EDGARS STORES LIMITED

ANNUAL REPORT 2024

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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 fourth 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 5 January 2025. 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 Axcentium and their report appears on page 37.

Responsibility Statement

The Board of Directors is responsible for overseeing the integrity of the integrated report. The Board acknowledges this responsibility and confirms 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
The Company's Directors are responsible for the preparation and fair presentation of the Group's audited annual financial statements. These audited Group annual financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements and, except where stated, in accordance with the measurement and recognition principles of International Financial Reporting Standards ("IFRS") and the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

The principal accounting policies applied in the preparation of these Group consolidated, audited, annual financial statements are consistent with those applied in the previous year's financial statements. There is no impact arising from the revised IFRS, which became effective for the reporting period commencing on or after 7 January 2024 on the Group's consolidated, audited, annual financial statements.

Cautionary Statement
The Directors advise caution when interpreting the financial figures, as exchange rate fluctuations and high inflation significantly impacted the prior year's consolidated statements of comprehensive income and related equity balances. As a result, there are notable differences in the comparative FY2023 financial information, which includes a combination of inflation-adjusted figures and USD transactions. In contrast, the current year's financial performance was prepared using the United States Dollar as the functional currency.

Change In Functional Currency
Commencing with the financial year ended 8 January 2023, and in line with previous guidance issued by the Public Accountants and Auditors Board ("PAAB") and the provisions of International Accounting Standard ("IAS") 29 (Financial Reporting in Hyperinflationary Economies), the Directors have been presenting Group inflation-adjusted financial statements in Zimbabwe Dollars ("ZWL"). Due to the considerable distortions in the economy and the material and pervasive effects that these had in the application of IAS 29, the Directors have always advised users to exercise caution in the interpretation and use of these Group consolidated inflation-adjusted financial statements. To assist users with their interpretation of the Group's financial performance in previous years, the Directors also issued consolidated financial statements prepared under the historical cost convention, as supplementary information.

As previously advised in the Group's prior year Annual Report, following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Group has continued to see a steady increase in the use of foreign currency across its businesses and, in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates), went through a process of assessing its functional currency. Following the completion of this process, the Group concluded that based on the primary operating environment and the Group's own operating activities, there was a change in its functional currency from ZWL to United States Dollars ("USD") with effect from the beginning of the previous financial year. The change in the Group's functional currency is further supported by the Listing Requirements of the VFEX, which requires issuers to present financial statements in USD.

IAS 21 directs that entities operating in hyperinflationary economies should translate their last reported inflation adjusted financial statements using the closing rate of exchange at the reporting date to derive and present comparative financial statements under a newly assessed functional currency. The Directors are of the opinion that using the provisions of IAS 21 to convert the Group's consolidated inflation adjusted Financial Statements from previous periods as a basis for presenting comparative and opening Statement of Financial Position information, in terms of the new functional currency, will result in the material misstatement of the Group's comparative Financial Statements and information. In an endeavour to present a true and fair view of the comparative financial performance and position of the Group, the Group used alternative procedures and techniques in the translation process in the preparation of this report. The Group projects that notwithstanding this approach, it will move towards full compliance with IFRS more in FY2025 with the objective of ensuring a return to an unqualified audit opinion on the Group's Financial Statements in the same year.

The Directors have always exercised reasonable due care and applied judgments that they considered to be appropriate in the preparation and presentation of the Group's financial statements, and whilst they believe that the alternative procedures and techniques used in the translation process, as described above, provide users with the best possible view of the comparative financial performance and position of the Group, attention is drawn to the inherent subjectivities and technicalities involved in the translation of ZWG financial statements to USD financial statements as per note 2.3.2

Operating environment and overview
The operating environment for the year ended 5 January 2025 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 real interest rates on both USD and ZWG borrowings. The impact of the El Niño-induced drought in the 2023/2024 agricultural season, the worst in the last 43 years, resulted in below average agricultural output. That, combined with retrenchments reported across various sectors, especially in retail branches negatively impacted disposable incomes, resulting in subdued sales volumes during the period, compared to the prior year. The drought also impacted hydropower generation, resulting in extensive power cuts which affected operating costs and productivity due to downtime.

On the local currency front, since ZWG's introduction during April 2024 up to 31 December 2024, it has devalued by ~90% against the USD. However, since September 2024, the exchange rate has remained relatively stable amid tight liquidity management from the monetary authorities in RBZ. The latter move has resulted in critically low local currency liquidity.

The year also witnessed an increased level of dollarisation in the local economy, and with it, commensurate steep increases in overhead expenses particularly attributable to real increases in utility costs. Electricity tariff increases exceeding 50% were registered, with municipal property taxes and rates following suit in similar fashion.

Occupancy, employment, and fuel costs are key contributors to the Group's operating expenses. During the period, management focused on right aligning the business model to the realities of trading in a pre-dominantly USD environment, with an emphasis on dealing with pricing volatilities to preserve the business's balance sheet.

Financial performance
Significant pressures on disposable incomes, resulted in reduced retail volumes. Consumer spending in a tight economic environment as described, prioritises food security over clothing and footwear. As a result, total Group units sold declined by 15.6% from 2.36 million to 1.99 million compared to the same period last year. Revenue decline was contained at 9.1% over the prior year, at USD30.7 million against USD33.7 million in 2023.

The business pro-actively pursued margin enhancements through better procurement, increasing internal manufacturing volumes at Carousel, enhanced cost containment efforts as well as complementary initiatives which improved quality stock availability in stores, notwithstanding a challenging supply chain environment. Profit before tax for the year was USD0.8 million compared to USD1.0 million in prior year. Finance costs for the period were USD$2.4 million, a 11.1% reduction from prior year, reflecting the switch to USD borrowings which attract lower cost of borrowing. The Group achieved basic earnings per share of 0.14 cents (2023:0.13 cents).

Funding raised during the period was channelled towards the Carousel retooling initiative, funding the growth of the debtors' book as well as limited store expansion initiatives.

Retail performance

Total retail merchandise revenue amounted to USD30.7 million representing a 9.1% decline over the prior year. ZWG credit sales contributed 11.8% (2023: 17.2%) to ZWG sales, while the USD credit sales contributed 71.9% (2023: 72.7%) of total USD sales.

The Edgars chain recorded turnover of USD17.2 million, down 5.3% from the prior year. Units sold were down 13.8% from 0.87million. ZWG credit sales contributed 13.4% (2023: 21.6%) of ZWG sales, while USD credit sales contributed 71.1% (2023: 72.7%) of USD sales.

Total sales for the Jet chain were USD13.4 million, down substantially 13.57% from USD15.5 million achieved in the prior year. The business was undergoing a strategic differentiation alignment in prior year, which will be fully completed in current year. Units sold decreased 16.9% to 1.11 million units, from 1.36m in prior year. ZWG credit sales contribute 9.9% (2023: 73.5%) to total ZWG sales, while the USD credit sales contributed 73.5% (2023: 73.3%) of total USD sales.

Express Stores has generated a lot of excitement amongst our customers following the business' launch in the last quarter of the year. The Group is working on building critical mass through the rollout of the additional shops, and refinement of its retail proposition.

During the year, the Group opened a new Edgars store at Ascot Shopping Centre in Bulawayo whilst a new Jet and Express Store were opened in Harare, at Hogerty Hill Mall. To date, six Express Stores aimed at servicing the low-income segment of the market have been opened, selling only for cash.

The business continues to demonstrate industry leadership and excellence, as evidenced by the numerous accolades received during the year. We were honoured with more than nine prestigious awards across various platforms, reaffirming our commitment to innovation, quality, and service delivery. Notably, the Company was awarded the ZITF Gold Medal Award for Best Zimbabwean Exhibit in the Clothing, Footwear, Textiles and Accessories category, the Zim CEO's Network Gold Winner for Outstanding Service in the Clothing Retail Sector, and the Confederation of Zimbabwe Retailers' Most Innovative Retailer of the Decade. We were further recognised through the MAZ Superbrand Awards, the Top Clothing Retail Company Award, and the National Business Award for Clothing Company of the Year, among others. These achievements reflect the dedication of our teams, and the trust placed in us by our customers, stakeholders, and the broader industry.

Financial services

The USD retail debtors' book closed the year-end at USD$11.6 million, representing an 7.4% decline on the prior year, whilst the ZWG retail debtors' book closed the year at ZGW3.99 million, a 602% increase on prior year's $0.57k. The skew in favour of USD reflects the growing dollarisation in the market and the impact of elevated interest rates, discouraging borrowings in local currency. Active USD accounts decreased to 81.3k, down from 88.2K in prior year. The decrease came on the back of decline in active accounts as customers navigated a difficult environment during the period and opted to reduce household borrowings. The asset quality remained strong at 77.4% for the USD book whilst at 37.4% for the ZWG book, this reflects a disbursed position following the steep end of the September 2024 currency devaluation. Expected credit losses (ECLs) as of 5 January 2024 were 5.4% of the book compared to 4.0% as of 8 January 2023, which is a nominally over the 5% benchmark.

Club Plus Microfinance

The business closed the year with a healthy asset quality of 93.2% loan book in current status and Par > 30 days of 4.7% which was below the international benchmark. The focus for the period was to grow the USD loan book focusing on less risky loan products. Despite the liquidity challenges in the market, the business accessed funding, which aided its growth. The business closed the loan book at USD1.7 million at year-end. Significant growth is expected in FY25 given expected additional funding inflows, and the business development initiatives being pursued in this area.

Carousel Manufacturing

In keeping with the strategy to increase supply chain control, and improve margins, input volumes from the Manufacturing Division attributing to Group sales increased by 58.2%, from 194,000 units in the prior year to 305,000 units. Production efficiencies continue to improve on the back of an increased order book and the recruitment of experienced, qualified machinists. The Group invested US$1.0 million in maintaining and expanding production capacity during the period, mostly towards automatic sewing machines, surface printers, boiler replacement and embroidery machines.

Directorate changes

Mr C.F. Dube retired from the Board in July 2024 after serving as a Non-Executive Director since 2004. On behalf of the Board of Directors, management and staff, I wish to convey the Group's sincere appreciation for his valuable contribution over years of dedicated service to the Group.

Outlook

The segmented retail propositions of the Group are being continually reviewed to ensure that the respective offerings effectively meet the needs and requirements of our customers. Opportunities have been identified where merchandise execution can be improved or new emerging ones be pursued. In addition, management will continue down the path to right-align business overheads to attained volumes in the context of depressed demand. Flexible credit offerings will be maintained to stimulate increased spend. Management will continue to retool Carousel to underpin increased production and improve operational efficiencies to better support the Retail chains. Smart merchandise procurement and optimal inventory planning remain key focus areas to ensure an optimal merchandise cycle that yields targeted margins, without compromising the merchandise quality.

The Group will continue to expand its geographic footprint through the opening of new stores in strategic locations. A further four Express Stores are targeted for expansion before close of FY2025 financial year. The business will make further investments in backup solar power to improve system up-time and customer experiences in store and contain generator and grid electricity costs in the light of projected reduced electricity availability in the outlook period.

To mitigate challenges arising from rising inflation, utility cost escalations, worsening power outages and exchange rate disparities, the Group has embarked on stringent cost-containment measures through head-count rationalisations, managing electricity usage, minimising waste and improving focus on enhancing supply chain efficiencies.

The reasonable agricultural output for the 2024-2025 agricultural season provides a basis for optimism in the recovery of the economy in the outlook period. Liquidity challenges in both local and foreign currency are expected to sustain in the medium term. Notwithstanding these challenges, the Group is optimistic that it will consolidate its growth and continue to innovatively meet customer requirements.

Dividend

Regrettably, the Company will not declare a dividend for the year ended 5 January 2025. The Group will continue to invest in its supply chain in the year ahead. The Board remains committed to prudent financial management and ensuring the long-term growth and sustainability of the Group.

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 want to thank my fellow directors for their dedication and wise counsel and our customers, suppliers, and stakeholders for their ongoing support. 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 IFRS Accounting Standards and best practice.

T N SIBANDA
CHAIRMAN

11 June 2025

GROUP FINANCIAL HIGHLIGHTS

	5 January 2025 52 weeks USD000	7 January 2024 52 weeks USD000	Change %
Group Summary			
Retail sales revenue	36,977	40,750	(9)
Earnings attributable to ordinary shareholders	813	746	9
Net cash generated from / (outflow to) operating activities	2,593	(884)	(393)
Total assets	33,848	31,646	7
Market capitalisation	7,500	10,853	(31)
Net equity	13,362	12,549	6
Ordinary share performance (US cents per share)			
Earnings			
Basic	0.14	0.13	9
Diluted	0.14	0.13	9
Market price	0.0123	0.0178	(31)
Financial statistics			
Return on ordinary shareholders equity	5.84	7.55	(23)
Liquidity ratios			
Current ratio	1.72	1.66	4
Gearing-gross	0.82	0.61	35
Gearing-net	0.67	0.52	29
Borrowing times covered by stock and debtors	1.94	2.76	(30)

Commentary

- Retail sales revenue declined by 9% to USD 36.9 million, reflecting a tough trading environment. Despite this, earnings attributable to shareholders grew by 9%, and the Group generated strong operating cash flows of USD 2.59 million compared to an outflow last year.

- Total assets rose by 7% to USD 33.85 million, and net equity increased by 6%. Market capitalisation declined by 31%, mainly due to a weaker share price. Liquidity ratios improved, highlighting strengthened financial stability. The increased gearing is on the back of capital expenditure of US$1,9m during the period, which is mainly aimed at underpinning supply chain stability and manufacturing capacitation of Carousel.

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 cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The Group prepares financial statements with the aim to fully comply 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). The consolidated financial statements have been prepared in accordance with disclosure requirements of the Companies and Other Business Entities ("COBE") Act (Chapter 24:31).

The 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 "The 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 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 cash flow 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 37 to 39.

The financial statements set out on pages 41 to 92, which have been prepared on the going concern basis, were approved by the board of directors on 11 June 2025 and were signed on their behalf by:

Approval of financial statements

T. N Sibanda
Group Chairman

S. Mushosho
Group Chief Executive Officer

Overview

Edgars Stores Limited presents its inaugural sustainability report, which seeks to establish a baseline of key ESG disclosure metrics that will enable year-on-year comparisons in future reports, as well as the setting of targets against which performance will subsequently be measured against.

This aligned with Global Reporting Initiative (GRI) Standards, IFRS Sustainability Disclosure Standards (S1 and S2), and Victoria Falls Stock Exchange (VFEX) listing requirements. As first-time adopters, we have focused on material topics while utilising available transition exemptions to establish comprehensive ESG reporting foundations.

Our 2024 report demonstrates commitment to environmental, social and governance performance transparency. Key highlights include:

- $19,518 in community investments across education, healthcare and local development
- Alignment with international reporting frameworks while meeting local compliance requirements

This report reflects our belief that sustainability reporting creates stakeholder trust, improves operational efficiency, and positions Edgars for long-term value creation in Zimbabwe's evolving retail landscape.

1. **Material Topics Identification Process**

   Topics for disclosure were identified through an exercise that included:

   - Internal process reviews.
   - Guidance from the ZSE Practice Note 16.
   - Reference to relevant GRI standards.
   - Reference to Sustainability Accounting Standards Board's (SASB) standard on Apparel, Accessories & Footwear.
   - The International Financial Reporting Standards (IFRS) Sustainability Standards S1 (General Sustainability-related Disclosures) and S2 (Climate-related Disclosures).

Following a February 2025 joint regulatory statement from the Public Accountants and Auditors Board (PAAB), the Zimbabwe Stock Exchange (ZSE), and the Victoria Falls Stock Exchange (VFEX), the implementation of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) remains voluntary at the time of reporting. As such, current disclosures are restricted to identifying material sustainability-related topics. The PAAB, which is currently developing a roadmap for Sustainability Disclosure Standards, will guide our more comprehensive and phased alignment with S1 and S2 in future reporting cycles.

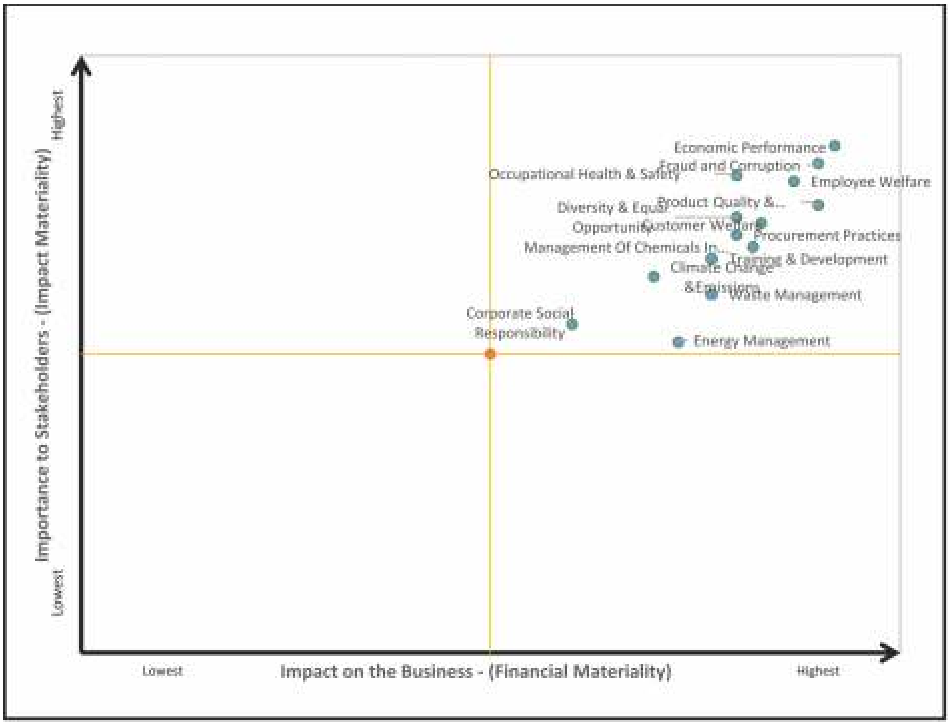
The process identified material topics, including ethical supply chains, community investment, and economic value distribution.

Impact Materiality evaluates both our positive and negative, tangible and intangible effects on people, the environment, and governance - both positive (e.g., job creation) and negative. These are considered based on immediate and future consequences. Impact Materiality highlights issues where the organization's actions meaningfully affect stakeholders, through factors such as labour practices or carbon emissions.

Financial Materiality analyzes how ESG factors drive financial risks (including examples like climate-related fines) or opportunities (such as green technology investments). It identifies issues impacting revenue, costs, or investor sentiment, such as shifting regulations or consumer preferences for ethical products.

While Impact Materiality centers on societal accountability, Financial Materiality ties sustainability to fiscal health, ensuring ESG factors inform strategic decisions like resource allocation and risk mitigation.

Material Topics Matrix



Impact Materiality Topics	Management of Topic
Economic Performance	We transparently report financial resilience and value creation through ethical sourcing and fair labor practices, integrating ESG risks into strategic planning Our focus extends to long-term stakeholder value, including supplier viability and Investment in community initiatives.
Fraud and Corruption	Robust anti-bribery and anti-corruption frameworks are enforced across our operations, with mandatory training and confidential whistle-blower channels. Regular audits ensure adherence to legal standards and ethical business conduct.
Occupational Health & Safety	We implement proactive safety programs. Our priority aligns with hazard prevention and worker training across all facilities. Incident tracking and corrective actions drive continuous improvement in workplace conditions.
Employee Welfare	Living wages, non-discrimination policies, and mechanisms to address, help in upholding fair labor practices. We also promote well-being through medical assistance facilities, fair working hours, and skills development.
Product Quality and Safety	Stringent testing protocols and restricted substances lists ensure regulatory compliance and consumer safety. Quality controls are embedded from design to delivery, with internal controls addressing chemical management and product durability..
Financial Materiality Topics	**Management of Topic**
Economic Performance	We disclose direct financial contributions, value distribution (wages, taxes, dividends), and supply chain resilience to demonstrate long-term value creation and risk management to investors. Economic performance is also managed by monitoring financial metrics such as revenue growth and profit margins.
Product Quality and Safety	Product quality and safety are ensured by implementing rigorous testing and inspection. Our products comply with relevant safety standards and regulations to prevent costly recalls, legal liabilities, brand erosion, and loss of consumer trust, protecting revenue streams. We prioritize transparency in labeling and marketing, providing accurate information to customers.
Fraud and Corruption	Robust anti-bribery/corruption controls and transparent governance protect shareholder value by minimizing legal liabilities, reputational damage, and operational disruptions. Regular audits and regular training to employees on anti-corruption ensure transparency in our business dealings, helping to reduce financial risk exposure.
Employee Welfare	Our company prioritizes employee welfare by providing fair compensation, benefits, and positive labor relations. These factors reduce turnover costs, minimize labour disruption risks, and enhance productivity, which in turn directly impact operational efficiency and talent retention costs.
Customer Welfare	Protecting customer data privacy and ensuring product safety and integrity mitigates financial risks from breaches, lawsuits, recalls, and reputational harm that directly impact sales and brand value.

2. Assurance

While the sustainability section of the Integrated Report has not been externally assured, internal processes have been diligently applied to verify the accuracy and reliability of the data, ensuring it transparently reflects Edgars' operations.

3. Sustainable Development Goals

Our operations and initiatives contribute towards the attainment of the following Sustainable Development Goals (SDGs) distributed as follows under the "Five Ps" categories of People, Planet, Prosperity, Peace and Partnership.

<table>
<tr><th colspan="2">People</th><th colspan="2">Planet</th></tr>
<tr><td>1 NO POVERTY</td><td>3 GOOD HEALTH AND WELL-BEING</td><td>7 AFFORDABLE AND CLEAN ENERGY</td><td>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td></tr>
<tr><td>4 QUALITY EDUCATION</td><td>5 GENDER EQUALITY</td><td>13 CLIMATE ACTION</td><td></td></tr>
<tr><td rowspan="3"></td><th colspan="2">Prosperity</th><td rowspan="3"></td></tr>
<tr><td>8 DECENT WORK AND ECONOMIC GROWTH</td><td>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</td></tr>
<tr><td>10 REDUCED INEQUALITIES</td><td></td></tr>
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The respective icons will be inserted in the relevant sections of the report to indicate how our contributions are being made.

4. Corporate Social Responsibility and Community Impact

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 10 REDUCED INEQUALITIES

Edgars Stores invested across six key focus areas:

Category	Amount (USD)	Beneficiaries	Purpose	Impact
Education	$3,066	Students at Columbus High School and Saint Faith's High School.	School fees support, educational development	Supported education continuity for students.
Vulnerable Populations	$6,000	Jairos Jiri	Shoe donations for individuals with disabilities	Assisted approximately 200 individuals with disabilities.
Health	$4,500	Cancer Association of Zimbabwe	Financial assistance for cancer treatment	Access to treatment with reduced financial burden for 15 patients.
Sports	$3,000	Gumindoga Primary School	Provision of sports equipment for marginalised youth.	Sports participation for over 50 children
Youth Support	$1,000	Young Designers	Marketplace access and income generation opportunities	Enabled income generation for young local designers.
Health	$1,952	Kidzcan	Financial assistance for pediatric cancer treatment	Access to vital treatment for many children.

CSR Program Management

We evaluate CSR performance by assessing the outcomes of each initiative. Reviews are based on both qualitative and quantitative measures that include:

a) Measuring the alignment with objectives.
b) Beneficiary feedback collection.
c) Partnership assessments with implementing organisations.
d) Tracking academic progress.

Improvements will continually be pursued in allocating resources more effectively to maximize impact.

5. Procurement Practices

Our supply chain strategy emphasises:

- Support for local suppliers
- Ethical sourcing standards
- Sustainable sourcing
- Quality assurance processes
- Compliance to restricted substances regulations

Key 2024 statistics:

- Local vs. international procurement ratio: 81% of suppliers are local.

Materials Used In Production

Summary

Production	Material Unit of measure	Quantity
Fabric	Metres	429,827
Buttons	units	847,663
Zips	units	198,127
Fusing and lining	Metres	141,305
Elastics and Tapes	Metres	134,118

6. Energy & Environmental Performance

1. Energy Consumption (FY2024)

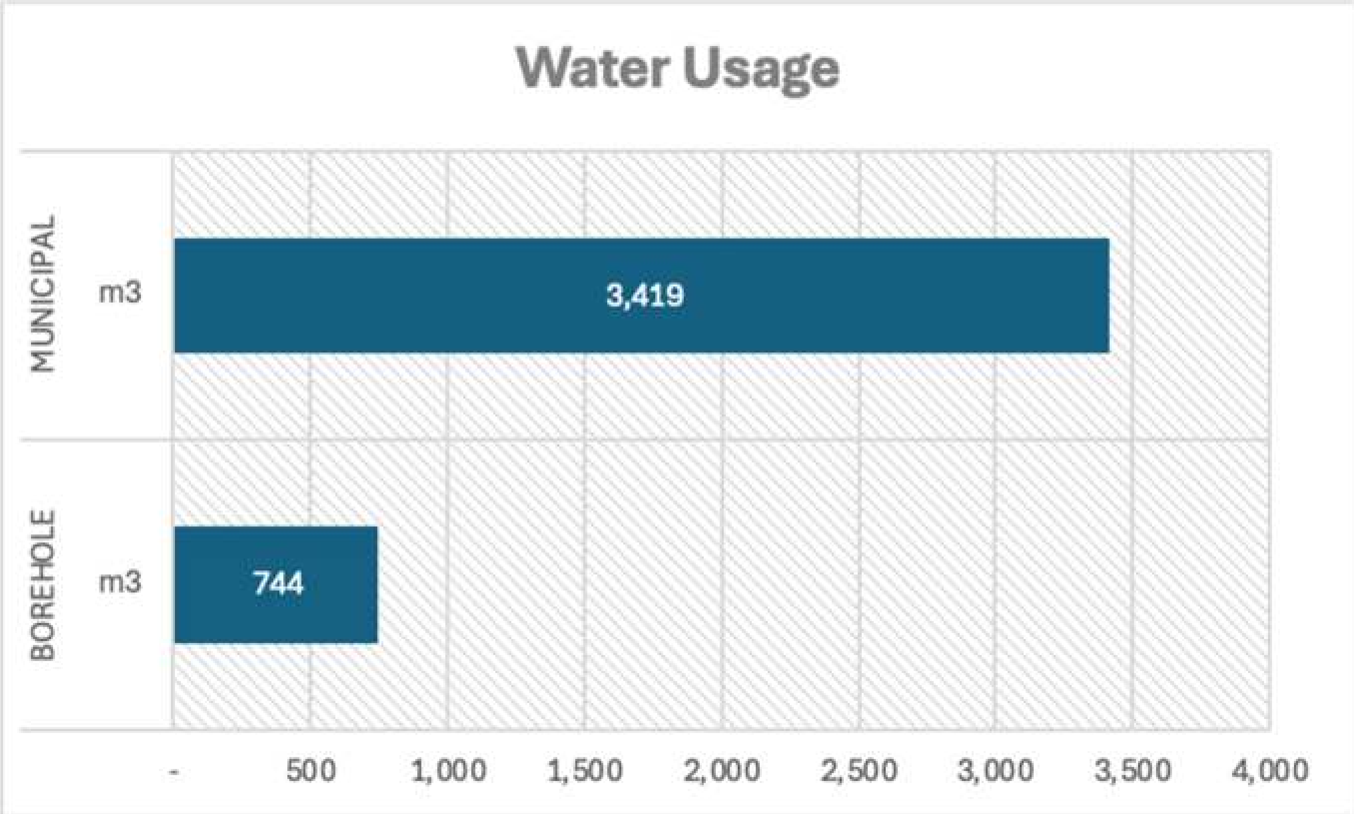
Energy	Quantity
Electricity Non-Renewable (Kwh)	715 474
Electricity Renewable (Kwh)	212 456
Diesel (Ltr)	24 907
Petrol (Ltr)	19 415
Coal (Kg)	305 000

Key Insights:

The factory has invested in alternative power sources such as generators, to mitigate the unreliable and inadequate power sourced through the national grid. Plans are underway to engage partners to invest in solar energy taking advantage of the factory's expansive roof.

The diesel consumption reflected above is for use of generators for backup power.

2. Water Management



3. Emissions

We measured our carbon footprint using GHG Protocol-aligned conversion factors to translate energy consumption into carbon dioxide equivalent (CO2e) emissions. Scope 1 emissions are direct emissions from owned or controlled sources. This includes the combustion of fuels such as diesel, petrol, coal, and liquid biofuels in onsite equipment, manufacturing processes, or company-owned vehicles.

Scope 2 emissions are indirect, arising from purchased electricity, heat, or steam generated externally but attributed to the Group's usage. While Scope 1 reflects direct operational activities, Scope 2 reflects environmental impacts from reliance on external energy. This distinction clarifies our direct control over Scope 1 versus our accountability for Scope 2 based on energy consumption.

Total Emissions	Main Source	Tonnes Co2e
Scope 1	Vehicle fleet, generators and coal	732 623.58
Scope 2	Purchased from grid	148.16

4. Waste

The main sources of our waste are leftover fabric, leftover khaki paper from pattern making, coal ash and laundry chemicals. Khaki paper and fabric offcuts that can no longer be used in the production process are collected by recycling companies to make new paper products and cushions.

Additional key details pertaining to our waste management are as follows:

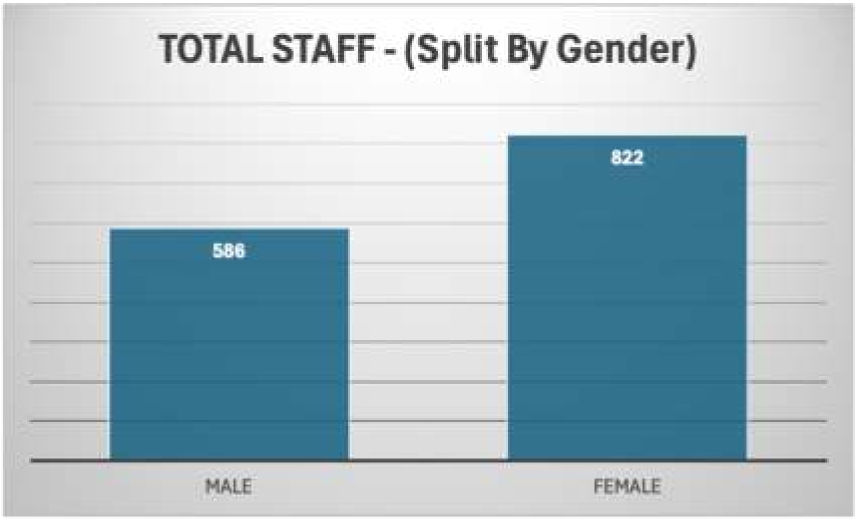
Waste	Quantity
Solid waste from coal (Kg)	50
Effluent waste (Ltr)	1 255
Sent to landfill (Kg)	1 000
Sent for recycling (Kg)	160

7. Social Performance Deep Dive

Employee Demographics

Workforce Profile and Diversity

Edgars Stores Limited had a total workforce of 1 408 employees, as per December 2024 headcount. From that total, 1 163 were covered by collective bargaining agreements.

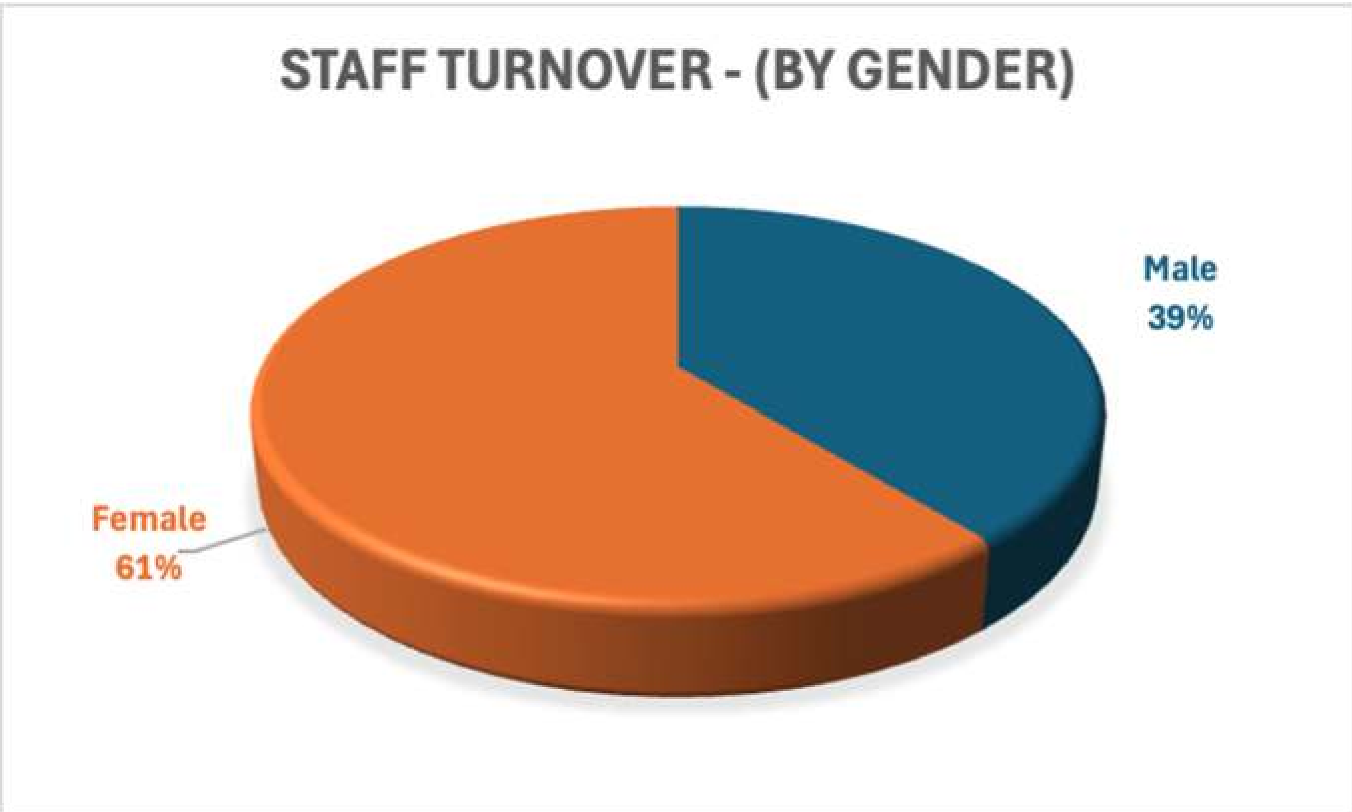


Employee		Distributions
Casual		134
Contract		810
Permanent		464

* Reflects peak values documented for each contract type throughout the year

Indicator	Number
Fatalities resulting from work-related injury or illness	0
Total work related injuries	4
High-consequence work-related injuries or illness	0
Recordable work-related injuries or illnesses	4
Injury rate (per million hours worked)	0.17%
Lost days resulting from injuries	14
Absence hours	336
New hires (male)	244
New hires (female)	367
New hires (under 30 years old)	373
New hires (30 - 50 years old)	221
New hires (over 50 years old)	17
Average training hours per employee	236 hours
Turnover	105


STAFF TURNOVER - (BY AGE)
> 50 years = 4
30-50 years = 37
< 30 years = 64


STAFF TURNOVER - (BY GENDER)
Male 39%
Female 61%

Awards won during the year :

Edgars Stores Limited

Buy Zimbabwe Chairman's recognition award – March 2024

ZITF Gold Medal Award for Best Zimbabwean Exhibit: Clothing, footwear, textiles and accessories – April 2024

Zim CEO's Network Gold Winner for Outstanding service in the clothing retail sector – August 2024

Confederation of Zimbabwe's Retailers Most Innovative Retailer / Wholesaler of the Decade – November 2024

Edgars and Jet Stores

MAZ Superbrand Awards -Top Clothing Retail Company – Edgars(Winner), Jet (1 st Runner up)- November 2024

National Business Awards – Clothing Company of the Year- Edgars Stores Limited- December 2024

Capital Markets Awards – Best Investor Communication Award – Edgars Stores Limited- December 2024

Carousel Private Limited

ZIMRA Taxpayer Appreciation – Domestic Taxes Award Winners in Manufacturing , Region 2 – December 2024

Exhibitions attended included:

Zimbabwe International Trade Fair – April 2024

Zimbabwe Association of Pension Funds Conference -15-18 May 2024

IPMZ – July 2024

SADC Industrialisation Week -July/August 2024

Minentra- October 2024

Business Associations:

Buy Zimbabwe

Zim CEO's Network

Zimbabwe National Chamber of Commerce (ZNCC)

Marketer's Association of Zimbabwe (MAZ)

Confederation of Zimbabwe Retailers (CZR)

Institute of Chartered Accountants Zimbabwe (ICAZ)

Victoria Falls Stock Exchange (VFEX)

Procurement Regulatory Authority of Zimbabwe- PRAZ

Reserve Bank of Zimbabwe

Zimbabwe Association of Micro-Finance Institutions (ZAMFI)

Institute of Personnel Management of Zimbabwe- IPMZ

Employers Confederation of Zimbabwe (EMCOZ)

National Employment Council (NEC)- Clothing/Commerce

Newlands Country Club

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

2024
Migration of Listing to the Victoria Falls Stock Exchange, a USD Stock Exchange

Re-introduction of Express Stores

EDGARS

26 stores across the country

Jet

37 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

Express Stores

5 stores 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, TikTok 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
- Unreviewed 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 58%, a marginal increase on prior year's 54%, which reflects our good employment equity.

The business managed to increase on training time with a modest increase 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 to preserve foreign currency in the economy aimed at achieving better control of the Groups 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 the production processes.

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

In 2024 the group focused on the following CSR pillars:

Partnership for the goals - Activities that took place included donations to the Cancer Association of Zimbabwe (US$4,500), KidzCan Zimbabwe (US$1,400), Be a Hero donation to Gumindoga Primary School (US$3,000) 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 USD7,5m (2023-USD 2,9m) worth of merchandise accounting for 55%(2023-64%) of the merchandise retailed by the chains. The 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. In 2024, fees worth US$3,066 in total was paid for the whole year

Social Impact – The Group identified and partnered with 4 local designers through the Fashion Extravaganza, with the aim of supporting and developing local fashion designers. The Jet Baby of the Year Competition was also held from July to October 2024 with 5 winners gifted with an assortment of prizes.

GROUP STRATEGY

Our strategy
Edgars strategy remains anchored in 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 nature these relationships. These relations will be natured 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 enhanced 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.

In 2024, the Group completed the analysis phase for the upgrade of its ERP system. Implementation work is set to begin in 2025, with the objective of aligning the management information system more closely with current business needs. The existing ERP system has been in use since its implementation in 2016.

Director's Report

The Directors present their 76th Annual report and the audited consolidated financial statements of Edgars Stores Limited ("the Group" or "the Company") for the 52 weeks ended 5 January 2025.

Financial Results
The financial results are presented in the US Dollars following the change in the reporting currency on 8 January 2023. The conversion of the prior year numbers was done in compliance with IFRS with notable exceptions to some numbers as highlighted in the Financial section of the report.

Group results	**2024 For the 52 weeks to 5 January 2025 USD**	**2023 For the 52 weeks to 7 January 2024 USD**
Profit before tax	800,897	952,027
Taxation	12,452	(206,188)
Profit for the year	813,349	745,839

The current year's results have been presented in US Dollars, reflecting the change in reporting currency.

Share Capital
As at 5 January 2025, the authorised share capital of the Company comprises of 700,000,000 (2023: 700,000,000) ordinary shares of USD 0.001 each. and the issued share capital comprised of 609,740,943 (2023:609,740,943) ordinary shares of USD 0.001 each

The issued share capital is now US$679,741 comprising of nominal capital of US$609,740 and share premium of US$ 70,001.

Property plant and equipment
Capital expenditure for the 52 weeks ended 5 January 2025 amounted to USD 1.9 million. Capital expenditure for the 52 weeks ending 4 January 2026 is budgeted at USD 1.3 million.

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

Dividends
The Company will not declare a dividend for the year ended 5 January 2025.

Directors and their interests
Mr C. F. Dube retired from the Board on 2 July 2024.

Mr C. Claassen retires by rotation, being eligible, he offers himself for re-election.

No Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses.

Directors' fees
Members will be asked to approve payments of the Directors' fees in respect of the 52 weeks ended 5 January 2025.

Auditors
Members will be asked to approve the remuneration of the auditors for the 52 weeks ended 5 January 2025 and to re-appoint auditors of the Company to hold office for the following year.

Going Concern
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.

Corporate Governance Compliance

In line with the Zimbabwe Stock Exchange Listing Rules (SI134/19), The Board has adopted the Zimbabwe Code on Corporate Governance as guiding framework. There is an ongoing process to evaluate the Company's practices against the governance principles to identify any areas of divergence or possible improvement.

Annual General meeting

The Seventy - sixth Annual General Meeting of the company will be held at The Country Club, Brompton Road, Newlands, Harare at 11:00 hours on Wednesday 16th July 2025.

Director's attendance at meetings

Name of Director	Main Board		Audit and risk Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Thembinkosi Nkosana Sibanda @	4	4	-	-	3	4
Matthew Hosack @	3	4	-	-	4	4
Christo Claassen*	4	4	4	4	-	-
Mark Robb*	3	4	3	4	-	-
Canaan Farai Dube*@#	2	2	2	2	2	2
Sevious Mushosho^	4	4	4	4	4	4
Peter Mnyama^	4	4	4	4	-	-
Chesternoel Mutevhe^	4	4	4	4	-	-

*Audit and Risk Committee member
@ Remuneration and Nominations Committee member
#C F Dube resigned in July 2024
^ Attend by invitation

For and behalf of the Directors

T N Sibanda
DIRECTOR

S Mushosho
DIRECTOR

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, borrowings and accumulated profits from trading.	Profitability Equity Borrowings Cash and cash equivalents Debt to equity ratio Return on Equity (ROE)
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
Natural Capital	Use of environmental resources such as electricity, water, and raw materials.	Energy consumption (kWh or litres) - Waste recycled (%) - Water usage (litres/m^3)

PERFORMANCE FOR THE YEAR

Manufactured capital

	5 Jan 25	7 Jan 24
Underperforming stores closed	-	-
New store branches opened:		
» Physical	7	-
» Online applications	-	-
Stores renovated	-	1
Factory CAPEX (US$)	1,042,264	19,123
Number of local suppliers	582	495
Number of stores	68	61
Rentals paid to landlords (US$)	3.9m	3.4m

- » The group was able to conclude lease renegotiations for all properties. In keeping with market development, rentals are now largely dollarized commitments.
- » Jet Chipinge and Jet Rusape moved to new sites
- » 1 Edgars, Jet and 5 New Express Stores were opened during the year
- » 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 2025 and the revamp of some of the existing stores.

Intellectual capital

	5 Jan 25	7 Jan 24
Total trading brands	6	6
Brands acquired or developed	0	0
Units output from the factory	305,518	184 800
Number of USD customer accounts		
» Active	83,737	88,173
» Paid up	43,072	22,225
Number of ZIG customer accounts		
» Active	7,869	13,997
» Paid up	305,758	299,766
Intangible assets and goodwill (US$)	1.5m	1.5m

- » Production volumes were deepened and ranges widened in alignment with strategy to supply a greater proportion of the group's merchandise needs. The capex programme in place will help create capacity for future volume growth and efficiency.
- » The reduction in the ZIG active account book was due to effects of the limited zig credit offering during the year. On a positive note, customers were motivated to migrate to the USD book which held 83,737 active accounts at year end, as this presented better financial planning and control.

Human capital

	5 Jan 25	7 Jan 24
Total number of employees	1 425	1 303
Training spend (US$)	11,020	8,933
Number of man hours trained	2 696	2 500
Employment equity: » Female representation	58%	54%

- » The strategic focus on creating an integrated ecosystem aimed at ensuring that the chains are adequately serviced resulted in the recapitalization of the factory, resulting in headcount growth during the festive period, otherwise the thrust throughout the year has been to reduce headcount in line with revenue decline. Added to these dynamics, was the addition of Express Chain.
- » Training spend continued to increase by 30% over prior year while number of trainees increased slightly. The business continued to leverage digital training in light of cost containment measures.
- » In line with equity, inclusion and diversity initiatives, the female split grew from 54% to 58%. This increase in the split has not been oblivious to issues of merit.

Social and relationship capital

	5 Jan 25	7 Jan 24
CSR spend (US$)	22 696	5 900
Followers on Facebook and Instagram	2,018,500	1,303,075
Local procurement %	>60%	>60%
Number of days lost to strike action	0 days	0 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.
- » Donated to Gumindoga Primary School in Gutu through the be a hero campaign worth US$3,000
- » Donated $4,500 to Cancer Association of Zimbabwe
- » The Edgars Bursary Program has continued with support for two (2) beneficiaries. The bursary will cover the beneficiaries` school fees requirements for the next 3 years. 2024 (US$3,066)

In addition to these CSR initiatives, the business also had the following PR initiatives:

- » ESL Golf Day -Held on the 26th of October 2024 (US$2,130)
- » Newlands Country Club Biggest Loser Challenge Award Ceremony (US$100)
- » St Johns Cricket Sponsorship for the T20's (US$2,500)
- » We also held some grooming sessions in organisations such as SIRDC, Old Mutual, ZIMRA & Providence Human Capital to name a few.
- » The business continued to support local suppliers by buying locally and providing funding to our key suppliers.
- » 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 due to increased Bank Policy Rates and increased Bank Statutory reserve ratios. After the adoption of the ZIG exchange and inflation rates have largely stabilised in the year.
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 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. » 28 stores are now operating on solar power.
IT personnel up-skilling and retention	» Funding has been allocated to support IT personnel in attending upskilling courses. Team members are currently enrolled in university-level IT and business programmes to stay up to date with evolving industry trends.
Availability of key support IT systems	» An IT roadmap and budget have been developed to upgrade outdated and obsolete infrastructure.
Cost of Information Technology (IT)	**Key initiatives include:** » Replacement of the current ERP system » Procurement and installation of a new battery for the main server during the year » In the current year we successfully negotiated a non-escalation in ERP costs. » We have also modernized our connectivity infrastructure by incorporating Starlink, which offers a more cost-effective solution. As a result, MPLS has been discontinued at selected remote sites. » The legalisation of trading in foreign currencies (FOREX) has provided relief, as the majority of our IT licenses are payable in foreign currency. » Management is actively exploring ways to offset rising IT costs through increased operational scale and improved efficiencies.

Managing retail presence	» 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.
Store profitability	» 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 F2024 due to the volatility of our local currency– management successfully negotiated rentals in USD for the 2024 year. » Leases were agreed on terms that aimed at long 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	» USD active accounts closed the year 2024 on 67.3%, down 5% from the previous year. » Following the introduction of the ZiG currency in April 2024 we decided to offer ZiG credit accounts on 3 and 6 months to pay terms after the suspension of ZWL credit in July 2023 after the interest rate review. » The business had to take a decision to curtail ZiG credit again after the September exchange rate movement. In order to mitigate exchange losses we continued to motivate ZiG customers to migrate to the USD book which had competitive interest rates. In 2023-2024 66,087 ZiG accounts migrated to the USD book. » Account utilisation remained low at 30% due to low disposable incomes due to economic challenges and 2024 drought effects. » Going forward management has put in place strategies to grow the active account base through aggressive account drives, paid-up reactivation promotions and further improving our customer engagement portals. We launched the online and QR Code account opening portals in Q1 of 2025 and we are realising significant new business growth over last year.
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.
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 conduct quarterly Laydown sessions where business plans for the upcoming quarter are presented. During these sessions, the Buying Executive shares insights on emerging fashion trends, while individual buyers present the specific trends they have selected for our customer base. These sessions ensure that all teams remain aligned and informed on current fashion directions. Trends are identified through market visits to South Africa as well as ongoing monitoring of fashion television and industry publications.
Merchandise staff retention and up skilling	» Our approach begins with recruiting candidates who demonstrate a strong flair for fashion. Selected individuals undergo an 18-month on-the-job training program, culminating in a certification upon successful completion. For the broader team, additional training needs are identified and addressed through structured programs facilitated by our Training Department, ensuring continuous development. We also strive to foster a dynamic and enjoyable work environment that encourages creativity and innovation among our buyers. » As a market leader we actively continue to expand our brands either internally or through partnerships with external parties.
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. » We utilize a pricing algorithm to systematically adjust prices on ageing inventory. Where sales performance remains slow or to clear remaining stock remnants, further markdowns are applied as part of our stock management strategy.
Merchandise supply strategy	» We continued capacitating suppliers in the current year through local procurement and financing. » Local suppliers help to mitigate against supply disruptions in our quest 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.

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 (47)
Group Chief Finance Officer
Chartered Accountant (Zimbabwe)
Joined the Group in January 2024
Appointed to the Board in January 2024

Peter Danisa Mnyama (50)
B.Com Marketing Management, MDP,EDP
Joined the Group in 1997
Appointed to the Board in September 2023

Non-Executive Directors

Themba N. Sibanda (71)
Chairman of the Board of Directors
Chartered Accountant (Zimbabwe)
Appointed to the Board in 2003

Matthew Hosack (42)
Chairman of the Remuneration Committee
B.Bus. Science (UCT)
Appointed to the Board in December 2019

Christo Claassen (56)
Chairman of the Audit Committee
Chartered Accountant (South Africa)
Appointed to the Board in March 2022

Mark Robb (47)
Member of the Audit Committee
B.Com Hons Information Systems
Appointed to the Board in September 2023

Canaan F. Dube (68)
Member of the Audit and Remuneration Committees
LLB (Honours) and MBA (MSU)
Appointed to the Board in 2004

* Retired in July 2024.

CORPORATE GOVERNANCE REPORT

EDGARS STORES LIMITED BOARD OF DIRECTORS

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 on Corporate 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 7 members and is chaired by an Independent non-executive Chairman.

Attendance at Board meetings

Main Board

Board Attendance	Mar 2024	Jun 2024	Sep 2024	Dec 2024
T. N. Sibanda*	√	√	√	√
C.F. Dube*	√	√	n/a	n/a
M. Robb*	√	√	√	X
M. Hosack*	√	√	X	√
P. D. Mnyama	√	√	√	√
S Mushosho	√	√	√	√
C. Mutevhe	√	√	√	√
C Claassen*	√	√	X	√

Messrs. C Mutevhe was appointed as the Group Chief Finance Officer effective 1 January 2024.

Messrs. C.F. Dube retired from the Board in July 2024.

Key: * Non-Executive Director ✓ - attended X – did not attend
n/a - not applicable • – no meeting

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.

Board expertise

	T.N. Sibanda	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.

» Financial budgets for the F2024 financial year and the ensuing 2025 financial year.
» The General Enabling Resolution providing for general signing and authorisation matrices for the Company.
» New performance based remuneration policy for the group that covered inter alia executive remuneration, and bonuses.

Noted and led
» Management to continuously seek to improve internal controls and keep the company growing under challenging trading conditions.
» The collective experience of the Board including their knowledge of other company operations was critical in guiding management in business strategy.

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	Mar 2024	July 2024	Oct. 2024	Dec. 2024
C. F. Dube*	✓	✓	n/a	n/a
M. Robb*	✓	✓	✓	X
C. Claassen*	✓	✓	✓	✓
S. Mushosho	✓	✓	✓	✓
C. Mutevhe	✓	✓	✓	✓
P. Mnyama	✓	✓	✓	✓

Messers C.F. Dube retired from the Board in July 2024

Key: * Non-Executive Director ✓ - attended X – 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 F2025
» Interrogation of internal audit procedure outcomes for F2024
» 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 F2025
» 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.
» The recommendation to implement a new system was approved

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 2024	June 2024	August 2024
T.N. Sibanda*	✓	X	✓
C.F. Dube*	✓	✓	n/a
M. Hosack*	✓	✓	✓

• C. F. Dube retired on 1 July 2024

Key: * Non-Executive Director ✓ - attended X – did not attend n/a - not applicable • – no meeting

Key activities for the committee in the year to date incorporated:
Reviewed and recommended to the Board
» Board of Directors composition
» Changes in Trusteeship for the ZIMED Employee Trust
» Approval of Profit share Incentive
» Approval of the 2024/2025 Succession Plan for Group Executive roles
» Agreed to streamline the number of external board membership in the interest of cost cutting.

THE PEOPLE REPORT

	F2024	F2023
Total number of employees	1 425	1 303
Female employees	58%	54%
Employees with disability	6	4
Retail employees – Edgars and Jet	566	534
Retail employees - Express	10	0
Manufacturing employees	544	405
Microfinance Unit employees	66	58
Corporate employees	239	306
Days lost to industrial action	Nil	Nil

Development Of Critical Skills

We continued to prioritise the development of mission-critical skills such as merchandise planning, procurement, and specialised apparel retailing competencies that remain scarce within the local employment market. To address this gap, an accelerated Retail Trainee Programme was successfully completed, with most graduates having already assumed store management roles across our retail chains. Several of these individuals are also well-positioned to support the expansion of the Express Chain. Further reinforcing our skills pipeline, we established a dedicated training school for machinists, pattern makers, and graders. This initiative is aimed at ensuring a consistent supply of technically skilled personnel aligned with Edgars' quality standards. These efforts are fully aligned with our broader business growth strategy, ensuring the Group remains agile, well-resourced, and customer focused. In parallel, we continued to leverage digital platforms for training, development, and virtual meetings. This transition not only fostered critical technology skills across the organisation but also delivered meaningful savings on training and travel-related costs.

Building On Our Employee Relations Strategy

We recognize that strong employee relations are foundational to organizational stability, productivity, and growth. Our strategy is anchored in fostering mutual respect, open communication, and a positive working environment where every team member feels valued and heard. 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). We have maintained constructive and transparent relationships with both the Workers' Committee and recognized employee representatives. All scheduled Works Council meetings were successfully held, and communication between management and organized labour representatives was strengthened to foster a shared understanding of the external and internal factors impacting the business. In addition, a smaller committee comprising key Human Resources personnel and Workers' Committee representatives was established to proactively address and close any communication gaps that may 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.

Axcentium
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

AXCENTIUM

PO Box 267
Harare
Zimbabwe

Tel: +263 (0) 8677 000261

www.axcentium.co.zw

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Edgars Stores Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Adverse Opinion

We have audited the accompanying consolidated and separate financial statements of Edgars Stores Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 92, which comprise the consolidated and separate statements of financial position as at 5 January 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the 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 consolidated and separate financial statements do not present fairly, the consolidated and separate financial position of the Group and Company as at 5 January 2025, and its consolidated and separate financial performance and consolidated and separate 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) and International Accounting Standard 1 "Presentation of Financial Statements" (IAS 1) with respect to change in functional and presentation currency and use of exchange rates

In the prior year, the Group and Company prepared its financial statements with the Zimbabwean Dollar (ZWL) as its functional currency whilst there were indicators which provided evidence that the functional currency had changed to the United States Dollar (USD) from the beginning of the comparative 52 weeks that ended on 7 January 2024. This did 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 change in functional currency.

Furthermore, during the comparative period, the Group and Company applied exchange rates that did not meet the definition of spot exchange rates in accordance with IAS 21.

The non-compliance with IAS 21 in the preparation of the opening balances and prior year comparatives, as further described in note 2.3.2, also has a carryover impact on current year transactions (such as depreciation and tax expense) and the effects of the non-compliance are considered to be material and pervasive to the consolidated and separate financial information as a whole.

In addition, the Group and Company have not presented a third statement of financial position as required by IAS 1, despite there having been a material restatement of the prior period's financial information, and a change in accounting policy. This is a departure from IFRS Accounting Standards.

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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 consolidated and separate financial information as a whole.

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 period

The prior year fair values of property, plant and equipment were determined internally through a directors' valuation exercise. The Group did 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 fair valuations presented for the prior period.

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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the Basis for Adverse Opinion section, we have not determined any other key audit matters to be communicated in our report.

Other Information

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

Our opinion on the consolidated and separate 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 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 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Consolidated and Separate Financial Statements

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

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

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 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 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 consolidated and separate financial statements, including the disclosures, and whether the 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 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.

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 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 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 further 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.

Axcentium
Chartered Accountants (Zimbabwe)
Per: Stelios Michael
PAAB Practice Certificate Number: 0443
Partner
Registered Auditor
Harare Zimbabwe
Date: 11 June 2025

A full list of partners and directors is available on request.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AT 5 JANUARY 2025

Figures are in United States dollars	Note(s)	Group 2024 As At 5 January 2025	Group 2023 As At 7 January 2024 *Restated	Company 2024 As At 5 January 2025	Company 2023 As At 7 January 2024 *Restated
Assets					
Non-Current Assets					
Property, plant and equipment	4	5,409,488	4,726,283	5,235,117	4,482,906
Right-of-use assets	5	2,620,613	2,675,709	2,620,613	2,675,709
Intangible assets	6	1,500,000	1,500,000	1,500,000	1,500,000
Investment in subsidiary	7	-	-	1,000,000	1,000,000
		9,530,101	**8,901,992**	**10,355,730**	**9,658,615**
Current Assets					
Inventories	10	5,691,499	7,665,054	5,690,351	7,663,897
Loans and advances to customers	11	1,730,114	926,580	-	-
Trade and other receivables	12	13,768,163	12,437,943	13,467,935	12,244,109
Intercompany loan	9&33	-	-	266,236	-
Current tax receivable	29	1,120,290	560,550	907,445	395,365
Bank and cash balances	13	2,008,127	1,153,901	1,852,828	1,087,774
		24,318,193	**22,744,028**	**22,184,795**	**21,391,145**
Total Assets		**33,848,294**	**31,646,020**	**32,540,525**	**31,049,760**
Equity and Liabilities					
Equity					
Share capital	14	679,741	679,741	679,741	679,741
Reserves		5,981,541	6,599,387	6,121,876	6,286,006
Retained income		6,700,908	5,269,713	6,292,412	5,644,181
		13,362,190	**12,548,841**	**13,094,029**	**12,609,928**
Liabilities					
Non-Current Liabilities					
Borrowings	16	350,666	67,759	350,666	67,759
Borrowings -related parties	16&33	2,638,222	1,454,175	2,638,222	1,454,175
Deferred tax	8	1,128,308	1,220,115	1,124,051	1,185,036
Lease liabilities	5	2,254,422	2,648,618	2,254,422	2,648,618
		6,371,618	**5,390,667**	**6,367,361**	**5,355,588**
Current Liabilities					
Trade and other payables	17	5,362,985	6,737,351	5,279,166	6,672,595
Current tax liabilities	29	27,478	134,835	-	-
Borrowings	16	4,215,069	3,737,582	3,291,350	3,271,911
Borrowings -related parties	16&33	1,792,747	1,802,346	1,792,747	1,802,346
Bank overdrafts	16	1,936,152	566,088	1,935,817	566,088
Lease liabilities	5	780,055	728,310	780,055	728,310
Intercompany loan	9&33	-	-	-	42,994
		14,114,486	**13,706,512**	**13,079,135**	**13,084,244**
Total Liabilities		**20,486,104**	**19,097,179**	**19,446,496**	**18,439,832**
Total Equity and Liabilities		**33,848,294**	**31,646,020**	**32,540,525**	**31,049,760**

The financial statements and the notes on pages 41 to 92, were approved by the board of directors on the 11th of June 2025 and were signed on its behalf by:

Director **Director**

*Note: The prior year statement of financial position was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.3. for details of the change in presentation currency.

CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 5 JANUARY 2025

Figures are in United States dollars	Note(s)	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024 *Restated	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024 *Restated
Revenue	**18**	**36,976,570**	**40,750,102**	**35,501,445**	**39,203,125**
Sale of merchandise	18	30,702,030	33,767,276	30,702,030	33,767,276
Cost of sales	21	(14,725,750)	(16,536,235)	(14,725,750)	(16,536,235)
Gross profit		**15,976,280**	**17,231,041**	**15,976,280**	**17,231,041**
Revenue from Microfinance Institutions and debtors accounts	18	6,208,065	6,899,946	4,732,940	5,352,969
Other revenue	18	66,475	82,880	66,475	82,880
Other income	19	20,684	86,567	74,568	78,904
Movement in expected credit losses	20	298,228	(198,021)	200,436	(224,826)
Selling expenses – store expenses	23	(11,092,306)	(10,399,675)	(11,092,306)	(10,399,675)
Financial Services expenses	24	(2,299,100)	(1,998,167)	(2,299,100)	(1,998,167)
Head office, manufacturing and Club plus expenses		(6,325,288)	(8,028,023)	(5,206,014)	(6,808,643)
Trading profit		**2,853,038**	**3,676,548**	**2,453,279**	**3,314,483**
Loss from disposal of property, plant and equipment		-	(52,966)	-	(52,966)
Net foreign exchange gains / (losses)		308,118	(17,717)	165,956	(8,517)
Operating profit		**3,161,156**	**3,605,865**	**2,619,235**	**3,253,000**
Finance costs	25	(2,360,259)	(2,653,838)	(2,237,601)	(2,614,844)
Profit before taxation		**800,897**	**952,027**	**381,634**	**638,156**
Income tax credit / (expense)	26	12,452	(206,188)	102,467	40,825
Profit for the year		**813,349**	**745,839**	**484,101**	**678,981**
Total comprehensive income for the year		**813,349**	**745,839**	**484,101**	**678,981**
Earnings per share (cents):					
Basic	30	0.14	0.13	0.08	0.12
Diluted	30	0.14	0.13	0.08	0.12

* Note: The prior year statement of profit or loss and other comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.3 for details of the change in presentation currency.

The accounting policies on pages 48 to 62 and the notes on pages 64 to 92 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 5 JANUARY 2025

Figures are in United States dollars	Share Capital Reserve	Revaluation Reserve	Credit Reserve	Equity Settled Employee Benefits Reserve	Foreign Currency Translation Reserve	Retained Income	Total Equity
Group							
Balance at 8 January 2023 (restated)	**679,741**	**492,916**	**34,484**	**164,130**	**5,402,345**	**5,029,386**	**11,803,002**
Profit for the year (restated)	-	-	-	-	-	745,839	745,839
Transfer to credit reserve (restated)	-	-	505,512	-	-	(505,512)	-
Balance at 7 January 2024 (restated)	**679,741**	**492,916**	**539,996**	**164,130**	**5,402,345**	**5,269,713**	**12,548,841**
Profit for the year	-	-	-	-	-	813,349	813,349
Transfer to credit reserve	-	-	(453,716)	-	-	453,716	-
Equity settled employee benefits reserve derecognition	-	-	-	(164,130)	-	164,130	-
Balance at 5 January 2025	**679,741**	**492,916**	**86,280**	**-**	**5,402,345**	**6,700,908**	**13,362,190**
Note (s)	14	15.1	15.2	15.3	15.4		

* Note: The prior year statement of changes in equity was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.3 for details of the change in presentation currency.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 5 JANUARY 2025

Figures are in United States dollars Company	Share Capital Reserve	Revaluation Reserve	Credit Reserve	Equity Settled Employee Benefits Reserve	Foreign Currency Translation Reserve	Retained Income	Total Equity
Balance at 8 January 2023 (restated)	**679,741**	**497,314**	**-**	**164,130**	**5,624,562**	**4,965,200**	**11,930,947**
Profit for the year (restated)	-	-	-	-	-	678,981	678,981
Other comprehensive income for the year	-	-	-	-	-	-	-
Balance at 7 January 2024 (restated)	**679,741**	**497,314**	**-**	**164,130**	**5,624,562**	**5,644,181**	**12,609,928**
Profit for the year	-	-	-	-	-	484,101	484,101
Equity settled employee benefits reserve derecognition	-	-	-	(164 130)	-	164 130	-
Other comprehensive income for the year	-	-	-	-	-	-	-
Balance at 5 January 2025	**679,741**	**497,314**	**-**	**-**	**5,624,562**	**6,292,412**	**13,094,029**
Note(s)	14	15.1	15.2	15.3	15.4		

* Note: The prior year statement of changes in equity was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.3 for details of the change in presentation currency.

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE 52 WEEKS TO 5 JANUARY 2025

Figures are in United States dollars	Note(s)	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024 *Restated	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024 *Restated
Cash flows from operating activities					
Profit before taxation		**800,897**	**952,027**	**381,634**	**638,156**
Adjustments for:					
Finance income	18	(6,208,065)	(6,899,946)	(4,732,940)	(5,352,969)
Finance costs	25	2,360,259	2,653,838	2,237,601	2,614,844
Non-cash items	27	5,848,362	2,407,453	5,583,519	5,598,180
Changes in working capital:					
Decrease/ (Increase) in inventories		1,973,555	(2,145,013)	1,973,546	(2,145,013)
Increase in trade and other receivables		(1,330,220)	(3,858,509)	(1,223,826)	(3,858,509)
(Increase)/Decrease in loans and advances to customers		(803,534)	8,245	-	-
(Decrease)/ Increase in trade and other payables		(1,374,366)	3,082,577	(1,393,429)	3,082,577
Cash generated from/(used in) operations		**1,266,888**	**(3,799,328)**	**2,826,105**	**577,266**
Tax paid	28	(661,315)	(1,079,032)	(484,065)	(761,877)
Finance income received		4,755,277	7,147,014	5,080,137	4,139,700
Finance costs paid		(2,224,144)	(2,567,908)	(2,101,486)	(2,528,914)
Lease interest paid	5	(544,151)	(584,964)	(544,151)	(584,964)
Net cash generated from/(utilised in) operating activities		**2,592,555**	**(884,218)**	**4,776,540**	**841,211**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1,575,584)	(624,293)	(1,561,857)	(559,379)
Proceeds from disposal of property, plant and equipment		-	58,923	-	58,923
Loans repaid by/ raised from subsidiaries		-	-	(266,236)	(315,263)
Loans to subsidiaries		-	-	42,994	-
Net cash utilised in investing activities		**(1,575,584)**	**(565,370)**	**(1,785,099)**	**(815,719)**
Cash flows from financing activities					
Proceeds from borrowings and overdrafts	16	17,605,865	14,583,574	13,769,252	13,463,731
Repayment of borrowings and overdrafts	16	(14,088,193)	(10,764,336)	(10,755,196)	(9,740,885)
Payment on lease liabilities	5	(3,422,013)	(3,606,387)	(3,422,013)	(3,606,387)
Net cash generated from/(utilised in) financing activities		**95,659**	**212,851**	**(407,957)**	**116,459**
Net increase/(decrease) in cash and cash equivalents		**1,112,630**	**(1,236,737)**	**2,583,484**	**141,951**
Effect of exchange rate fluctuations on cash held		(258,404)	(700,674)	(1,818,430)	(679,042)
Cash and cash equivalents at the beginning of the year		1,153,901	3,091,312	1,087,774	1,624,865
Cash and cash equivalents at the end of the year	13	**2,008,127**	**1,153,901**	**1,852,828**	**1,087,774**
Comprised of:					
Bank and cash balances		**2,008,127**	**1,153,901**	**1,852,828**	**1,087,774**

*Note: The prior year statement of cashflows was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 2.3 for details of the change in presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Edgars Stores Limited (the Company) is a public limited company incorporated and domiciled in Zimbabwe. The Company is listed on the Victoria Falls Stock Exchange (VFEX). 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 micro finance loans. The address of its registered offices and principal place of business are disclosed in the General information on page 1.

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 information has been prepared in United States dollars (USD) and is based on statutory records maintained under the historical cost convention.

2.2 STATEMENT OF COMPLIANCE

The consolidated and separate financial statements have been prepared on a going concern basis and in accordance with the Companies and Other Business Entities Act (Chapter 24:31) and Victoria Falls Stock Exchange regulations. The consolidated and separate financial results have been restated to take account of a change in functional and presentation currency in accordance with IAS 21, 'The Effects of Changes in Foreign Exchange Rates'.

While the financial statements have been compiled using principles from IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), they are not fully compliant with IFRS due to non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" and International Accounting Standard 1 "Presentation of Financial Statements" (IAS 1) in respect of the change in functional and presentation currency and use of exchange rates, and non-compliance with IFRS 13 "Fair Value Measurements" in the determination of the value of Property, Plant and Equipment in the comparative period.

The consolidated and separate financial information have been compiled using the accounting policies applied in the Group's previous annual financial statements, adhering to applicable amendments to IFRS except for the modifications relating to the comparative prior period information as outlined per Note 2.3.1

2.3 FUNCTIONAL CURRENCY

These consolidated and separate financial statements are presented in United States Dollars ("USD"), which is both the functional and presentation currency of the Group and Company in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates." The functional currency is determined based on the primary economic environment in which the Group and Company operate.

Following the enactment of Statutory Instrument 185 of 2020 on 24 July 2020, the Group's operations experienced a gradual increase in the use of foreign currency. Subsequently, in June 2022, the government formalised the multi-currency system through Statutory Instrument 118A of 2022, which will remain in effect until 31 December 2025. Further, on 27 October 2023, Statutory Instrument 218 of 2023 extended the settlement of transactions in foreign currency until 31 December 2030. This assurance of the continuity of the multi-currency system has since been confirmed by the Finance Act No.13 of 2023. These developments have facilitated access to foreign currency and long-term funding critical for working capital and business expansion.

In this evolving economic context, the Directors noted a progressive increase in the proportion of USD denominated transactions relative to Zimbabwean dollar (ZWL) transactions. This shift in the currency of transactions, pricing, and financing provided clear evidence of a change in the primary economic environment in which the Group operates. After evaluating the factors outlined in IAS 21, including the currency that mainly influences sales prices, costs of goods and services, and financing activities, the Directors determined that the Group's functional currency changed to the United States Dollar with effect from 9 January 2023.

In accordance with IAS 21, the change in functional currency has been applied prospectively from that date. However, to ensure comparability and consistency, the prior year's consolidated financial statements which were previously presented in ZWL have been restated to USD. This restatement aligns with the requirements of IAS 21 and enhances the usefulness of the financial statements for users.

The Directors believe that the United States Dollar most faithfully represents the economic effects of the Group's transactions, events, and conditions.

2.3.1 RESTATEMENT OF PRIOR PERIOD BALANCES

Comparative figures have been adjusted in line with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to reflect the transition in functional currency effective 9 January 2023. The prior year financial statements had been prepared in Zimbabwe Dollars, which did not comply with the provisions of IAS 21. As a result, all comparative information has been restated accordingly. Due to the change in both functional and presentation currencies from ZWL to USD it is not practicable to provide a detailed impact analysis.

Users are advised to interpret these financial results with caution. This is due to potential distortions arising from exchange rate volatility, estimation challenges related to inflation indices, and reduced comparability resulting from the change in presentation currency.

2.3.2 CONVERSION PROCESS AND EXCHANGE RATES

IAS 21 requires entities in hyperinflationary environments to translate their most recent inflation-adjusted financial statements using the closing exchange rate at the reporting date when presenting comparatives under a newly determined functional currency.

In preparing the Group's consolidated and separate financial statements for the year ended 5 January 2025, the Directors considered the implications of applying this guidance. They concluded that strictly following IAS 21 to convert previously inflation-adjusted figures into the newly assessed functional currency would likely result in material misstatements in the comparative financial information.

To provide users of the financial statements with a more accurate and reliable presentation of the Group's and Company's financial performance and position, the Directors opted to use alternative translation techniques. These adjustments were made to ensure the comparatives reflect a fair view of prior period financial information in light of the change in functional currency.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Transactions denominated in ZWL/ZIG during the reporting period were translated to USD using the spot exchange rate prevailing on the transaction date.

USD-denominated transactions were recorded at their original values without translation.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment - A director's revaluation was undertaken for all property, plant and equipment at the beginning of FY2022.

Investment in subsidiaries and Intangible assets - A directors' revaluation was undertaken at the beginning of FY2022 that aligned the carrying amounts to the cost of the investment in subsidiary in USD and the historical cost of acquisition of the intangible assets in USD. The investment and intangible assets were subjected to the impairment tests by directors for FY2023 and FY2024..

Deferred Taxation - was recomputed using the updated tax legislation, and the provisions of IAS 12 (Income Taxes), taking into account the new USD carrying values of assets and liabilities.

Foreign currency translation reserve (FCTR) - The residual amount after the translation of Statement of Financial Position elements was recognised in equity as a foreign currency transaction reserve. This will, over a period, be transferred to retained earnings.

All other assets and liabilities were converted in line with IAS 21.

2.4 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 its power over the investee.

The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the Group's returns.

The financial statements 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.

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.

2.5 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.

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.

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

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.

2.6 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 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:

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.

2.7 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

2.8 INVESTMENTS IN SUBSIDIARIES

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

2.9 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 cash flows (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:

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 cash flows 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 cash flows 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 cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows 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 cash flows from the asset have expired; or
» The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows 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.

2.9 FINANCIAL INSTRUMENTS (CONTINUED)

When the group has transferred its rights to receive cash flows 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.

The 12m ECL 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.

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 cash flows that are due to an entity in accordance with the contract and the cash flows 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

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- 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 cash flows 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.

2.9 FINANCIAL INSTRUMENTS (CONTINUED)

- 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.

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 11 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. Exchange differences arising on the translation of foreign currency borrowings are recognized in profit or loss in the period in which they arise.

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 USD 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.

2.10 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).

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.

2.11 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.

2.11 LEASES (CONTINUED)

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).

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.

2.12 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.

2.12 INVENTORIES (CONTINUED)

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.

2.13 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.

2.14 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.

2.15 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 equity settled employee benefits reserve has been derecognised in the current year. A scheme is being developed, to be rolled out in the next financial year.

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.

2.16 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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. 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.

2.17 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).

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 cash flows 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)
2.17REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

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.

2.18 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.

2.19 GROSS PROFIT

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

2.20 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.

2.21 OPERATING PROFIT

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

2.22 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 United States dollars (USD).

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.

Cash flows arising from transactions in a foreign currency are recorded in USD by applying to the foreign currency amount the exchange rate between the USD and the foreign currency at the date of the cash flow.

2.23 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 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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. IAS 1: Presentation of Financial Statements (Amendment relating to the classification of liabilities as current or non-current) Effective on or after 1 January 2024	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements must be met to determine the correct classification.
3. IAS 1: Presentation of Financial Statements (amendments relating to non-current liabilities with covenants) Effective on or after 1 January 2024	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
4. 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.
5. 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.
6. IAS 7: Statement of Cash Flows and IFRS 7: Financial Instruments — Disclosure (amendments relating to supplier finance) Effective on or after 1 January 2024 (with transitional reliefs in the first year	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

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

Amendment	Nature of impact
1. 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
2. IAS 21: The Effects of Changes in Foreign Exchange Rates (amendments relating to the lack of exchangeability)	An entity is considered to have a transaction or activity in a foreign currency that is not exchangeable at the measurement date if that currency cannot be converted into another currency for a specific purpose. A currency is deemed exchangeable when it can be obtained within a reasonable administrative timeframe through a functioning market or exchange system that establishes enforceable rights and obligations for the transaction.
3. IFRS 9: Financial Instruments and IFRS 7: Financial Instruments — Disclosure (amendments relating to the classification and measurement of financial instruments) Effective 1 January 2026 (early adoption is available)	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows, and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)
4. IFRS 19: Subsidiaries without Public Accountability — Disclosures	Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the reduced disclosure requirements in IFRS 19. The standard's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. The standard is voluntary for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability, and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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.

MICRO FINANCE

Club Plus (Private) Limited is the Group's micro finance business unit. Club Plus offers micro finance 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.

EXPRESS CHAIN

Express Chain caters to the low-end market segment by providing affordable clothing options without sacrificing quality. In accordance with IFRS 8 "Operating Segments," management has assessed the operations of Express and determined that it does not meet the quantitative thresholds or other criteria to be considered a reportable segment. Consequently, Express's financial results have been aggregated within the Group's financial statements and are not separately disclosed.

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)

52 weeks to 5 January 2025	Edgars Stores Retail	Jet Stores Retail	Manu-facturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial Services	Segments Total	Other Segments	Adjustments/ (eliminations)	Consolidated Total
Retail sales	17,196,502	13,353,522	-	-	-	-	30,550,024	83,691	-	30,633,715
Manufacturing sales to third parties	-	-	68,315	-	-	-	68,315		-	68,315
Hospital cash plan and insurance Commission	-	-		-	-	66,475	66,475		-	66,475
Inter-segments	-	-	2,972,475	-	-	-	2,972,475		(2,972,475)	-
Revenue from Micro Finance and debtor accounts	-	-	-	1,467,381	-	4,740,684	6,208,065			6,208,065
Total revenue	**17,196,502**	**13,353,522**	**3,040,790**	**1,467,381**	**-**	**4,807,159**	**39,865,354**	**83,691**	**(2,972,475)**	**36,976,570**
Results										
Depreciation and amortisation	1,804,185	1,183,614	140,568	90,051	350,968	13,763	3,583,149	2,104	-	3,585,253
Operating segment Profit/(loss)	121,102	140,668	(520,288)	541,921	98,894	2,763,677	3,145,974	15,182	-	3,161,156
Finance costs	433,498	228,897	-	122,658	90,960	1,482,668	2,358,681	1,578	-	2,360,259
Segment profit/(loss) Before tax	(312,396)	(88,229)	(520,288)	419,263	7,934	1,281,009	787,293	13,604	-	800,897
Income tax	(47,688)	98,260	36,717	(90,015)	15,178	-	12,452	-	-	12,452
Segment assets	7,173,416	6,277,664	3,352,327	2,263,737	2,817,032	11,809,608	33,693,783	154,510	-	33,848,294
Segment liabilities	(3,650,861)	(3,983,448)	(1,787,232)	(83,819)	(2,047,635)	(8,876,003)	(20,428,998)	(57,106)	-	(20,486,104)
Capital expenditure	263,087	252,471	707,262	13,726	317,210	7,323	1,561,079	14,505	-	1,575,584

52 weeks to 7 January 2024	Edgars Stores Retail	Jet Stores Retail	Manu-facturing Carousel	Micro Finance Club Plus	Corporate Head Office	Financial Services	Segments Total	Other Segments	Adjustments/ (eliminations)	Consolidated Total
Sales	18,163,007	15,450,668	-	-	-	-	33,613,675	61,033	-	33,674,708
Manufacturing sales to third parties	-	-	92,568	-	-	-	92,568		-	92,568
Edgars club subscriptions	-	-	-	-	-	6,562	6,562		-	6,562
Hospital cash plan and insurance commission	-	-	-	-	-	76,318	76,318		-	76,318
Inter-segments	-	-	2,081,218	-	-	-	2,081,218		(2,081,218)	-
Revenue from Micro Finance and debtor accounts	-	-	-	1,546,977	-	5,352,969	6,899,946		-	6,899,946
Total revenue	**18,163,007**	**15,450,668**	**2,173,786**	**1,546,977**	**-**	**5,435,849**	**42,770,287**	**61,033**	**(2,081,218)**	**40,750,102**
Results										
Depreciation and amortisation	2,495,370	1,587,307	37,113	67,169	529,256	52,304	4,768,519		-	4,768,519
Operating segment Profit/(loss)	608,597	883,757	44,741	471,424	243,420	1,353,926	3,605,865		-	3,605,865
Finance costs	144,352	415,548	7,439	76,659	88,628	1,921,212	2,653,838		-	2,653,838
Segment profit/(loss) Before tax	464,245	468,209	37,302	394,765	154,792	(567,286)	952,027		-	952,027
Income tax	-	-	-	(98,655)	(107,533)	-	(206,188)		-	(206,188)
Segment assets	5,944,797	5,830,233	2,534,216	1,340,564	4,276,292	11,680,460	31,606,562	39,458	-	31,646,020
Segment liabilities	(5,436,891)	(4,025,907)	(1,002,093)	(415,062)	(1,302,762)	(6,914,464)	(19,097,179)	-	-	(19,097,179)
Capital expenditure	198,195	159,642	18,664	64,915	167,312	15,565	624,293		-	624,293

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 at 8 January 2023	**1,493,540**	**436,394**	**3,366,305**	**1,037,567**	**964,316**	**692,866**	**95,305**	**8,086,293**
Additions	-	95,957	156,436	102,071	220,394	49,435	-	624,293
Disposals	-	-	-	-	(358,020)		-	(358,020)
Transfer between asset categories	-	-	-	-	-	95,305	(95,305)	-
Balance at 7 January 2024	**1,493,540**	**532,351**	**3,522,741**	**1,139,638**	**826,690**	**837,606**	**-**	**8,352,566**
Additions	-	295,079	166,370	74,939	362,255	676,941	-	1,575,584
Balance at 5 January 2025	**1,493,540**	**827,430**	**3,689,111**	**1,214,577**	**1,188,945**	**1,514,547**	**-**	**9,928,150**
Accumulated depreciation								
Balance at 8 January 2023	**(16,688)**	**(102,082)**	**(1,073,401)**	**(375,037)**	**(261,215)**	**(252,741)**	**-**	**(2,081,164)**
Current year expense	(16,688)	(112,411)	(926,180)	(224,908)	(282,898)	(228,165)	-	(1,791,250)
Eliminated on disposals of assets	-	-	-	-	246,131	-	-	246,131
Balance at 7 January 2024	**(33,376)**	**(214,493)**	**(1,999,581)**	**(599,945)**	**(297,982)**	**(480,906)**	**-**	**(3,626,283)**
Current year expense	(16,688)	(54,263)	(416,006)	(131,004)	(122,450)	(151,968)	-	(892,379)
Balance at 5 January 2025	**(50,064)**	**(268,756)**	**(2,415,587)**	**(730,949)**	**(420,432)**	**(632,874)**	**-**	**(4,518,662)**
Net carrying amount at 5 January 2025	**1,443,476**	**558,674**	**1,273,524**	**483,628**	**768,513**	**881,673**	**-**	**5,409,488**
Net carrying amount at 7 January 2024	**1,460,164**	**317,858**	**1,523,160**	**539,693**	**528,708**	**356,700**	**-**	**4,726,283**

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 at								
Balance at 8 January 2023	**1,493,540**	**381,907**	**3,285,831**	**933,893**	**881,126**	**692,866**	**95,305**	**7,764,468**
Additions	-	60,956	156,436	88,331	204,221	49,435	-	559,379
Transfer in/(out) between asset categories	-	-	-	-	-	95,305	(95,305)	-
Disposals	-	-	-	-	(358,020)	-	-	(358,020)
Balance at 7 January 2024	**1,493,540**	**442,863**	**3,442,267**	**1,022,224**	**727,327**	**837,606**	**-**	**7,965,827**
Additions	-	295,079	158,018	70,733	362,255	675,772	-	1,561,857
Balance at 5 January 2025	**1,493,540**	**737,942**	**3,600,285**	**1,092,957**	**1,089,582**	**1,513,378**	**-**	**9,527,684**
Accumulated depreciation								
Balance at 8 January 2023	**(16,688)**	**(88,224)**	**(1,054,655)**	**(355,101)**	**(246,699)**	**(252,741)**	**-**	**(2,014,108)**
Current year expense	(16,688)	(97,273)	(906,375)	(201,965)	(264,478)	(228,165)	-	(1,714,944)
Eliminated on disposals of assets	-	-	-	-	246,131	-	-	246,131
Balance at 7 January 2024	**(33,376)**	**(185,497)**	**(1,961,030)**	**(557,066)**	**(265,046)**	**(480,906)**	**-**	**(3,482,921)**
Current year expense	(16,688)	(36,237)	(395,919)	(105,275)	(103,684)	(151,843)	-	(809,646)
Balance at 5 January 2025	**(50,064)**	**(221,734)**	**(2,356,949)**	**(662,341)**	**(368,730)**	**(632,749)**	**-**	**(4,292,567)**
Net carrying amount at 5 January 2025	**1,443,476**	**516,208**	**1,243,336**	**430,616**	**720,852**	**880,629**	**-**	**5,235,117**
Net carrying amount at 7 January 2024	**1,460,164**	**257,366**	**1,481,237**	**465,158**	**462,281**	**356,700**	**-**	**4,482,906**

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT CARRIED AT FAIR VALUE

Land and buildings

As at 5 January 2025, fair values of the properties were determined by a directors valuation, using the 2021 USD Independent Valuers assessment of carrying amount adjusted for the applicable cumulative depreciation expense for the period. The valuation was done on a depreciated replacement cost basis in USD.

- **Leasehold improvements**
  As at 5 January 2025, 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 between 2022 and 2024, 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.

- **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 5 January 2025 to determine the fair value using the 2021 USD Independent Valuers assessment of carrying amounts then and gross replacement costs for additions between 2022 and 2024, 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.

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.

5. LEASES (CONTINUED)

GROUP AS A LESSSE (CONTINUED)

Net carrying amounts of right-of-use assets

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

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024
Buildings	2,620,613	2,675,709	2,620,613	2,675,709
Additions to right-of-use assets				
Buildings	121,524	224,873	121,524	224,873

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 23).

Buildings	2,778,501	2,967,779	2,778,501	2,967,779
Right of use assets reconciliation				
Balance at the beginning of the reporting period	**2,675,709**	**3,887,202**	**2,675,709**	**3,887,202**
Additions	121,524	224,873	121,524	224,873
Modifications and remeasurements*	3,164,181	1,688,469	3,164,181	1,688,469
Disposals/write off	(562,300)	(157,056)	(562,300)	(157,056)
Depreciation for the year	(2,778,501)	(2,967,779)	(2,778,501)	(2,967,779)
Balance as at period end	**2,620,613**	**2,675,709**	**2,620,613**	**2,675,709**
Gross carrying amount	8,366,893	5,643,488	8,366,893	5,643,488
Accumulated depreciation	(5,746,280)	(2,967,779)	(5,746,280)	(2,967,779)
	2,620,613	**2,675,709**	**2,620,613**	**2,675,709**

*Lease modifications consisted of increases in fixed monthly rentals and in the increases in the lease term

Lease liabilities

Balance at the beginning of the reporting period	**3,376,928**	**3,682,641**	**3,376,928**	**3,682,641**
Additions	121,524	224,873	121,524	224,873
Lease modifications	3,164,181	1,688,469	3,164,181	1,688,469
Disposals	(709,567)	(157,056)	(709,567)	(157,056)
Finance costs	544,151	584,964	544,151	584,964
Net exchange loss	503,424	1,544,388	503,424	1,544,388
Lease interest paid	(544,151)	(584,964)	(544,151)	(584,964)
Lease liability instalments paid	(3,422,013)	(3,606,387)	(3,422,013)	(3,606,387)
	3,034,477	**3,376,928**	**3,034,477**	**3,376,928**
Future minimum rentals payable				
Within one year	3,459,220	3,578,689	3,459,220	3,578,689
Two to five years	186,125	186,121	186,125	186,121
	3,645,345	**3,764,810**	**3,645,345**	**3,764,810**
Unearned Interest expense on lease liabilities	(610,868)	(387,882)	(610,868)	(387,882)
	3,034,477	**3,376,928**	**3,034,477**	**3,376,928**
Analysed as:				
Non-current liabilities	2,254,422	2,648,618	2,254,422	2,648,618
Current liabilities	780,055	728,310	780,055	728,310
	3,034,477	**3,376,928**	**3,034,477**	**3,376,928**

The total cash outflow for leases during the year was USD 3,966,164 (2023: USD 4,191,351).

5. LEASES (CONTINUED)

Lease liabilities (continued)

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

Variable payments	**47,822**	**73 965**	**47,822**	**73 965**

Overall, the variable payments constitute up to 2% 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.

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.

Future minimum rentals receivable under operating leases are as follows:	**5 January 2025**	**7 January 2024**
Future minimum rentals receivable under operating leases as follows		
Within one year	48,052	36,506
Two to five years	-	-
More than five years	-	-
	48,052	**36,506**

6. INTANGIBLE ASSETS

Reconciliation of intangible assets - Group

	Operating software	**Brands**	**Total**
Cost			
Cost at 8 January 2023	**474,792**	**1,500,000**	**1,974,792**
Derecognition	(474,792)	-	(474,792)
Cost at 7 January 2024	**-**	**1,500,000**	**1,500,000**
Cost at 5 January 2025	**-**	**1,500,000**	**1,500,000**
Accumulated amortisation			
Accumulated amortisation and impairment at 8 January 2023	**(446,323)**	**-**	**(446,323)**
Amortisation for the year	(9,490)	-	(9,490)
Derecognition of Intangible asset	455,813	-	455,813
Accumulated amortisation and impairment at 7 January 2024	**-**	**-**	**-**
Amortisation for the year	-	-	-
Accumulated amortisation and impairment at 5 January 2025	**-**	**-**	**-**
Carrying amount at 5 January 2025	**-**	**1,500,000**	**1,500,000**
Carrying amount at 7 January 2024	**-**	**1,500,000**	**1,500,000**

6. INTANGIBLE ASSETS (CONTINUED)

Reconciliation of intangible assets - Company

	Operating software	Brands	Balance
Cost			
Cost at 8 January 2023	**473,088**	**1,500,000**	**1,973,088**
Derecognised in the year	(473,088)	-	(473,088)
Cost at 7 January 2024	**-**	**1,500,000**	**1,500,000**
Cost at 5 January 2025	**-**	**1,500,000**	**1,500,000**
Accumulated amortisation			
Accumulated amortisation and impairment at 8 January 2023	**(445,219)**	**-**	**(445,219)**
Amortisation for the year	(9,290)	-	(9,290)
Derecognition of Intangible asset	454,509	-	454,509
Accumulated amortisation and impairment at 7 January 2024	**-**	**-**	**-**
Amortisation for the year	-	-	-
Accumulated amortisation and impairment at 5 January 2025	**-**	**-**	**-**
Carrying amount at 5 January 2025	-	1,500,000	1,500,000
Carrying amount at 7 January 2024	-	1,500,000	1,500,000

Intangibles are composed of 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.

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024
Brands				
Edgars	912,309	912,309	912,309	912,309
Jet	587,691	587,691	587,691	587,691
	1,500,000	**1,500,000**	**1,500,000**	**1,500,000**

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 USD912,309 as at 5 January 2025 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five- year period. The pre-tax discount rate applied to cash flow projections is 15.55% (2024: 14.53%). 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 USD587,691 as at 5 January 2025 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.55% (2024: 14.53%). 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 40.8% and 38.5%, 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.

6. INTANGIBLE ASSETS (CONTINUED)

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 cash flow estimates. The discount rate used is the WACC - this was determined by using the pre-tax cost of debt 15.55%) and an expected return by the shareholder of 35%. A rise in the pre-tax discount rate to 25% (i.e., +612%) would result in impairment due to a decrease of 54.2% 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 3.2% 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 2025 USD	Carrying amount 2024 USD
Investment in Club Plus (Private) Limited	1,000,000	1,000,000

8. DEFERRED TAX

Net deferred tax liability

Group 2024

Temporary differences	Closing balance at 7 January 2024 $	Recognised in profit or loss $	Recognised directly in equity $	Recognised directly in other comprehensive $	Closing balance at 5 January 2025 $
Property, plant and equipment, right of use assets and intangibles	(1,201,281)	(104,078)	-	-	(1,305,359)
Accruals	139,031	108,332	-	-	247,363
Section 18 instalment allowances and allowances for bad debts	(1,998,685)	635,771	-	-	(1,362,914)
Unrealised profit in inventory	156,645	-	(41,482)	-	115,163
Inventory loss allowances	53,983	90,728	-	-	144,711
IFRS 9 allowances	13,838	(6,490)	-	-	7,348
Unrealised exchange differences	-	(42,734)	-	-	(42,734)
Lease liabilities	882,643	(101,264)	-	-	781,379
	(1,953,826)	**580,265**	**(41,482)**	**-**	**(1,415,043)**
Tax losses and credits					
Assessed Loss**	733,711	(446,976)	-	-	286,735
Total	**(1,220,115)**	**133,289**	**(41,482)**	**-**	**(1,128,308)**

** As at 5 January 2025, the Group had unused USD tax losses of USD 1,113,535 (2023: USD 2,968,081) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 70,775,604 (USD 2,740,840) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the obtaining inflationary pressures against the ZWG.

8 DEFERRED TAX (CONTINUED)

NET DEFERRED TAX LIABILITY (CONTINUED)

Group 2023

Temporary differences	**Closing balance at 9 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	(1,509,845)	308,564	-	-	(1,201,281)
Accruals	85,216	53,815	-	-	139,031
Section 18 instalment allowances and allowances for bad debts	(762,410)	(1,236,275)	-	-	(1,998,685)
Unrealised profit in inventory	-	156,645	-	-	156,645
Inventory loss allowances	154,801	(100,818)	-	-	53,983
IFRS 9 allowances	41,562	(27,724)	-	-	13,838
Unrealised exchange differences	-	-	-	-	-
Lease liabilities	603,964	278,679	-	-	882,643
	(1,386,712)	**(567,114)**	**-**	**-**	**(1,953,826)**
Tax losses and credits					
Assessed Loss	-	733,711	-	-	733,711
Total	**(1,386,712)**	**166,597**	**-**	**-**	**(1,220,115)**

** As at 5 January 2025, the Group had unused USD tax losses of USD 1,113,535 (2023: USD 2,968,081) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 70,775,604 (USD 2,740,840) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the obtaining inflationary pressures against the ZWG.

Net deferred tax liability

Company 2024

Temporary differences	**Closing balance at 7 January 2024 $**	**Recognised in profit or loss income $**	**Recognised directly in equity $**	**Recognised directly in other comprehensive $**	**Closing balance at 5 January 2025 $**
Property, plant and equipment, right of use assets and intangibles	(1,152,363)	(134,925)	-	-	(1,287,288)
Accruals	139,031	101,866	-	-	240,897
Section 18 instalment allowances and allowances for bad debts	(1,998,685)	635,771	-	-	(1,362,914)
Unrealised profit in inventory	156,645	-	(41,482)	-	115,163
Inventory loss allowances	53,983	90,728	-	-	144,711
Unrealised exchange differences	-	(42,734)	-	-	(42,734)
Lease liabilities	882,643	(101,264)	-	-	781,379
	(1,918,746)	**549,442**	**(41,482)**	**-**	**(1,410,786)**
Tax losses and credits					
Assessed Loss	733,710	(446,975)	-	-	286,735
Total	**(1,185,036)**	**102,467**	**(41,482)**	**-**	**(1,124,051)**

** As at 5 January 2025, the Group had unused USD tax losses of USD 1,113,535 (2023: USD 2,968,081) available for offset against future taxable profits. Deferred tax assets have been recognized in respect of these losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized.

The deferred tax arising in respect of the assessed ZWG losses amounting to ZWG 70,775,604 (USD 2,740,840) have not been recognised as it is unlikely to be available as an effective hedge against future taxable income given the inflationary pressures against the ZWG

8. DEFERRED TAX (continued)

Net deffered tax liability

Company 2023

Temporary differences	Closing balance at 9 January 2023 $	Recognised in profit or loss income $	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	(1,446,866)	294,503	-	-	(1,152,363)
Accruals	85,216	53,815	-	-	139,031
Section 18 instalment allowances and allowances for bad debts	(762,410)	(1,236,275)	-	-	(1,998,685)
Unrealised profit in inventory	-	156,645	-	-	156,645
Inventory loss allowances	154,801	(100,818)	-	-	53,983
Lease liabilities	603,964	278,679	-	-	882,643
	(1,365,295)	**(553,451)**	**-**	**-**	**(1,918,746)**
Tax losses and credits					
Assessed Loss	-	733,710	-	-	733,710
Total	**(1,365,295)**	**180,259**	**-**	**-**	**(1,185,036)**

Figures are in United States dollars	Group 2024 5 January 2025	Group 2023 7 January 2024	Company 2024 5 January 2025	Company 2023 7 January 2024

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 liability	(1,128,308)	(1,220,115)	(1,124,051)	(1,185,036)
Net deferred tax liability	**(1,128,308)**	**(1,220,115)**	**(1,124,051)**	**(1,185,036)**

9. INTERCOMPANY LOAN

Loan	-	-	266,236	(42,994)

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

Figures are in United States dollars	Group 2024 5 January 2025	Group 2023 7 January 2024	Company 2024 5 January 2025	Company 2023 7 January 2024
10. INVENTORIES				
Raw materials	1,135,666	1,236,698	1,135,666	1,236,698
Work in progress	31,316	-	31,316	-
Goods in transit	158,676	195,128	158,676	195,128
Merchandise	4,835,413	6,426,260	4,835,413	6,426,260
Consumables stores	93,537	25,345	92,389	24,188
	6,254,608	7,883,431	6,253,460	7,882,274
Inventory obsolescence	(563,109)	(218,377)	(563,109)	(218,377)
	5,691,499	**7,665,054**	**5,690,351**	**7,663,897**

The cost of inventories recognised as an expense during the year was USD 14,876,765 (2023: USD 16,795,347).

The amount of inventories written down in respect of obsolescence expense is USD 563,109 (2023: USD218,377).

Inventories of USD 552,762 (2023:USD 1,238,986) are expected to be recovered after more than 12 months

11. LOANS AND ADVANCES TO CUSTOMERS

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

Figures are in United States dollars	Group		Company	
	2024 5 January 2025	2023 7 January 2024	2024 5 January 2025	2023 7 January 2024
Loans and advances	1,765,422	982,431	-	-
Credit loss allowance	(35,308)	(55,851)	-	-
	1,730,114	**926,580**	**-**	**-**

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 to 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 100%, this position was revised downwards in 2024, with interest rates closing the year at 18%. The introduction of the USD book diluted the asset quality in 2024. 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 7 January 2024	**784,157**	**119,715**	**78,559**	**982,431**
New assets originated or purchased	4,705,706	109,533	174,256	4,989,495
Assets derecognised or repaid (excluding write offs)	(3,698,599)	(175,283)	(233,375)	(4,107,257)
Transfers to Stage 1	76,241	(74,304)	(1,937)	-
Transfers to Stage 2	(267,147)	273,713	(6,566)	-
Transfers to Stage 3	(1,281)	(128,505)	129,786	-
Amounts written off	-	-	(99,247)	(99,247)
Gross carrying amount as at 5 January 2025	**1,599,077**	**124,869**	**41,476**	**1,765,422**

2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances as at 7 January 2024	**2,760**	**8,582**	**44,509**	**55,851**
New assets originated or purchased	456,260	16,461	154,036	626,757
Assets derecognised or repaid (excluding write offs)	(424,368)	(17,750)	(133,728)	(575,846)
Transfers to Stage 1	5,917	(4,519)	(1,399)	-
Transfers to Stage 2	(23,671)	28,443	(4,771)	-
Transfers to Stage 3	(76)	(28,644)	28,720	-
Amounts written off	-	-	(71,454)	(71,454)
ECL allowance as at 5 January 2025	**16,822**	**2,573**	**15,913**	**35,308**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 8 January 2023	**145,862**	**10,898**	**13,890**	**170,650**
New assets purchased or originated	2,787,414	157,916	207,884	3,153,214
Assets derecognised or repaid (excluding write offs)	(1,888,712)	(161,452)	(182,216)	(2,232,380)
Transfers to Stage 1	69,399	(67,342)	(2,057)	-
Transfers to Stage 2	(329,806)	344,319	(14,513)	-
Transfers to Stage 3	-	-	(164,268)	164,268
Amounts written off -	-	(356)	(108,697)	(109,053)
Gross carrying amount as at 7 January 2024	**784,157**	**119,715**	**78,559**	**982,431**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowances as at 8 January 2023	**25,813**	**3,331**	**9,536**	**38,680**
New assets originated or purchased	20,139	26,182	198,276	244,597
Assets derecognised or repaid (excluding write offs)	(37,665)	(10,486)	(101,572)	(149,723)
Transfers to Stage 1	5,820	(4,343)	(1,477)	-
Transfers to Stage 2	(11,347)	21,824	(10,477)	-
Transfers to Stage 3	-	(27,758)	27,758	-
Amounts written off	-	(168)	(77,535)	(77,703)
ECL allowance as at 7 January 2024	**2,760**	**8,582**	**44,509**	**55,851**

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024
12. TRADE AND OTHER RECEIVABLES				
Financial instruments:				
Trade receivables	13,490,862	11,709,496	13,490,862	11,477,212
Loss allowance	(658,351)	(433,545)	(658,351)	(433,545)
Other receivables	1,147,175	1,181,074	846,947	1,219,524
General allowance for credit losses	(211,523)	(19,082)	(211,523)	(19,082)
Total trade and other receivables	**13,768,163**	**12,437,943**	**13,467,935**	**12,244,109**
Total Loss Allowance	(869,874)	(452,627)	(869,874)	(452,627)

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 5 January 2025 Carousel had outstanding trade debtors of USD 1,031,631 (2023: USD 990,501). The specific allowance for credit losses is based on a complex IFRS 9 model applied to individual account holders within the Edgars and Jet retail divisions.

Other receivables are comprised of prepayments, staff debtors, import duties and Club plus SSB receivables.

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 amount 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:

2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 7 January 2024	**8,924,391**	**2,483,081**	**302,024**	**11,709,496**
New assets originated and purchased	18,925,692	2,621,548	2,266,794	23,814,034
Assets derecognised or repaid (excluding write offs)	(17,265,402)	(1,329,937)	(1,852,203)	(20,447,542)
Transfers to Stage 1	14,228,713	(13,665,883)	(562,830)	-
Transfers to Stage 2	(14,131,094)	15,354,054	(1,222,960)	-
Transfer to Stage 3	(2,228)	(2,735,179)	2,737,407	-
Amounts written off	(115,538)	(132,320)	(1,337,268)	(1,585,126)
Gross carrying amount as at 5 January 2025	**10,564,534**	**2,595,364**	**330,964**	**13,490,862**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 8 January 2023	**1,041,759**	**139,692**	**103,531**	**1,284,982**
New assets originated and purchased	16,225,328	2,723,422	1,024,709	19,973,459
Assets derecognised or repaid (excluding write offs)	(7,881,420)	(447,375)	(829,567)	(9,158,362)
Transfers to Stage 1	5,131,282	(4,971,880)	(159,402)	-
Transfers to Stage 2	(5,592,020)	5,956,327	(364,307)	-
Transfers to Stage 3	-	(912,303)	912,303	-
Amounts written off	(538)	(4,802)	(385,243)	(390,583)
Gross carrying amount as at 7 January 2024	**8,924,391**	**2,483,081**	**302,024**	**11,709,496**

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 5 January 2025 and at 7 January 2024. 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.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

2024	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 7 January 2024	**145,952**	**86,290**	**220,385**	**452,627**
New assets originated or purchased	1,508,265	2,098,781	3,443,856	7,050,902
Assets derecognised or repaid	(3,267,232)	(767,075)	(1,311,099)	(5,345,406)
Transfers to Stage 1	3,369,465	(2,856,197)	(513,268)	-
Transfers to Stage 2	(1,277,839)	2,393,786	(1,115,947)	-
Transfers to Stage 3	(189)	(711,638)	711,828	-
Amounts written off	(12,167)	(47,506)	(1,228,577)	(1,288,249)
ECL allowances as at 5 January 2025	**466,255**	**196,441**	**207,178**	**869,874**

2023	Stage 1	Stage 2	Stage 3	Total
ECL allowances as at 08 January 2023	**14,934**	**4,444**	**38,920**	**58,298**
New assets originated or purchased	149,112	100,424	804,114	1,053,650
Assets derecognised or repaid (excluding write offs)	(119,252)	(117,452)	(163,810)	(400,513)
Transfer to Stage 1	153,710	(83,874)	(69,836)	-
Transfer to Stage 2	(52,552)	213,413	(160,861)	-
Transfer to Stage 3	-	(30,102)	30,102	-
Amounts written off	-	(563)	(258,244)	(258,808)
ECL allowances as at 7 January 2024	**145,952**	**86,290**	**220,385**	**452,627**

The movement in the allowance for credit losses is as follows:

Opening balance	(452,627)	(1,002)	(452,627)	(1,002)
(Increase)/decrease in allowance for credit losses	(293,321)	(451,625)	(293,321)	(451,625)
Effect of foreign exchange movement	(123,926)	-	(123,926)	-
Closing balance	**(869,874)**	**(452,627)**	**(869,874)**	**(452,627)**

Figures are in United States dollars	**Group 2024 5 January 2025**	**2023 7 January 2024**	**Company 2024 5 January 2025**	**2023 7 January 2024**
13. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents comprises of:				
Bank and cash balances	2,008,127	1,153,901	1,852,828	1,087,774
14. SHARE CAPITAL				
Authorised ordinary share capital 700,000,000 ordinary share capital (2024: 700,000,000 shares of $0.01 each)	700,000	700,000	700,000	700,000
Issued				
Ordinary	679,741	679,741	679,741	679,741

Issued ordinary shares and premium

	Number. of shares 000s	Share capital $	Share premium $	Issued capital total $
Balance at 8 January 2023	609 740	609,740	70,001	679,741
Balance at 7 January 2024	609 740	609,740	70,001	679,741
Balance at 5 January 2025	609 740	609,740	70,001	679,741

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.

Figures are in United States dollars	Group 2024 5 January 2025	Group 2023 7 January 2024	Company 2024 5 January 2025	Company 2023 7 January 2024

15. RESERVES

15.1 Revaluation Reserve

Revaluation reserve	492,916	492,916	497,314	497,314

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.

15.2 Credit Reserve

Credit reserve	86,280	539,996	-	-

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	-	164,130	-	164,130

The equity-settled employee benefits reserve was previously used to record the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration. In the current year, this reserve has been derecognised as the related share-based payment arrangements have been cancelled.

15.4 Foreign currency Translation Reserve

Foreign currency translation reserve	5,402,345	5,402,345	5,624,562	5,624,562

The difference resulting from the translation of the Statement of Financial Position elements was recognized in equity under the foreign currency translation reserve.

16. BORROWINGS

Loans*	8,996,704	7,061,862	8,072,985	6,596,191
Bank overdrafts	1,936,152	566,088	1,935,817	566,088
	10,932,856	**7,627,950**	**10,008,802**	**7,162,279**
Loans:				
Split between non-current and current portions				
Non-current liabilities - borrowings	350,666	67,759	350,666	67,759
Non-current liabilities – related parties	2,638,222	1,454,175	2,638,222	1,454,175
Current liabilities – borrowings	4,215,069	3,737,582	3,291,350	3,271,911
Current liabilities – related parties	1,792,747	1,802,346	1,792,747	1,802,346
	8,996,704	**7,061,862**	**8,072,985**	**6,596,191**

Summary of borrowing arrangements

(i) Secured with a Notarial General Covering Bond over moveable assets, cession of fire policies, debtors' book, an unlimited guarantee from shareholders and Edgars Industrial Park deeds.

(ii) The weighted average effective interest rate on all the ZWG borrowings is 45% (2023: 105.85%) per annum and 15.5% (2023: 14.53%) for all USD borrowings.

(iii) Tenures for 2024/2023 range between 90 days and 3 years.

* There were no ZWG loans as at 5 January 2025.

Figures are in United States dollars	Group		Company	
	2024 For the 52 weeks to 5 January 2025	2023 For the 52 weeks to 7 January 2024	2024 For the 52 weeks to 5 January 2025	2023 For the 52 weeks to 7 January 2024
Bank overdrafts:				
USD overdrafts	1,684,213	472,770	1,683,961	472,770
ZWG overdrafts	251,939	93,318	251,856	93,318
	1,936,152	**566,088**	**1,935,817**	**566,088**
Reconciliation of loan and overdraft movements				
Opening balance	7,627,950	5,999,084	7,162,279	5,999,084
Repayment of borrowings	(14,088,193)	(10,764,336)	(10,755,196)	(9,740,885)
Net exchange loss	(212,766)	(2,190,372)	(167,533)	(2,559,651)
Proceeds from borrowings and overdrafts	17,605,865	14,583,574	13,769,252	13,463,731
	10,932,856	**7,627,950**	**10,008,802**	**7,162,279**

17. TRADE AND OTHER PAYABLES

Trade payables	3,138,599	3,647,672	3,141,496	3,647,671
Sundry accounts payable and accrued expenses*	2,224,386	3,089,679	2,137,670	3,024,924
	5,362,985	**6,737,351**	**5,279,166**	**6,672,595**

17.1 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:

- 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.

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024
18. REVENUE				
Sale of merchandise				
Retail sales	30,633,715	33,674,708	30,633,715	33,674,708
Manufacturing sales to third parties – local sales	68,315	92,568	68,315	92,568
	30,702,030	**33,767,276**	**30,702,030**	**33,767,276**
Revenue from Micro Finance Institution and Debtors accounts	6,208,065	6,899,946	4,732,940	5,352,969
Other revenue	**66,475**	**82,880**	**66,475**	**82,880**
Hospital Cash Plan and Insurance Commission	66,475	76,318	66,475	76,318
Edgars Club Subscriptions	-	6,562	-	6,562
Total non-retail sales revenue	**6,274,540**	**6,982,826**	**4,799,415**	**5,435,849**
Total revenue	**36,976,570**	**40,750,102**	**35,501,445**	**39,203,125**

All Revenues are recognised at a point in time.

19. OTHER INCOME

Rent received	14,626	37,938	48,052	37,938
Sundry income*	6,058	48,629	26,516	40,966
	20,684	**86,567**	**74,568**	**78,904**

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

20. COMPOSITION OF CREDIT LOSS ALLOWANCES

Trade and other receivables	(293,321)	(451,625)	(293,321)	(451,625)
Loans receivables at amortised cost	18,975	(19,776)	-	-
Bad debts recoveries	572,574	273,380	493,757	226,799
Movement in credit loss	**298,228**	**(198,021)**	**200,436**	**(224,826)**

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024

21. 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:

	Group 2024	Group 2023	Company 2024	Company 2023
Cost of sales	14,725,750	16,536,235	14,725,750	16,536,235
Employee costs (note 22)	9,060,954	9,072,439	8,514,942	8,588,296
Operating Lease expenses	218,126	199,226	215,868	199,226
Depreciation, amortisation*	3,585,253	4,768,519	3,502,520	4,692,013
Other expenses*	6,246,015	6,456,364	5,923,130	5,934,355
	33,836,098	**37,032,783**	**32,882,210**	**35,950,125**

*Depreciation of USD 82,859 (2023: USD 102,634) on plant and machinery was reclassified to cost of sales.

Prior year depreciation impacted by average remaining useful lives of 2-3years, with most assets being fully depreciated to their residual values in 2023.

Other expenses*

	Group 2024	Group 2023	Company 2024	Company 2023
IMTT tax	608,556	595,060	535,096	522,318
Utility Costs	649,165	503,730	648,461	503,406
General advertising	265,017	126,155	260,985	122,537
Other operating expenses**	4,723,277	5,231,419	4,478,588	4,786,094
Total	**6,246,015**	**6,456,364**	**5,923,130**	**5,934,355**

** Other expenses include repairs and maintenance, utility expenses, bank charges, and marketing-related costs.

DEPRECIATION AND AMORTISATION

	Group 2024	Group 2023	Company 2024	Company 2023
Depreciation				
Property, plant and equipment	806,752	1,791,250	724,019	1,714,944
Right-of-use assets	2,778,501	2,967,779	2,778,501	2,967,779
	3,585,253	**4,759,029**	**3,502,520**	**4,682,723**
Amortisation				
Intangible assets	-	9,490	-	9,290
Total depreciation and amortisation				
Depreciation	3,585,253	4,759,029	3,502,520	4,682,723
Amortisation	-	9,490	-	9,290
	3,585,253	**4,768,519**	**3,502,520**	**4,692,013**

Figures are in United States dollars	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024

22. EMPLOYEE COSTS

Employee costs				
Salaries	8,275,691	8,537,437	7,747,817	8,062,148
Medical aid - Company contributions	344,390	357,435	338,592	351,349
Pension contributions	396,803	159,394	385,594	156,825
National Employment Council ("NEC") contributions	44,070	18,173	42,939	17,974
	9,060,954	**9,072,439**	**8,514,942**	**8,588,296**

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.

23. 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	4,977,229	5,006,537	4,977,229	5,006,537
Rent and occupancy	490,843	2,189,425	490,843	2,189,425
Other operating expenses*	5,624,234	3,203,713	5,624,234	3,203,713
	11,092,306	**10,399,675**	**11,092,306**	**10,399,675**

Other operating expenses*

Depreciation	2,764,974	1,083,720	2,764,974	1,083,720
IMTT tax	499,179	423,769	499,179	423,769
Utility Costs	429,430	326,735	429,430	326,735
General advertising	127,527	97,161	127,527	97,161
Other operating expenses	1,803,124	1,272,328	1,803,124	1,272,328
Total	**5,624,234**	**3,203,713**	**5,624,234**	**3,203,713**

Other expenses include repairs and maintenance, utility expenses, bank charges, and marketing-related costs.

24. 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	619,478	488,496	619,478	488,496
Rent and occupancy	9,423	12,072	9,423	12,072
Other operating expenses	1,670,199	1,497,599	1,670,199	1,497,599
	2,299,100	**1,998,167**	**2,299,100**	**1,998,167**

25 FINANCE COSTS

Lease interest expense	544,151	584,964	544,151	584,964
Interest expense	1,816,108	2,068,874	1,693,450	2,029,880
Total finance costs	**2,360,259**	**2,653,838**	**2,237,601**	**2,614,844**

Figures are in United States dollars		Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024
26. TAXATION					
Current					
Local income tax - current period		120,837	372,785	-	139,434
Deferred					
Originating and reversing temporary differences		(133,289)	(166,597)	(102,467)	(180,259)
		(12,452)	**206,188**	**(102,467)**	**(40,825)**
Reconciliation of the tax (income) / expense					
Reconciliation between accounting profit and tax expense.					
Accounting profit		800,897	952,027	381,634	638,156
Tax at the applicable tax rate of 25.72% (2023: 25.72%)		(206,231)	(235,341)	(98,271)	(157,752)
Tax effect of adjustments on taxable income					
Expenses which are not tax deductible		767,378	652,352	569,403	327,750
Permanent differences relating to passenger motor vehicles		(573,599)	(210,823)	(573,599)	(210,823)
		(12,452)	**206,188**	**(102,467)**	**(40,825)**

Expenses which are not tax deductible include donations USD 11,334, fines and penalties (USD 13,402), IMTT (USD 535,097) and disallowed interest.

27. CASHFLOW					
Non-cash items					
Depreciation of property, plant and equipment and right of use assets	21	3,585,253	4,759,029	3,502,520	4,682,723
Inventory obsolescence		307,513	118,402	307,513	118,402
Amortisation of intangible assets	21	-	9,490	-	9,290
Loss on disposal of property, plant and equipment		-	(52,966)	-	(52,966)
Bad debt written off		1,310,608	1,325,560	1,206,452	1,113,208
Effects of changes in presentation currency		-	(4,166,194)	-	(715,585)
Allowance for credit losses - trade and other receivables		293,321	451,625	293,321	451,625
Allowance for credit losses - loans and advances		(18,975)	(19,776)	-	-
Unrealised exchange gains		(172,729)	(17,717)	(165,956)	(8,517)
Other non-cash items		543,371	-	439,669	-
Total non-cash items		**5,848,362**	**2,407,453**	**5,583,519**	**5,598,180**

Figures are in United States dollars	Note(s)	Group 2024 For the 52 weeks to 5 January 2025	Group 2023 For the 52 weeks to 7 January 2024	Company 2024 For the 52 weeks to 5 January 2025	Company 2023 For the 52 weeks to 7 January 2024

28. TAX PAID

Tax receivable / (payable) at beginning of the year		425,715	56,554	395,365	(95,975)
Current tax for the year recognised in profit		(120,837)	(372,785)	-	(139,434)
Current tax liability or loss		27,478	134,835	-	-
Tax receivable at the end of the year		(1,120,290)	(560,550)	(907,445)	(395,365)
Exchange differences on payments		126,619	(337,086)	28,015	(131,103)
Tax paid		**(661,315)**	**(1,079,032)**	**(484,065)**	**(761,877)**

29. CURRENT TAX RECEIVABLE

Normal tax		1,120,290	560,550	907,445	395,365

CURRENT TAX LIABILITY

Normal tax		27,478	134,835	-	-

30. 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**

The basic weighted average number of ordinary shares has been calculated after deducting the treasury shares.

Weighted average number of ordinary shares (diluted)		**000's**	**000's**	**000's**	**000's**
Weighted average of ordinary shares (basic)*		576,302	576,302	576,302	576,302
Weighted average number of ordinary shares (diluted)		**576,302**	**576,302**	**576,302**	**576,302**

The diluted weighted average number of ordinary shares have been calculated by considering the dilutive effect of outstanding share options.

Attributable basis					
Profit attributable to ordinary shareholders		813,349	745,839	484,101	678,981
Loss on disposal of property, plant and equipment		-	52,966	-	52,966
Profit attributable to ordinary shareholders		**813,349**	**798,805**	**484,101**	**731,947**
Basic earnings per share (cents)		0.14	0.13	0.08	0.12
Diluted earnings per share (cents)		0.14	0.13	0.08	0.12
Headline earnings per share (cents)*		0.14	0.14	0.08	0.13

Headline earnings per share (HEPS)have been arrived at after adjusting for the effects of one time charges, write-downs and cost cutting. In prior year the profit was adjusted for the loss on disposal of property, plant and equipment to compute the HEPS

Figures are in United States dollars	Group 2024 5 January 2025	Group 2023 7 January 2024	Company 2024 5 January 2025	Company 2023 7 January 2024

31. COMMITMENTS

Authorised capital expenditure				
Authorised and contracted	-	-	-	-
Authorised but not yet contracted for	1,296,532	4,435,050	1,296,532	4,435,050
	1,296,532	**4,435,050**	**1,296,532**	**4,435,050**

32. 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	Beneficial	Non beneficial	Beneficial	Non beneficial
T N Sibanda	-	100	-	100
Nominees	-	300	-	300
	-	**400**	**-**	**400**

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.

33. RELATED PARTIES

Relationships

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

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.

Related party balances

Balances between Edgars Stores Limited and Club Plus Limited	5 January 2025	7 January 2024
Intercompany loan	266,236	(42,994)
Investment in subsidiary	1,000,000	1,000,000

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. The intercompany loan is not subject to any interest.

Balances between Edgars Stores Limited and Annunaki Investments (Private) Limited

Principal*	2,638,222	1,454,175

33. RELATED PARTIES (CONTINUED)

*** The breakdown of the Annunaki loans is as follows:**

Annunaki Investments Loan 1 – USD 680,000
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 1,908,222 (2024), USD 724,175(2023)
Edgars Stores Limited has a loan of USD 1,908,222 availed by Annunaki effective the 8th of January 2024. Interest is chargeable at a rate of 12% per annum payable in 24 monthly instalments. Interest is payable in monthly instalments over a period of 24 months ending the 5th of December 2024.

The initial loan of USD 724,175 availed in December 2022 was enhanced by USD 1,184,047 to USD1,908,222 effective 8 January 2024 on the initial agreed terms.

Annunaki Investments Loan 3 – USD 50,000
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	**5 January 2025**	**7 January 2024**
Rental of premises	56,328	61,152
Interest on intercompany loan	-	-
Transactions between Edgars Stores Limited and Annunaki Investment (Private) Limited		
Interest on loan	315,330	165,404
Commission paid for loan guarantees	431,162	268,919
Consultation fees	-	48,083
	746,492	**482,406**

Figures are in United States dollars	**Group 2024 For the 52 weeks to 5 January 2025**	**Group 2023 For the 52 weeks to 7 January 2024**	**Company 2024 For the 52 weeks to 5 January 2025**	**Company 2023 For the 52 weeks to 7 January 2024**
Transactions between the group and other fellow subsidiary companies				
Compensation to directors and other key management				
Non-Executive Directors fees	139,364	146,542	119,260	126,136
Short-term employee benefits	1,206,979	1,110,807	1,100,001	960,333
Pension and medical aid benefits	43,056	32,802	41,901	30,748
	1,389,399	**1,290,151**	**1,261,162**	**1,117,217**

34. 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 adjusts 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.

		Group		Company	
Figures are in United States dollars	**Note(s)**	**2024 5 January 2025**	**2023 7 January 2024**	**2024 5 January 2025**	**2023 7 January 2024**
Capital risk management					
Borrowings	16	8,996,704	7,061,862	8,072,985	6,596,191
Bank overdrafts	16	1,936,152	566,088	1,935,817	566,088
Total borrowings		**10,932,856**	**7,627,950**	**10,008,802**	**7,162,279**
Cash and cash equivalents	13	(2,008,127)	(1,153,901)	(1,852,828)	(1,087,774)
Net borrowings		**8,924,729**	**6,474,049**	**8,155,974**	**6,074,505**
Equity		13,362,190	12,548,841	13,094,029	12,609,928
Gearing ratio		66.80%	51.60%	62.30%	48.18%

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.

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.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

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

Trade receivables (Group and Company)

The characteristics of trade receivables are as follows

2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit risk has not increased significantly	10,564,534	-	-	10,564,534
Significant increase in credit risk	-	2,247,519	-	2,247,519
Past due but not impaired	-	347,845	-	347,845
Credit impaired	-	-	330,717	330,717
	10,564,534	**2,595,364**	**330,717**	**13,490,615**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit risk has not increased significantly	8,924,392	-	-	8,924,392
Significant increase in credit risk	-	1,855,140	-	1,855,140
Past due but not impaired	-	627,942	-	627,942
Credit impaired	-	-	302,024	302,024
	8,924,392	**2,483,082**	**302,024**	**11,709,498**

Loans and advances to customers

The characteristics of loans and advances are as follows:

2024	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit risk has not increased significantly	1,599,077	-	-	1,599,077
Significant increase in credit risk	-	88,400	-	88,400
Past due but not impaired	-	36,469	-	36,469
Credit Impaired	-	-	41,476	41,476
	1,599,077	**124,869**	**41,476**	**1,765,422**

2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit risk has not increased significantly	707,910	-	-	707,910
Significant increase in credit risk	76,247	-	-	76,247
Past due but not impaired	-	119,715	-	119,715
Credit impaired	-	-	78,559	78,559
	784,157	**119,715**	**78,559**	**982,431**

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 material accounting policy information.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

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

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, personal 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.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Significant increase in credit risk

The group continuously monitors all assets subject to ECLs. 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 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.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. 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.

The group has access and has utilised the following:

	52 weeks to 5 January 2025	52 weeks to 7 January 2024
Total banking and loan facilities	12,940,983	8,194,038
Utilised interest-bearing debt	(10,932,856)	(7,627,950)
Unutilised banking facilities	**2,008,127**	**566,088**

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.

	Note		
Maximum permissible interest-bearing debt		27,577,502	33,578,218
Interest bearing debt	**16**	(10,932,856)	(7,627,950)
		16,644,646	**25,950,268**
Cash and cash equivalents	**13**	2,008,127	1,153,901
Unutilised borrowing capacity		**18,652,773**	**27,104,169**

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Group - 2024					
Interest bearing loans, borrowings	164,198	398,169	1,856,632	3,408,922	5,827,921
Trade and other payables	-	-	3,138,599	-	3,138,599
Lease liabilities	288,268	576,537	2,594,415	186,125	3,645,345
	452,466	**974,706**	**7,589,646**	**3,595,047**	**12,611,865**
Group – 2023					
Interest bearing loans, borrowings	593,853	1,230,192	8,435,708	-	10,259,753
Trade and other payables	-	3,647,672	-	-	3,647,672
Lease liabilities	298,224	596,448	2,684,017	186,121	3,764,810
	892,077	**5,474,312**	**11,119,725**	**186,121**	**17,672,235**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Company - 2024					
Interest bearing loans and	156,504	386,492	1,771,099	2,485,256	4.799,351
Trade and other payables	-		3,141,496	-	3,141,496
Lease liabilities	288,268	576,537	2,594,415	186,125	3,645,345
	444,772	**963,029**	**7,507,010**	**2,671,381**	**11,586,192**
Company - 2023					
Interest bearing loans and borrowings	631,492	1,222,304	7,400,212	-	9,254,008
Trade and other payables	-	3,647,672	-	-	3,647,672
Lease liabilities	298,224	596,448	2,684,017	186,121	3,764,810
Restated	**929,716**	**5,466,424**	**10,084,229**	**186,121**	**16,666,490**

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows 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/ZWG 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 2024, all suppliers are being contracted for in USD and the obligations extinguished in the same currency.

Foreign denominated balances (the numbers are expressed in USD equivalent)

	52 weeks to 5 January 2025 Zimbabwe Gold	52 weeks to 7 January 2024 Zimbabwe Dollar	52 weeks to 5 January 2025 South African Rand	52 weeks to 7 January 2024 South African Rand
Assets				
Cash and cash equivalents	3,081,766	1,004,465	(466,327)	130,805
Trade receivables	283,565	332,544		-
Loans and advances to customers	-	1,468		-
Liabilities				
Trade payables	(94,574)	(351,200)	521,152	93,426
Long term loan	-	(271,949)		-
Total net position	**3,270,757**	**715,328**	**54,825**	**224,231**
Impact of USD strengthening by 10% -gain/(loss) in USD				
Impact on profit before tax	(19,823)	(4,335)	(332)	(1,359)
Impact of USD strengthening by 10% -gain/(loss) in USD				
Impact on profit before tax	24,228	5,299	406	1,661

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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 on the group.

Group **05 January 2025**	**Adjusted Interest**	**Current year interest Gain/(loss)**	**Impact on profit or loss**	**Tax effect**	**Impact**
All figures in USD					
Increase of 200 basis points in interest rates	1,852,431	1,816,108	(36,323)	(8,979)	(27,343)
Decrease of 200 basis points in interest rates	1,779,786	1,816,108	36,323	8,979	27,343
7 January 2024					
All figures in USD					
Increase of 200 basis points in interest rates	2,110,252	2,068,874	(41,377)	(10,229)	(31,149)
Decrease of 200 basis points in interest rates	2,027,497	2,068,874	41,377	10,229	31,149

Company **05 January 2025**	**Adjusted Interest**	**Current year interest Gain/(loss)**	**Impact on profit or loss**	**Tax effect**	**Impact**
All figures in USD					
Increase of 200 basis points in interest rates	1,727,319	1,693,450	(33,869)	(8,372)	(25,497)
Decrease of 200 basis points in interest rates	1,659,581	1,693,450	33,869	8,372	25,497
7 January 2024					
All figures in USD					
Increase of 200 basis points in interest rates	2,070,478	2,029,880	(40,598)	(10,036)	(30,562)
Decrease of 200 basis points in interest rates	1,989,283	2,029,880	40,598	10,036	30,562

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 where the capital requirements for Micro lending institutions are set at USD 25 000, which is adequately covered by the Groups subsidiary which has an equity of USD 1 264 694. Where risk of such non-compliance is identified, the Group supports the subsidiary with the required capital, 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 monthly. 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 can pay its debts when they fall due.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

Figures are in US dollars	2023 7 January 2024	2022 8 January 2023	2023 7 January 2024	2022 8 January 2023
Financial Instruments by category				
The following classifications of financial instruments have been applied:				
Financial assets at amortised cost				
Cash and bank balances	2,008,127	1,153,901	1,852,828	1,087,774
Amounts due from related parties	-	-	266,236	-
Loans and advances to customers	1,730,114	926,580	-	-
Trade and other receivables	13,768,163	12,436,603	13,467,935	12,242,769
	17,506,404	**14,517,084**	**15,586,999**	**13,330,543**
Financial liabilities at amortised cost				
Borrowings	10,932,856	7,627,950	10,008,802	7,162,279
Trade and other payables	5,362,985	6,737,351	5,279,166	6,672,595
Lease liabilities	3,034,477	3,376,928	3,034,477	3,376,477
	19,330,318	**17,742,229**	**18,322,445**	**17,211,351**

35. 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

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.

	Group		Company	
	7 January 2024	8 January 2023	7 January 2024	8 January 202
Property, plant and equipment				
Land & buildings	1,443,476	1,460,164	1,443,476	1,460,164
Leasehold improvements	558,674	317,858	516,208	257,366
Furniture, fittings & equipment	1,273,524	1,523,160	1,243,336	1,481,237
Computer equipment	483,628	539,693	430,616	465,158
Motor vehicles	768,513	528,708	720,852	462,281
Plant and machinery	881,673	356,700	880,629	356,700
	5,409,488	**4,726,283**	**5,235,117**	**4,482,906**

Except for land and buildings, all other property, plant and equipment were carried at the USD depreciated replacement cost.

36. 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.

The Directors have undertaken a comprehensive assessment of the Group's ability to continue as a going concern for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. This assessment considered the Group's current financial position, future trading prospects, available funding facilities, and the broader economic environment. Key assumptions applied in the going concern assessment include:

- The Group expects customer demand to remain relatively resilient, supported by strategic merchandising, pricing, and promotional activities.
- Supply chains are expected to remain stable, with key suppliers continuing to meet inventory requirements without significant disruption.
- The Group's lease agreements for retail premises are assumed to remain in place on terms that are consistent with current contractual obligations, with no significant increases in rental costs beyond forecast expectations.
- The Group has maintained adequate cash and cash equivalents, supported by access to committed but undrawn banking facilities, providing sufficient liquidity to meet operational needs.
- Ongoing initiatives to optimize operating costs and protect margins are expected to continue yielding positive results.
- While acknowledging the risks posed by inflation, foreign currency fluctuations, and constrained consumer spending, the Group's financial models incorporate prudent assumptions reflecting these risks.

The Directors note that while the Group faces uncertainties relating to the economic environment including inflationary pressures, exchange rate volatility, and shifts in consumer behaviour, mitigation strategies have been put in place. These include tighter working capital management, enhanced inventory controls, and a continued focus on customer-centric sales strategies. Based on the above, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

37. CONTINGENT LIABILITIES

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

38. DIVIDEND DECLARATION

No dividend was declared for the year ended 5 January 2025 (2023: Nil).

39. EVENTS AFTER THE REPORTING PERIOD

The Directors have assessed events occurring after the reporting date up to the date of authorisation of these financial statements and confirm that there were no adjusting or non-adjusting events that require disclosure in accordance with the requirements of IAS 10 – Events After the Reporting Period.

ANALYSIS OF ISSUED ORDINARY SHARES

EDGARS STORES LIMITED TOP 20 : SCHEDULE AS AT : 31-December-2024

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	93,701,234	15.37
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	EDGARS PENSION FUND	ZIM	PF	29,962,629	4.91
7	STANBIC NOMINEES (PVT) LTD	ZIM	LN	28,674,606	4.70
8	UPMARKET REAL ESTATE P/L	ZIM	LC	9,841,151	1.61
9	FED NOMINEES (PVT) LTD	ZIM	LN	9,057,921	1.49
10	HIPPO VALLEY ESTATES PF-IMARA	ZIM	PF	6,583,144	1.08
11	NSSA-POBS	ZIM	PF	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	FED NOMINEES (PVT) LTD - TAXABLE	ZIM	LN	3,340,593	0.55
15	MR LESLEY WILLIAMS WILLIAMS	ZIM	LR	3,285,083	0.54
16	SETMA (PRIVATE) LIMITED	ZIM	LC	2,308,134	0.38
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	PSMAS PENSION FUND-INVESCI	ZIM	PF	2,057,099	0.34
20	SAGIT FINANCE COMPANY (PVT) LTD	ZIM	LC	1,805,585	0.30
	Selected Shares			**560,720,506**	**91.96**
	Non - Selected Shares			**49,020,437**	**8.04**
	Issued Shares			**609,740,943**	**100.00**

EDGARS STORES LIMITED: ANALYSIS BY VOLUME AS AT : 31 - December - 2024

Range	Shares	Shares %	Shareholders	Shareholders %
1-5000	1,309,165	0.21	1,163	72.46
5001-10000	700,838	0.11	99	6.17
10001-25000	1,852,482	0.30	118	7.35
25001-50000	1,501,179	0.25	43	2.68
50001-100000	2,322,399	0.38	33	2.06
100001-200000	5,070,383	0.83	35	2.18
200001-500000	15,039,104	2.47	47	2.93
500001-1000000	16,939,690	2.78	24	1.50
1000001 and Above	565,005,703	92.66	43	2.68
Totals	**609,740,943**	**100.00**	**1,605**	**100.00**

ANALYSIS OF ISSUED ORDINARY SHARES

EDGARS STORES LIMITED: ANALYSIS BY INDUSTRY AS AT : 31-December-2024

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	301,386,077	49.43	117	7.29
FOREIGN COMPANIES	132,962,185	21.81	05	0.31
PENSION FUNDS	75,966,082	12.46	83	5.17
LOCAL NOMINEE	42,420,079	6.96	72	4.49
TRUSTS	36,748,169	6.03	15	0.93
LOCAL INDIVIDUAL RESIDENT	13,196,850	2.16	1,223	76.20
OTHER INVESTMENTS & TRUST	3,208,931	0.53	14	0.87
FUND MANAGERS	1,754,580	0.29	06	0.37
INSURANCE COMPANIES	745,300	0.12	02	0.12
CHARITABLE	578,545	0.09	03	0.19
FOREIGN NOMINEE	451,896	0.07	02	0.12
NEW NON RESIDENT	241,268	0.04	34	2.12
FOREIGN INDIVIDUAL RESIDENT	58,524	0.01	07	0.44
DECEASED ESTATES	20,691	0.00	13	0.81
BANKS	1,066	0.00	02	0.12
DIRECTOR	700	0.00	07	0.44
Totals	**609,740,943**	**100.00**	**1,605**	**100.00**

SHAREHOLDERS FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 5 JANUARY 2025 (FY2024)

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

HALF YEAR ENDING 6 JULY 2025 (FY 2025)

Interim Results for the Half Year ending	6 July 2025
Analysts Briefing and Announcement of Interim Results	October 2025

ANNUAL GENERAL MEETING NOTICE FOR THE 52 WEEKS TO 5 JANUARY 2025

Notice is hereby given that the 76th Annual General Meeting of members of Edgars Stores Limited will be held at **The Country Club, 1 Brompton Road, Newlands, Harare, on Wednesday, 16th July 2025** at 11.00 hours for purposes of transacting the following business;

1. Ordinary Business

1.1. Approval of previous minutes

To receive and approve minutes of the 75th Annual General Meeting held on Tuesday 2nd July 2024.

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 5 January 2025.

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

1.3. Approval of Directors' fees

Approval of Directors fees for the year ended 5 January 2025.

Note: In terms of Article 88 of the Company's Articles of Association and Section 183 of the Victoria Falls 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. Christo Claassen 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.

1.5. Auditor

1.5.1. To approve the remuneration of the auditors for the year ended 5 January 2025.

1.5.2. To re-appoint Messrs Axcentium, as independent auditors of the company for the 2nd year.

Note: In terms of Section 68(6) of the Victoria Falls Stock Exchange Listing Requirements, Companies must change audit partners every five years and their audit firm every ten years. Axcentium, have been the auditor for the Company for the past year, therefore are still eligible to be the auditor for the Company.

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 (Pvt) Ltd at Corner Kwame Nkrumah/1st Street P.O Box 2208, Harare and to be received by not later than 0900hrs on 15th July 2025.

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
20th June 2025

EDGARS STORES LIMITED
("the company")

For use by members at the Annual General Meeting of the Group to be held on the Wednesday 16th of July 2025 at 11:00 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 Wednesday 16th July 2025 at 11:00 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 75th Annual General Meeting held on 2 July 2024			
Ordinary Resolution No. 1.2 To receive, consider and adopt the Annual Financial Statements for the year ended 5 January 2025, including the Directors and Independent Auditor's reports thereon.			
Ordinary Resolution No. 1.3 Approval of Directors fees for the year ended 5 January 2025			
Ordinary Resolution No 1.4 Mr. Christo Claassen 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.			
Ordinary Resolution No. 1.5 1.5.1. To approve the remuneration of the auditors for the year ended 5 January 2025.			
1.5.2. To re-appoint Messrs Axcentium, as independent auditors of the company for the 2nd year.			

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

Signed at ________________ on ________________ 2025

Signature________________ (ASSISTED BY ME WHERE APPLICABLE)

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 is not allowed to vote on behalf of another member or act as a proxy for any member. 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 15th July 2025.

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
Axcentium
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

These results can be viewed on the internet at: http://www.edgars.co.zw/investor-relations/ir-dashboard

WRITING NOTES


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