the obligations extinguished in the same currency.

Foreign denominated balances	52 weeks to 7 January 2024 United States Dollar	52 weeks to 8 January 2023 United States Dollar	52 weeks to 7 January 2024 South African Rand	52 weeks to 8 January 2023 South African Rand
Assets				
Cash and cash equivalents in ZWL	-	8 322 876 498	842 796 506	315 159 930
Liabilities				
Trade payables in ZWL	-	449 519 183	601 954 460	-
Long term loan in ZWL	-	329 412 699	-	-
Total net position	**-**	**9 101 808 380**	**1 444 750 966**	**315 159 930**
Impact of US$ strengthening by 10% -gain/(loss) in US$				
Impact on profit before tax	-	(55 162 475)	(381 425)	(1 910 060)
Impact of US$ strengthening by 10% -gain/(loss) in US$				
Impact on profit before tax	-	67 420 803	466 187	2 334 518

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. Significant factors in managing the risk include the frequency, volatility and direction of rate of changes, the size of the interest-sensitive position and the basis for re-pricing at rollover dates. The group's exposure to the risk of changes in market interest rates relates primarily to its medium to long-term debt obligations.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on interest bearing debt with variable interest rates.

07 January 2024	**Adjusted Interest**	**Current year interest**	**Impact on profit or loss Gain/(loss)**	**Tax effect**	**Impact**
All figures in ZW$					
Increase of 200 basis points in interest rates	17 838 091 270	17 488 324 774	349 766 495	86 462 278	263 304 218
Decrease of 200 basis points in interest rates	17 138 558 279	17 488 324 774	(349 766 495)	(86 462 278)	(263 304 218)
08 January 2023					
All figures in ZW$					
Increase of 200 basis points in interest rates	17 745 132 355	17 397 188 583	347 943 772	86 011 700	261 932 071
Decrease of 200 basis pointsin interest rates	17 049 244 812	17 397 188 583	(347 943 772)	(86 011 700)	(261 932 071)

Capital risk

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments. The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Governing board as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the micro lending subsidiary. The required information is filed with the RBZ on a quarterly basis. The capital requirements for Micro lending Institutions were the ZWL equivalent of USD 25 000 (ZWL 161 078 283) which was adequately covered by the Group's subsidiary which had equity of ZWL 5 321 439 724. Where risk of such non-compliance is identified, the Group supports the subsidiary with the required capital, so as to avoid penalties by the regulatory authorities.

These regulatory requirements are incorporated into the Group's management of capital by ensuring that the equity position of the subsidiary exceeds the capital requirements on a monthly basis. The Group is managing its capital in a satisfactory manner by ensuring that the business is appropriately leveraged insofar as enabling it to obtain reasonable returns. The Group primarily monitors capital using the gearing ratio, despite the inherent challenges of determining annual financial targets in a hyperinflationary environment. The Group ensures that following any share repurchases or payments to shareholders, on a fair value basis, the consolidated assets of the Group exceed its consolidated liabilities, and that the Group is able to pay its debts when they fall due.

Despite the Group's debt being higher than equity the Group benefited from the hyper inflationary environment during which a higher debt position was more favourable, as the inflation rate increased quicker than the borrowing rates adjustments from lenders.

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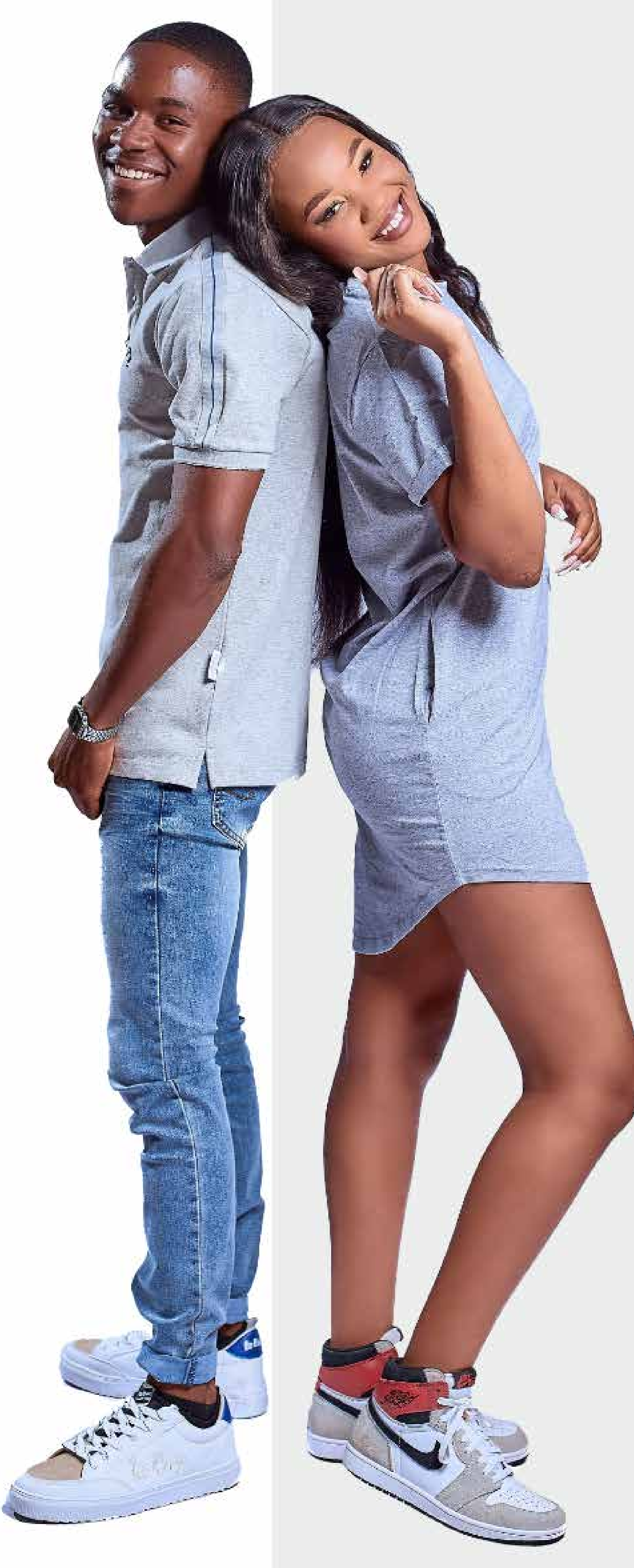


	Group		Company	
	2023	2022	2023	2022
	As at	As at	As at	As at
Figures are in Zimbabwe dollars	7 January 2024	8 January 2023	7 January 2024	8 January 2023

37 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Financial Instruments by category

The following classifications of financial instruments have been applied:

Financial assets at amortised cost				
Cash and bank balances	8 104 398 106	11 015 151 743	7 602 065 135	10 469 221 602
Amounts due from related parties	-	-	-	1 072 226 095
Loans and advances to customers	7 813 659 098	3 354 044 916	-	-
Trade and other receivables	101 472 476 014	41 843 564 661	100 922 893 850	41 496 596 576
	117 390 533 218	**56 212 761 320**	**108 524 958 985**	**53 038 044 273**
Financial liabilities at amortised cost				
Borrowings	49 824 872 302	23 651 135 158	46 818 854 870	22 384 820 271
Trade and other payables	45 956 148 392	16 967 591 481	45 377 367 768	16 697 919 222
Other liabilities	23 008 015 668	13 078 297 106	23 285 030 332	17 894 010 361
	118 789 036 362	**53 697 023 745**	**115 481 252 970**	**56 976 749 854**

All financial instruments at fair value through profit or loss of the Group are classified as held-for-trading.

38. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

The valuation process relied on the Direct Capitalization of Net Income Method for commercial properties, and whilst the Direct Comparison Method was used for residential buildings.

Direct Capitalization of Net Income Method

In determining the opinion of value, the entity undertook the following;

» Estimated the gross rental income of the property and deducted the outgoings (operating expenses) which were also estimated based on both actual (past year's outgoings) and projected expenses for the current year

» After deduction of the outgoings we estimated the net rental income of the property. We then capitalized the net annual income at a rate which we considered appropriate for the property in accordance to nature, age, and locality to come up with an opinion of value.

Direct Comparison Method

For residential properties, the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties with key reference and analysis based on the facilities, location and quality.

Figures in Zimbabwe dollars	Note(s)	Group 2023 For the 52 weeks to 7 January 2024	Group 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	Company 2022 For the 52 weeks to 8 January 2023

38. FAIR VALUE INFORMATION (CONTINUED)

Level 3

Property, plant and equipment

Land & buildings	2	9 408 025 734	2 602 111 163	9 408 025 734	2 602 111 163
Leasehold improvements		2 047 999 314	825 393 580	1 658 243 032	744 275 012
Furniture, fittings & equipment		9 814 305 963	5 563 873 393	9 544 188 553	5 420 673 341
Computer equipment		3 477 313 954	530 091 720	2 997 074 209	443 386 661
Motor vehicles		3 406 539 035	918 183 718	2 978 530 880	757 427 066
Plant and machinery		2 298 257 420	1 013 524 490	2 298 257 421	1 013 524 490
Work in progress		-	200 118 326	-	200 118 342
		30 452 441 420	**11 653 296 390**	**28 884 319 829**	**11 181 516 075**

Except for land and buildings, all other property, plant and equipment were carried at the USD depreciated replacement cost translated at the closing ZWL rate to determine a fair carrying amount.

39 GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company significantly.

40 CONTINGENT LIABILITIES

There is no litigation, current or pending which is likely to have a material adverse effect on the Group.

41 DIVIDEND DECLARATION

No dividend was declared for the year ended 7 January 2024 (2022: Nil).

42 EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, the Company obtained approval from both its Shareholders and the Regulator to withdraw its listing from the Zimbabwe Stock Exchange (ZSE) and become listed on the Victoria Falls Stock Exchange (VFEX) by way of introduction on April 5, 2024. Additionally, on the same date, April 5, 2024, the Reserve Bank of Zimbabwe (RBZ) issued a Monetary Policy Statement introducing the new Zimbabwe currency known as "ZiG," which would be backed by gold reserves. This currency was introduced via Statutory Instrument (SI) "60 of 2024" at exchange rates of 13.56 and 2,499.9263 to the United States Dollar and the Zimbabwe dollar (ZWL) respectively.

43 PRIOR PERIOD RESTATEMENT

43.1 BANK OVERDRAFT

In accordance with International Accounting Standards (IAS) 7 paragraph 8, bank overdrafts are generally considered to be financing activities unless they are repayable on demand and form an integral part of an entity's cash management for which they are included as a component of cash and cash equivalents. In the prior year, the Group incorrectly disclosed bank overdrafts as part of cash and cash equivalents in the Statement of Cashflows instead of being disclosed as financing activities. Despite the bank overdrafts forming an integral part of the Group's cash management, the bank overdrafts were not repayable on demand but repayable at the end of facility tenure. More so, the bank overdraft balances rarely fluctuated between positive and negative during the prior period further confirming the position that the bank overdrafts were borrowings. Therefore, this presentation in the statement of cashflows was inconsistent with the requirements of IAS 7 paragraph 8. This change in presentation aligns with the Group's objective to comply with IAS 7.

The following table summarises the impact of correction of the error on the 2022 financial statements.

Extract of the Consolidated Inflation adjusted Statement of Cashflows for the 52 weeks ended 8 January 2023

	As reported	Restatement	Restated
Cashflows from financing activities			
Proceeds from borrowings	92 288 036 552	393 943 184	92 681 979 736
Total cash movement for the year	**8 337 265 088**	**393 943 184**	**8 731 208 272**
Cash and cash equivalents at the beginning of the year	3 625 047 003	3 789 304 374	7 414 351 377
Cash and cash equivalents at the end of the year	**6 831 904 184**	**4 183 247 559**	**11 015 151 743**
Net impact on total cashflows		-	

Extract of the Company Inflation adjusted Statement of Cashflows for the 52 weeks ended 8 January 2023

	As reported	Restatement	Restated
Cashflows from financing activities			
Proceeds from borrowings	89 016 502 607	383 461 236	89 399 963 843
Total cash movement for the year	**8 504 701 581**	**383 461 235**	**8 888 162 816**
Cash and cash equivalents at the beginning of the year	2 874 689 132	3 780 650 758	6 655 339 890
Cash and cash equivalents at the end of the year	**6 305 109 609**	**4 164 111 993**	**10 469 221 602**
Net impact on total cashflows		-	

43.2 CASH AND CASH EQUIVALENTS NOTE

Extract of the notes to the inflation adjusted financial statements.

The Group presented the cash and cash equivalents note inclusive of bank overdraft. As discussed in 43.1 above, this was not in line with the requirements of IAS 7 paragraph 8. There was no impact on the statement of financial position.

The following table summarises the impact of correction of the error on the 2022 financial statements.

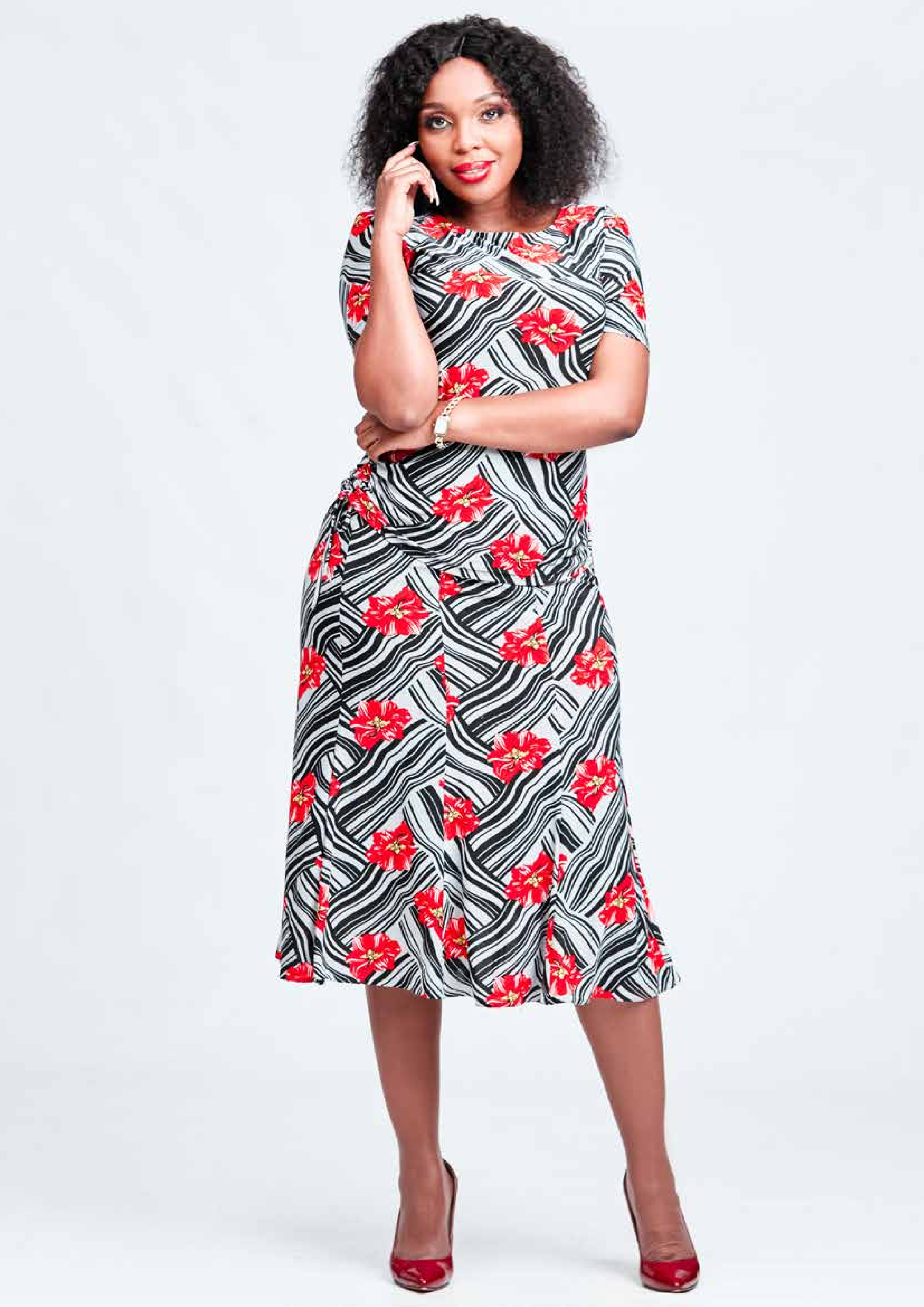
GROUP	As reported	Restatement	Restated
Cash and cash equivalents note			
Cash and cash equivalents consist of:			
Bank and cash balances	11 015 151 743	-	11 015 151 743
Bank overdraft	(4 183 247 559)	4 183 247 559	-
	6 831 904 184	**4 183 247 559**	**11 015 151 743**

COMPANY	As reported	Restatement	Restated
Cash and cash equivalents note			
Cash and cash equivalents consist of:			
Bank and cash balances	10 469 221 602	-	10 469 221 602
Bank overdraft	(4 164 111 993)	4 164 111 993	-
	6 305 109 609	**4 164 111 993**	**10 469 221 602**

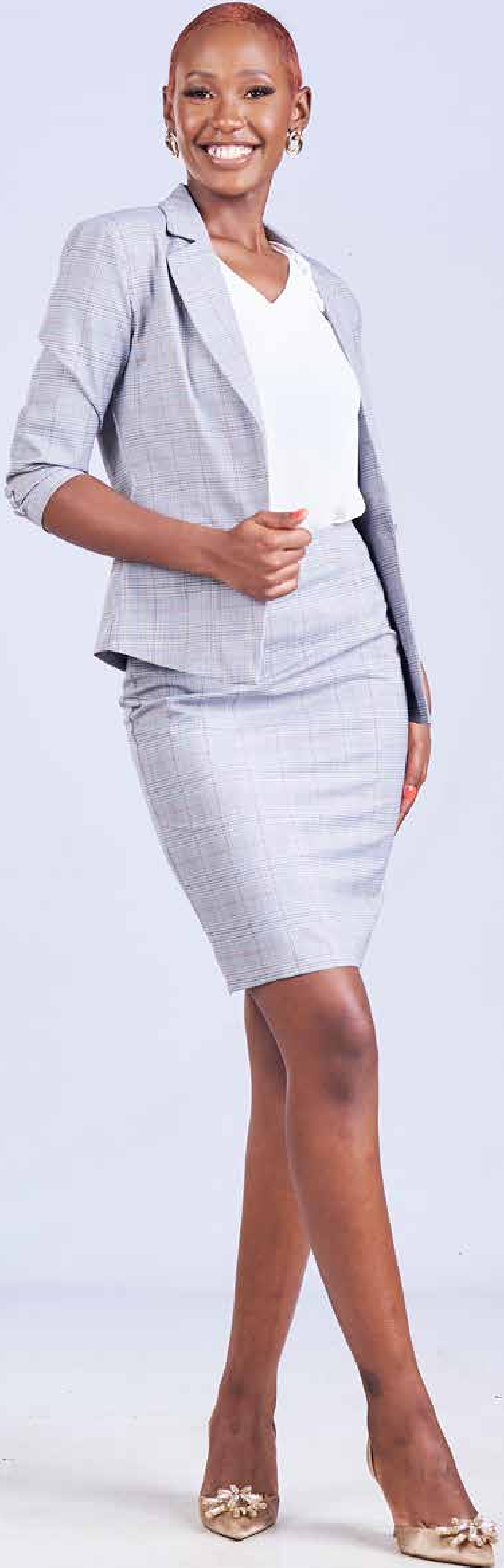
43 PRIOR PERIOD RESTATEMENT (CONTINUED)

43.2 CASH AND CASH EQUIVALENTS NOTE (CONTINUED)

IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" requires that if an error occurred before the earliest prior period presented, the Group should restate the opening statement of financial position for the earliest prior period presented. A third statement of financial position has not been presented for the Group as none of the prior period restatements affect the Group's statement of financial position as at 9 January 2022.



SUPPLEMENTARY INFORMATION
(HISTORICAL FINANCIAL STATEMENTS)



HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 7 JANUARY 2024

	Group		Company	
	2023	2022	2023	2022
Figures in Zimbabwe dollars	**7 January 2024**	**8 January 2023**	**7 January 2024**	**8 January 2023**
Assets				
Non-Current Assets				
Property, plant and equipment	30 452 441 420	1 049 886 231	28 884 319 829	1 007 623 468
Right-of-use assets	3 626 354 779	884 926 748	3 626 354 779	884 926 748
Intangible assets	1 500 000	1 731 080	1 500 000	1 730 780
Investments in subsidiary	-	-	1 000 000	1 000 000
Deferred tax assets	-	276 935 761	-	212 157 770
	34 080 296 199	**2 213 479 820**	**32 513 174 608**	**2 107 438 766**
Current Assets				
Inventories	37 025 045 475	2 555 239 918	37 014 630 822	2 552 111 041
Loans and advances to customers	7 813 659 098	697 977 870	-	-
Trade and other receivables	93 995 407 347	8 707 659 817	93 445 825 182	8 635 455 642
Current tax receivable	356 689 136	-	846 477 990	-
Intercompany loan	-	-		223 130 609
Cash and cash equivalents	8 104 398 106	2 292 256 766	7 602 065 135	2 178 648 521
	147 295 199 162	**14 253 134 371**	**138 908 999 129**	**13 589 345 813**
Total Assets	**181 375 495 361**	**16 466 614 191**	**171 422 173 737**	**15 696 784 579**
Equity and Liabilities				
Equity				
Share capital	73 411 672	73 411 672	73 411 672	73 411 672
Reserves	19 469 150 532	551 200 508	18 207 061 362	519 039 881
Retained income	31 459 033 961	4 512 797 248	26 740 588 764	4 250 545 256
	51 001 596 165	**5 137 409 428**	**45 021 061 798**	**4 842 996 809**
Liabilities				
Non-Current Liabilities				
Borrowings	436 581 229	68 550 893	436 581 229	68 550 893
Borrowings-Related Party	9 369 438 525	506 812 143	9 369 438 525	506 812 143
Deferred tax	11 585 677 432	-	10 920 673 566	-
Lease liabilities	4 305 732 544	-	4 305 732 544	-
	25 697 429 730	**575 363 036**	**25 032 425 864**	**575 363 036**
Current Liabilities				
Trade and other payables	45 956 148 392	3 530 961 469	45 377 367 768	3 474 842 580
Borrowings	27 353 603 135	4 346 446 109	24 347 585 703	4 082 925 557
Borrowings-Related Party	12 665 249 413	-	12 665 249 413	-
Lease liabilities	18 699 866 769	2 533 357 732	18 699 866 769	2 533 357 732
Current tax payable	-	335 171 271	-	179 393 719
Dividend payable	370 059	370 059	370 059	370 059
Intercompany loan	-	-	277 014 665	-
Contract liabilities	1 231 698	7 535 087	1 231 698	7 535 087
	104 676 469 466	**10 753 841 727**	**101 368 686 075**	**10 278 424 734**
Total Liabilities	**130 373 899 196**	**11 329 204 763**	**126 401 111 939**	**10 853 787 770**
Total Equity and Liabilities	**181 375 495 361**	**16 466 614 191**	**171 422 173 737**	**15 696 784 579**

Figures in Zimbabwe dollars	Note(s)	Group 2023 For the 52 weeks to 7 January 2024	 2022 For the 52 weeks to 8 January 2023	Company 2023 For the 52 weeks to 7 January 2024	 2022 For the 52 weeks to 8 January 2023
Revenue		**183 330 087 061**	**24 046 227 856**	**177 086 777 646**	**23 058 832 948**
Sale of merchandise		156 556 453 402	17 739 993 527	156 556 453 402	17 739 993 527
Cost of sales		(48 639 343 464)	(6 406 338 726)	(48 639 343 464)	(6 406 338 726)
Gross profit		**107 917 109 938**	**11 333 654 801**	**107 917 109 938**	**11 333 654 801**
Revenue from Microfinance Institutions and other debtors accounts		26 480 489 921	6 243 010 355	20 237 180 505	5 255 615 447
Other revenue		293 143 739	63 223 974	293 143 739	63 223 974
Other (losses)/income		(87 662 996)	59 396 045	79 868 791	64 038 765
Other expenses		(12 173 346 087)	(468 805 094)	(7 584 825 342)	(32 033 904)
Movement in credit loss allowances		(2 082 396 793)	(441 263 186)	(2 209 025 272)	(242 773 405)
Selling expenses		(43 521 544 966)	(6 579 589 426)	(43 521 544 966)	(6 579 589 426)
Financial Services expenses		(10 752 209 196)	(2 150 358 402)	(10 752 209 196)	(2 150 358 402)
Trading profit		**66 073 583 560**	**8 059 269 067**	**64 459 698 197**	**7 711 777 850**
Net foreign exchange gains/(losses)		(12 324 731 239)	(547 944 870)	(18 178 889 685)	(575 469 698)
Operating profit		**53 748 852 321**	**7 511 324 197**	**46 280 808 512**	**7 136 308 152**
Finance costs		(11 171 315 242)	(3 410 371 948)	(10 771 032 988)	(3 364 298 743)
Profit before taxation		**42 577 537 079**	**4 100 952 249**	**35 509 775 524**	**3 772 009 409**
Income tax expense		(15 139 012 702)	(759 575 045)	(13 019 732 016)	(668 330 394)
Profit for the year		**27 438 524 377**	**3 341 377 204**	**22 490 043 508**	**3 103 679 015**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Revaluation of property, plant and equipment		24 476 172 104	-	23 496 309 088	-
Deferred tax liability arising on revaluation		(6 050 509 744)	-	(5 808 287 607)	-
Total items that will not be reclassified to profit or loss		**18 425 662 360**	**-**	**17 688 021 481**	**-**
Other comprehensive income for the year net of taxation		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**45 864 186 737**	**3 341 377 204**	**40 178 064 989**	**3 103 679 015**

HISTORICAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 7 JANUARY 2024

Figures in Zimbabwe dollars	Share capital	Revaluation reserve	Credit reserve	Equity settled employee benefits reserve	Total reserves	Retained income	Total equity
Group							
Balance at 09 January 2022	**73 411 672**	**536 741 153**	**13 450 391**	**1 008 964**	**624 612 180**	**1 171 420 044**	**1 796 032 224**
Profit for the year	-	-	-	-	-	3 341 377 204	3 341 377 204
Balance at 8 January 2023	**73 411 672**	**536 741 153**	**13 450 391**	**1 008 964**	**624 612 180**	**4 512 797 248**	**5 137 409 428**
Profit for the year	-	18 425 662 360	-	-	18 425 662 360	27 438 524 377	45 864 186 737
Total comprehensive income for the year	**-**	**18 425 662 360**	**-**	**-**	**18 425 662 360**	**27 438 524 377**	**45 864 186 737**
Transfer to Credit Reserve	-	-	492 287 664	-	492 287 664	(492 287 664)	-
Balance at 07 January 2024	**73 411 672**	**18 962 403 513**	**505 738 055**	**1 008 964**	**19 542 562 204**	**31 459 033 961**	**51 001 596 165**
Company							
Balance at 09 January 2022	**73 411 672**	**518 030 917**	**-**	**1 008 964**	**592 451 553**	**1 146 866 241**	**1 739 317 794**
Profit for the year	-	-	-	-	-	3 103 679 015	3 103 679 015
Balance at 8 January 2023	**73 411 672**	**518 030 917**	**-**	**1 008 964**	**592 451 553**	**4 250 545 256**	**4 842 996 809**
Profit for the year	-	17 688 021 481	-	-	17 688 021 481	22 490 043 508	40 178 064 989
Total comprehensive income for the year	**-**	**17 688 021 481**	**-**	**-**	**17 688 021 481**	**22 490 043 508**	**40 178 064 989**
Balance at 07 January 2024	**73 411 672**	**18 206 052 398**	**-**	**1 008 964**	**18 280 473 034**	**26 740 588 764**	**45 021 061 798**

	Group		Company	
	2023	**2022**	**2023**	**2022**
Figures in Zimbabwe dollars	**For the 52 weeks to 7 January 2024**	**For the 52 weeks to 8 January 2023**	**For the 52 weeks to 7 January 2024**	**For the 52 weeks to 8 January 2023**
Cash flows from operating activities				
Profit before taxation	42 577 537 079	4 100 952 249	35 509 775 524	3 772 009 409
Adjustments for:				
Finance income	(26 480 489 921)	(6 243 010 355)	(20 237 180 505)	(5 255 615 447)
Finance costs	11 171 315 242	3 410 371 948	10 771 032 988	3 364 298 743
Non-cash items	38 891 216 416	5 107 006 932	40 645 111 251	5 784 712 945
Changes in working capital:				
(Increase) in inventories	(34 507 429 087)	(1 283 356 805)	(34 500 143 308)	(1 280 960 459)
(Increase) in trade and other receivables	(87 879 427 622)	(6 799 519 375)	(87 402 049 632)	(6 732 985 028)
(Increase) in loans and advances to customers	(7 260 858 888)	(546 396 289)	-	-
Increase in trade and other payables	42 425 186 923	2 521 845 868	41 902 525 187	2 471 742 475
(Decrease)/Increase in contract liabilities	(6 303 388)	(23 956 003)	(6 303 389)	(23 956 004)
Cash (used in) generated from operations	**(21 069 253 246)**	**243 938 170**	**(13 317 231 884)**	**2 099 246 634**
Tax paid	(2 708 730 436)	(873 839 843)	(1 103 878 845)	(853 612 656)
Finance income received	25 308 242 885	5 357 134 251	15 106 240 538	3 664 940 892
Finance costs paid	(11 018 785 132)	(3 333 312 091)	(10 618 502 877)	(3 287 238 885)
Lease rentals paid	(1 975 799 120)	(596 051 381)	(1 975 799 120)	(596 051 381)
Net cash from operating activities	**(11 464 325 049)**	**797 869 106**	**(11 909 172 188)**	**1 027 284 604**
Cash flows from investing activities				
Purchase of property, plant and equipment	(5 440 402 321)	(598 012 718)	(4 860 274 992)	(561 564 975)
Proceeds from disposal of property, plant and equipment	530 372 824	-	530 372 824	-
Loans from subsidiary	-	-	9 596 027 078	-
Loans advanced to subsidiary	-	-	(9 095 881 804)	(165 018 955)
Net cash utilised in investing activities	**(4 910 029 497)**	**(598 012 718)**	**(3 829 756 894)**	**(726 583 930)**
Cash flows from financing activities				
Proceeds from borrowings	68 363 439 245	11 216 125 041	62 516 774 130	10 837 792 517
Repayment of borrowings	(47 961 745 532)	(7 806 918 611)	(42 080 820 161)	(7 608 770 698)
Payment on lease liabilities	(11 176 908 907)	(698 005 626)	(11 176 908 907)	(698 005 626)
Net cash from financing activities	**9 224 784 806**	**2 711 200 804**	**9 259 045 062**	**2 531 016 193**
Total cash movement for the year	**(7 149 569 740)**	**2 911 057 192**	**(6 479 884 020)**	**2 831 716 867**
Effects of exchange rates fluctuations on cash held	12 961 711 080	(1 067 639 603)	11 903 300 634	(1 055 959 594)
Cash and cash equivalents at the beginning of the year	**2 292 256 766**	**448 839 177**	**2 178 648 521**	**402 891 248**
Cash and cash equivalents at the end of the year	**8 104 398 106**	**2 292 256 766**	**7 602 065 135**	**2 178 648 521**

PRIOR PERIOD RESTATEMENT

*Refer to Note 43 for details on the restatement. The table below summarises the impact of the correction on the 2022 historical financial statements. There was no impact on Statement of financial position.

Extract of the Historical Consolidated Statement of Cashflows for the 52 weeks ended 8 January 2023

	As Reported	Restatement	Restated
Cashflows from financing activities			
Proceeds from borrowings	10 574 981 198	641 143 844	11 216 125 042
Total cash movement for the year	**2 269 913 349**	**641 143 844**	**2 911 057 193**
Cash and cash equivalents at the beginning of the year	219 447 802	229 391 375	448 839 177
Cash and cash equivalents at the end of the year	**1 421 721 546**	**870 535 220**	**2 292 256 766**
Net impact on total cashflows		-	

Extract of the Historical Company Statement of Cashflows for the 52 weeks ended 8 January 2023

Cashflows from financing activities			
Proceeds from borrowings	10 200 106 932	637 685 585	10 837 792 517
Total cash movement for the year	**2 194 031 282**	**637 685 585**	**2 831 716 867**
Cash and cash equivalents at the beginning of the year	174 023 733	228 867 515	402 891 248
Cash and cash equivalents at the end of the year	**1 312 095 418**	**866 553 103**	**2 178 648 521**
Net impact on total cashflows		**-**	

ANALYSIS OF ISSUED ORDINARY SHARES

Edgars Stores Limited Top 20 Schedule as at: 31 December 2023

RANK	Names	Country	Industry	Shares	Percentage
1	ANNUNAKI INVESTMENTS (PVT) LTD	ZIM	LC	135,859,943,	22.28
2	BELLFIELD LIMITED	CHA	FC	132,859,743	21.79
3	MEGA MARKET (PVT) LTD	ZIM	LC	81,058,868	13.29
4	Z.M.D INVESTMENTS (PVT) LTD	ZIM	LC	46,299,751	7.59
5	ZIMEDGROUP EMPLOYEE TRUST	ZIM	TR	35,950,445	5.90
6	STANBIC NOMINEES (PVT) LTD	ZIM	LN	35,065,247	5.75
7	EDGARS PENSION FUND	ZIM	PF	29,962,629	4.91
8	SCB NOMINEES 033663900002	ZIM	LN	20,954,365	3.44
9	UPMARKET REAL ESTATE PVT LTD	ZIM	LC	10,624,769	1.74
10	HIPPO VALLEY ESTATES PF-IMARA	ZIM	PF	6,583,144	1.08
11	NSSA POBS-PLATINUM	ZIM	LC	6,545,709	1.07
12	NATIONAL FOODS P F-IMARA	ZIM	PF	4,054,034	0.66
13	NEVPLAN INVESTMENTS	ZIM	LC	4,010,462	0.66
14	SETMA (PRIVATE) LIMITED	ZIM	LC	3,308,134	0.54
15	LESLEY WILLIAMS	ZIM	LR	3,285,083	0.54
16	PSMAS PENSION FUND-INVESCI	ZIM	PF	2,373,606	0.39
17	MUTARE MART	ZIM	LC	2,278,304	0.37
18	ANGLO AMERICAN ASS CO PF-IMARA	ZIM	PF	2,244,936	0.37
19	FBC HOLDINGS PF-IMARA	ZIM	PF	1,816,612	0.30
20	SAGIT FINANCE COMPANY (PVT) LTD	ZIM	LC	1,805,585	0.30
	Selected Shares			**566,941,369**	**92.98**
	Non-Selected Shares			**42,799,574**	**7.02**
	Issued Shares			**609,740,943**	**100.00**

Edgars Stores Limited Analysis by Volume as at: 31 December 2023

Range	Shares	Shares %	Shareholders	Shareholders %
1-5000	1,270,329	0.21	1,127	73.47
5001-10000	648,343	0.11	92	6.00
10001-25000	1,877,288	0.31	119	6.00
25001-50000	1,153,430	0.19	33	2.15
50001-100000	1,858,402	0.30	27	1.76
100001-200000	4,684,267	0.77	33	2.15
200001-500000	11,896,025	1.95	38	2.48
500001-1000000	16,693,310	2.74	23	1.50
1000001 and Above	569,659,549	93.43	42	2.74
Totals	**609,740,943**	**100.00**	**1,518**	**100.00**

ANALYSIS OF ISSUED ORDINARY SHARES

Edgars Stores Limited: Analysis by Industry as at: 31 December 2023

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	299,245,015	49.08	104	6.78
FOREIGN COMPANIES	132,962,185	21.81	5	0.33
PENSION FUNDS	101,178,240	16.59	105	6.84
TRUSTS	36,374,862	5.97	13	0.85
LOCAL NOMINEE	19,397,095	3.18	43	2.8
LOCAL INDIVIDUAL RESIDENT	12,706,129	2.08	1173	76.47
FOREIGN NOMINEE	5,881,306	0.96	6	0.39
INSURANCE COMPANIES	745,300	0.12	2	0.13
CHARITABLE	585,517	0.1	3	0.2
FOREIGN INDIVIDUAL RESIDENT	365,005	0.06	6	0.39
NEW NON RESIDENT	243,495	0.04	36	2.35
DECEASED ESTATES	21,326	0	15	0.98
FUND MANAGERS	17,219	0	3	0.2
OTHER INVESTMENTS & TRUST	15,400	0	10	0.65
BANKS	1,066	0	2	0.13
EMPLOYEES	1,000	0	1	0.07
DIRECTOR	783	0	7	0.46
Totals	**609,740,943**	**100**	**1534**	**100**

SHAREHOLDERS FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 5 JANUARY 2025 (FY2024)

Analysts Briefing and Announcement of Results		April 2025
Notice to Shareholders		April 2025
Annual Report including Annual Financial Statements	Publishing	May 2025
Annual General Meeting		June 2025

HALF YEAR ENDING 7 JULY 2024

Interim Results for the Half Year ending 7 July 2024	Publishing	October 2024
Analysts Briefing and Announcement of Interim Results		October 2024

ANNUAL GENERAL MEETING NOTICE FOR THE 52 WEEKS TO 8 JANUARY 2023

Notice is hereby given that the 75th Annual General Meeting of members of Edgars Stores Limited will be held at **The Country Club, 1 Brompton Road, Newlands, Harare on Tuesday, 2nd July 2024** at 08:30 hours for purposes of transacting the following business;

1. Ordinary Business

1.1. Approval of previous minutes

To receive and approve minutes of the 74th Annual General Meeting held on 15th June 2023.

1.2. Approval of Financial Statements and Reports

To receive, consider and adopt the Annual Financial Statements and reports of the directors and auditors for the financial year ended 07th January 2024.

NB: The full annual report can be viewed online at www.edgars.co.zw

1.3. Approval of Directors' fees

Approval of Directors fees for the year ended 7th January 2024

Note: In terms of Article 88 of the Company's Articles of Association and Section 184 of the Zimbabwe Stock Exchange Listing Requirements, the Directors' Remuneration Report shall be available for inspection at the AGM and, thereafter, the Company's registered office.

1.4. Election of Directors

1.4.1. Mr. Mark Robb was appointed as a Director of the Company and in terms of Article 85 of the Company's Articles of Association, he retires at the forthcoming Annual General Meeting. Being eligible, he offers himself for election.

1.4.2. Mr. C. F Dube retires from the Board with effect from the 02nd July 2024. He will not be seeking re-election.

1.5. Auditor

1.5.1. To approve the remuneration of the auditors for the year ended 07th January 2024.

1.5.2. To re-appoint Messrs Deloitte and Touche' Zimbabwe and its successor firm Axcentium, as independent auditors of the company for the 4th year.

Note: In terms of Section 69(6) of the Zimbabwe Stock Exchange Listing Requirements, Companies must change audit partners every five years and their audit firm every ten years. Deloitte & Touche Zimbabwe, soon to be Axcentium, have been the auditor for the Company for the past 3 years, therefore are still eligible to be the auditor for the Company.

2. Special Business

2.1. Re-denomination of share Capital

That effective 8 January 2024, the authorised capital of the Company be re-denominated from 700,000,000 ordinary shares of ZW$$0.01 (One Zimbabwean Cent) each to 700,000,000 ordinary shares of US$0.001 (Point One United States Cent) each.

Voting Proxies

NOTE: In terms of Article 73 of the Company's Articles of Association and section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms should be forwarded and must reach the office of the Company Secretary at least 48(forty-eight) hours before the commencement of the meeting.

Please complete the Proxy form available on the website to appoint a proxy. Visit www.edgars.co.zw

Duly completed Proxy forms must be lodged with or posted to the Group Company Secretary, Edgars Stores Limited, 14th Floor, ZB Life Towers, Corner Jason Moyo Avenue/Sam Nujoma Street or the Transfer Secretary, Corpserve Registrars (Pty) Ltd at Corner Kwame Nkrumah/1st Street P.O Box 2208, Harare and to be received by not later than **0900hrs on 28th June 2024.**

Meeting details:

Members are hereby advised to use the dedicated Corpserve helpline on +263 242 750599-61, +263 772 289 768 or +263 779 145 849 for assistance with directions to the venue.

By Order of the Board

C. Mafunga
Company Secretary
4th June 2024

EDGARS STORES LIMITED
("the company")
FORM OF PROXY

FFor use by members at the Annual General Meeting of the Group to be held on the Tuesday 2nd July 2024 at 08:30 hours at The Country Club, 1 Brompton Road, Newlands, Harare.

I/We ____

Of ____

being a member of the above Company and a holder of ______ shares and entitled to vote, hereby appoint

1 ______________________ of ______________________ or failing him/her

2 ______________________ of ______________________

as my/our proxy to attend, speak and vote for me/us on and on my/our behalf at the Annual General Meeting of the Company, which will be held on the Tuesday 2nd July 2024 at 08:30 hours at The Country Club, 1 Brompton Road, Newlands, Harare for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, to vote for or against the resolutions with or without modification, and/or to abstain from voting thereon in respect of the ordinary shares in the issued share capital of the Group registered in my/our name/s in accordance with the following instruction (see Note 2).

Each member is entitled to appoint one or more proxies (whether a member/s of the Group or not) to attend, speak and to vote at the meeting in his/her stead.

	For *No of votes* *Poll*	**Against** **No of votes** **Poll**	**Abstain** *No of votes* *Poll*
Ordinary Resolution No. 1.1 To receive and approve minutes of the 74th Annual General Meeting held on 15th June 2023			
Ordinary Resolution No. 1.2 To receive, consider and adopt the Annual Financial Statements for the year ended 07th January 2024, including the Directors and Independent Auditor's reports thereon.			
Ordinary Resolution No. 1.3 Approval of Directors fees for the year ended 7th January 2024			
Ordinary Resolution No 1.4 In terms of Article 85 of the Company's Articles of Association, Mr. Mark Robb was appointed as a Director of the Company in 2023 and he retires at this Annual General Meeting. Being eligible, he offers himself for election.			
Ordinary Resolution No. 1.5 1.5.1. To approve the remuneration of the auditors for the year ended 07th January 2024.			
1.5.2. To consider the re-appointment of Messrs Deloitte and Touche' Zimbabwe and its successor firm Axcentium, as independent auditors of the company for the 4th year.			
Special Resolution 2.1 Re-denomination of share Capital That effective 8 January 2024, the authorized capital of the Company be re-denominated from 700,000,000 ordinary shares of ZW$$0.01 (One Zimbabwean Cent) each to 700,000,000 ordinary shares of US$0.001 (Point One United States Cents each).			
Ordinary Resolution No 6 *(Appointment of auditors for the year to 5 January 2025)*			

(NOTE: ON A POLL, A MEMBER IS ENTITLED TO ONE VOTE FOR EACH SHARE HELD)

Signed at ______________________ on ______________________ 2024

Signature ______________________ (ASSISTED BY ME WHERE APPLICABLE)

Instructions overleaf

INSTRUCTIONS FOR SIGNING AND LODGING THIS PROXY

NOTES:

1. Each member is entitled to appoint one or more proxies (who need not be a member(s) of the Group) to attend, speak and vote (either on a poll or by show of hands) in place of that member at the Annual General Meeting.

2. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the spaces provided, with or without deleting the words "the chairman of the Annual General Meeting". All deletions must be individually initialed by the member, failing which they will not have been validly effected. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

3. Voting instructions for each of the resolutions must be completed by filling the number of votes (one per ordinary share) under the "For", "Against" or "Abstain" headings on the Proxy Form. If no instructions are filled in on the Proxy Form, the chairman of the Annual General Meeting, if the chairman is the authorised proxy, or any other proxy shall be authorised to vote in favour of, against or abstain from voting as he/she deems fit.

4. A member or his/her proxy is entitled but not obliged to vote in respect of the ordinary shares held by the member. The total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of shares held by the member.

5. If this form has been signed by a person in a representative capacity, the document authorising that person to sign must be attached, unless previously recorded by the Group's transfer secretaries or waived by the chairman of the Annual General Meeting.

6. The chairman of the Annual General Meeting may accept or reject any form of proxy that is completed and/or received other than in accordance with these instructions and notes.

7. Any alterations or corrections to this form of proxy have to be initialed by the signatory (/ies).

8. The completion and lodging of this form of proxy does not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person to the exclusion of any proxy appointed by the member.

9. Forms of proxy have to be lodged with or posted to the Group Company Secretary, Edgars Stores Limited, ZB Life Towers, 15th Floor, Corner Sam Nujoma Street/ Speke Avenue, Harare, Zimbabwe, or the Transfer Secretaries, Corpserve (Private) Limited, at Corner Kwame Nkrumah Avenue/1st Street, P O Box 2208, Harare and to be received by not later than 09.00 hours on 28th June 2024.

10. This proxy form is to be completed only by those members who either still hold shares in a certificated form, or whose shares are recorded in their own name in electronic form in the sub register.

CORPORATE INFORMATION

Edgars Stores Limited

Incorporated in the Republic of Zimbabwe

Group registration number 379/1948

Registered office

Edgars Head Office

15th Floor, 77 Jason Moyo Ave

corner Sam Nujoma & Speke Ave

HARARE

E-mail: info@edgars.co.zw

Website: http://www.edgars.co.zw

Group Secretary

Chipo Mafunga (Appointed 1 January 2024)

Transfer Secretaries

Corpserve (Private) Ltd

4th Floor ZB Centre

Cnr Kwame Nkrumah Avenue/ 1st Street

P O Box 2208, Harare, Zimbabwe

Telephone: 263-4-750711/2

Auditors

Deloitte & Touche

West Block,

Borrowdale Office Park,

Borrowdale

HARARE

Legal Advisors

ChimukaMafunga Commercial attorneys

28 Argyll drive

Newlands

Harare

Main Bankers

Steward Bank

Livingstone House,

79 Livingstone Avenue,

Harare,

Zimbabwe

Design and production

Charisma

These results can be viewed on the internet at:

http://www.edgars.co.zw/investor-relations/ir-dashboard