

SUPPLEMENTARY INFORMATION

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

The Group's financial statements for the six months ended 09 January 2022 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE) except for non-compliance with International Financial Reporting Standards explained in this report. The Listing Requirements require interim financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as a minimum, contain the information required by International Accounting Standards ("IAS") 34 (Interim Financial Reporting). The Group's inflation adjusted interim financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in Zimbabwe Dollars (ZWL\$).

The principal accounting policies applied in the preparation of the Group interim financial statements are in terms of IFRS except for the non-compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) and its consequential impact on the inflation adjusted amounts determined in terms of IAS 29 (Financial reporting in Hyperinflationary Economies) and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

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

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

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

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods on or after 01 July 2019. These financial statements have been prepared in accordance with IAS 29. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have been restated as the are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in general price index from the dates when initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the half year ended 09 January 2022. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 22 February 2019 to the end of the reporting period. All items in the statement of cashflows are expressed based on the restated financial information for the period.

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

	Indices	Conversion factor
CPI on 31 December 2021	3 977.46	1.00
CPI on 30 June 2021	2 986.44	1.33
CPI on 31 December 2020	2 474.51	1.61
CPI on 30 June 2020	1 445.20	2.75
Average CPI - 6 months to 31 December 2021	3 481.73	
Average CPI - 6 months to 31 December 2020	2 239.70	

3. LEASE LIABILITY

Analysis:

	INFLATION ADJUSTED		HISTORICAL COST	
	26 weeks to 09 January 2022	26 weeks to 10 January 2021	26 weeks to 09 January 2022	26 weeks to 10 January 2021
	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$
Non-current	1 072 134	1 906 614	1 072 134	1 431 566
Current	1 776 528	2 366 048	1 776 528	1 776 528
	2 848 662	4 272 662	2 848 662	3 208 094
Undiscounted future payments:				
Payable within one year	1 776 528	2 366 048	1 776 528	1 776 528
Payable two to five years	4 441 320	8 566 623	4 441 320	5 329 584
	6 217 848	10 932 671	6 217 848	7 106 112

4. SHORT TERM BORROWINGS

Short-term borrowings are jointly secured Cession of Book Debts, Power of Attorney to register an NGCB and Cession of Insurance Policy with security Agent as First Loss Payee. Borrowings are renewed on maturity in terms of ongoing facilities negotiated with the respective financial institutions. The average interest of 51.75% per annum was applicable on the outstanding balance.

5. REVENUE

	INFLATION ADJUSTED		HISTORICAL COST	
	26 weeks to 09 January 2022	26 weeks to 10 January 2021	26 weeks to 09 January 2022	26 weeks to 10 January 2021
	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$
Sale of merchandise	277 119 236	197 473 244	227 109 946	113 168 420
- Retail sales	252 628 364	194 155 937	224 936 267	111 357 298
- Factory sales to third parties	24 490 872	3 317 307	2 173 679	1 811 122
Finance income	36 662 188	23 272 208	33 668 215	13 215 833
- Accounts receivable	36 624 916	23 268 424	33 632 209	13 213 564
- Other	37 272	3 784	36 006	2 269
Service fees	839 839	760 676	731 213	425 710
Commissions	73 649	72 473	63 843	40 960
Total	314 694 912	221 578 601	261 573 217	126 850 923

	INFLATION ADJUSTED		HISTORICAL COST	
	26 weeks to 09 January 2022	26 weeks to 10 January 2021	26 weeks to 09 January 2022	26 weeks to 10 January 2021
	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$	Reviewed ZWL\$
6. DEPRECIATION AND AMORTISATION				
Depreciation charge	2 011 754	23 753 171	1 065 656	326 638
Amortisation charge	62 544	1 458 606	8 660	7 706
Total charge	2 074 298	25 211 777	1 074 316	334 344
7. TAX				
Current tax charge for the period	-	(3 892 667)	-	(2 421 759)
Deferred tax charge for the period	(2 637 638)	(4 312 069)	(2 637 626)	(2 682 683)
Total tax charge	(2 637 638)	(8 204 736)	(2 637 626)	(5 104 442)
8. HEADLINE EARNINGS / (LOSS) PER SHARE				
Earnings / (loss) attributable to shareholders	106 618 212	(11 558 642)	4 099 908	14 075 448
Adjusted for on-recurring items:-				
Profit on disposal of property, plant and equipment	(818 331)	-	(786 458)	-
Headline earnings / (loss)	105 799 881	(11 558 642)	3 313 450	14 075 448
Headline earnings / (loss) per share (cents)	27.78	(3.03)	0.87	3.70
Weighted average number of ordinary shares used in calculating earnings / (loss) per share	380 901 152	380 901 152	380 901 152	380 901 152

9. SEGMENT INFORMATION

	INFLATION ADJUSTED							
	Manufacturing		Retail		Elimination		Consolidated	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
External Sales	24 490 872	3 317 307	252 628 364	194 155 937	-	-	277 119 236	197 473 244
Inter-segment sales	24 289 977	27 825 598	-	-	(24 289 977)	(27 825 598)	-	-
Finance income	-	-	36 662 188	23 272 208	-	-	36 662 188	23 272 208
Service fees	-	-	839 839	760 676	-	-	839 839	760 676
Commissions	-	-	73 649	72 473	-	-	73 649	72 473
Total revenue	48 780 849	31 142 905	290 204 040	218 261 293	(24 289 977)	(27 825 598)	314 694 912	221 578 601
Segment result								
(Loss) / profit for the period	(5 089 605)	841 210	(18 871 773)	(39 883 526)	(55 286)	(42 840)	(24 016 664)	(39 085 155)
Monetary gain / (loss)	120 605 868	(5 300 135)	(12 915 543)	23 616 280	-	-	107 690 325	18 316 145
Finance income	-	-	36 662 188	23 272 208	-	-	36 662 188	23 272 208
Finance costs	-	-	(11 079 999)	(5 857 104)	-	-	(11 079 999)	(5 857 104)
Tax credit / (expense)	758 951	(729 104)	(3 396 589)	(7 475 632)	-	-	(2 637 638)	(8 204 736)
Net profit / (loss)	116 275 214	(5 188 029)	(9 601 716)	(6 327 774)	(55 286)	(42 840)	106 618 212	(11 558 642)

	HISTORICAL COST							
	Manufacturing		Retail		Elimination		Consolidated	
	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$	2022 ZWL\$	2021 ZWL\$
External Sales	2 173 679	1 811 122	224 936 267	111 357 298	-	-	227 109 946	113 168 420
Inter-segment sales	21 693 050	15 976 976	-	-	(21 693 050)	(15 976 976)	-	-
Finance income	-	-	33 668 215	13 215 833	-	-	33 668 215	13 215 833
Service fees	-	-	731 213	425 710	-	-	731 213	425 710
Commissions	-	-	63 843	40 960	-	-	63 843	40 960
Total revenue	23 866 729	17 788 098	259 399 538	125 039 801	(21 693 050)	(15 976 976)	261 573 217	126 850 923
Segment result								
(Loss) / profit for the period	(3 778 163)	1 795 835	(13 224 141)	7 520 447	(48 000)	(24 000)	(17 050 304)	9 292 282
Finance income	-	-	33 668 215	13 215 834	-	-	33 668 215	13 215 834
Finance costs	-	-	(9 880 377)	(3 328 226)	-	-	(9 880 377)	(3 328 226)
Tax credit / (expense)	758 951	(453 600)	(3 396 577)	(4 650 842)	-	-	(2 637 626)	(5 104 442)
Net (loss) / profit	(3 019 212)	1 342 235	7 167 120	12 757 213	(48 000)	(24 000)	4 099 908	14 075 448

	INFLATION ADJUSTED		HISTORICAL COST	
	at 09 January 2022	at 10 January 2021	at 09 January 2022	at 10 January 2021
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
10. CONTINGENT LIABILITIES				
There are no contingent liabilities.				
11. CAPITAL EXPENDITURE FOR THE PERIOD	408 733	8 044 892	339 179	4 967 041

12. EVENTS AFTER THE END OF REPORTING PERIOD

No event material to the understanding of this report has occurred between the end of the reporting period and the date of approval.