



# Audited Abridged Financial Results

For the year ended 31 March 2022

## Profit Before Tax

**ZWL 4.8 billion**

38.3% up on prior year's ZWL 3.5 billion.

## Final Dividend

**36.5 ZWL cents  
& 0.13 US cents**



## Chairman's Statement

### Overview

The country's operating environment was relatively stable compared to the prior year, mainly on account of relaxation of Covid-19 restrictions. Official annual inflation closed the financial year at 72.7%, having declined from 240.6% for March 2021. The Reserve Bank of Zimbabwe (RBZ) foreign exchange auction platform managed to induce stability in the first half of the financial year. There was a marked volatility in the availability of foreign currency on official platforms which resulted in a widening dichotomy between the rates offered on the RBZ auction system and alternative sources of foreign currency. Most market players had to rely on alternative sources of forex which fed into product pricing. The spike in the month-on-month inflation rates during the course of the last quarter of the financial year was evidently hinged on the cost of foreign currency on alternative markets. The scarcity of foreign currency resulted in the growth of the informal sector where suppliers readily access foreign currency cash in an unregulated market format.

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

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

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

### Group Performance

Sales volume grew by 22.7% over prior year. In inflation adjusted terms, revenue for the year grew by 34.7% to ZWL 79.9 billion from ZWL 59.3 billion in the prior year. Profit before tax of ZWL 4.8 billion was 38.3% above prior year's ZWL 3.5 billion while profit after tax grew by 48.9% to ZWL 2.8 billion from ZWL 1.9 billion in prior year.

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

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

### Sustainable Business Practices

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

### Dividend

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

### Outlook

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

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

Despite these challenges, the Group continues with its expansion plans, with a number of refurbishments and new stores scheduled for the current financial year. The Group is also upgrading its ICT platforms to improve operational efficiencies and support its innovation thrust.

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

### Directorate

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

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

## Audited Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March

Note	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Revenue	79,814,018	59,271,898	60,909,032	26,831,040
Other income	318,158	406,467	217,025	217,025
Changes in trade inventories	(2,017,324)	(649,375)	(4,452,111)	(2,630,730)
Merchandise and consumables used	(64,938,616)	(50,624,355)	(43,644,734)	(18,087,342)
Employee benefits expense	(5,108,938)	(3,539,194)	(3,881,839)	(1,680,997)
Depreciation and amortisation expense	(1,481,822)	(1,097,790)	(502,993)	(190,611)
Share based payments expense	(19,717)	(17,783)	(14,326)	(6,990)
Other operating expenses	(5,638,801)	(4,285,639)	(4,276,733)	(1,939,664)
Finance income	8,166	7,436	6,003	3,177
Finance costs	(924,531)	(242,169)	(718,801)	(117,544)
Net monetary gain	4,788,148	4,234,757	—	—
Profit before income tax	4,798,741	3,464,253	3,640,523	2,364,174
Income tax expense	6 (2,020,432)	(1,597,999)	(1,247,348)	(371,921)
<b>Profit for the year</b>	<b>2,778,309</b>	<b>1,866,254</b>	<b>2,393,175</b>	<b>1,992,253</b>
<b>Other comprehensive income (OCI)</b>				
<b>Will not be reclassified subsequently to profit or loss:</b>				
Fair value gain on property	3,983,877	183,726	5,186,528	1,174,924
Deferred tax expense	(824,745)	(32,221)	(1,085,918)	(206,057)
<b>May be reclassified subsequently to profit or loss:</b>				
Fair value (loss)/gain on financial instruments at FVTOCI	(1,059)	1,529	2,052	3,516
Deferred tax expense	(36)	(15)	(52)	(35)
<b>Other comprehensive income for the year net of tax</b>	<b>3,158,037</b>	<b>153,019</b>	<b>4,102,610</b>	<b>972,348</b>
<b>Total comprehensive income for the year</b>	<b>5,936,346</b>	<b>2,019,273</b>	<b>6,495,785</b>	<b>2,964,601</b>
Weighted average number of ordinary shares in issue	1,280,167,891	1,247,778,289	1,280,167,891	1,247,778,289
share performance: ZWL cents				
- basic earnings per share	217.03	149.57	186.94	159.66
- diluted earnings per share	207.82	143.36	179.01	153.04
- net asset value per share	1,321.58	979.67	727.00	291.45

## Audited Abridged Consolidated Statement of Financial Position

As at 31 March

Note	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property and equipment	8 16,369,721	10,249,545	10,089,876	2,851,939
Financial asset held at amortised cost	3	79	3	46
Goodwill	25,626	25,626	400	400
Right of use asset	4,182,181	2,880,059	1,989,891	846,965
Financial assets held at FVTOCI	6,316	12,018	6,316	6,947
Deferred tax asset	—	—	—	40,090
<b>Total non-current assets</b>	<b>20,583,847</b>	<b>13,167,327</b>	<b>12,086,486</b>	<b>3,746,387</b>
<b>Current assets</b>				
Inventories	10 8,199,666	6,148,932	8,037,845	3,512,135
Trade and other receivables	188,233	28,270	188,233	16,341
Prepayments	1,059,517	1,038,178	534,233	356,535
Short-term loans receivable	27,803	881	27,803	509
Cash and cash equivalents	723,479	1,278,920	723,479	739,260
<b>Total current assets</b>	<b>10,198,698</b>	<b>8,495,181</b>	<b>9,511,593</b>	<b>4,624,780</b>
<b>Total assets</b>	<b>30,782,545</b>	<b>21,662,508</b>	<b>21,598,079</b>	<b>8,371,167</b>

**Audited Abridged Consolidated Statement of Financial Position (continued)**

As at 31 March

Note	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	7,794	7,789	129	126
Share premium	2,580,012	2,418,877	269,514	147,555
Share based payments reserve	128,131	108,414	24,842	10,516
Mark-to-market reserve	3,209	4,304	6,222	4,222
Revaluation reserve	3,442,138	283,006	5,432,837	1,332,227
Non-distributable reserves	629,161	629,161	9,820	9,820
Retained earnings	10,128,026	8,772,594	3,563,416	2,132,239
<b>Total equity</b>	<b>16,918,471</b>	<b>12,224,145</b>	<b>9,306,780</b>	<b>3,636,705</b>
<b>Non-current liabilities</b>				
Deferred tax liability	2,752,968	1,247,743	1,180,193	—
Long term lease liability	1,794,104	1,288,054	1,794,104	744,540
<b>Total non-current liabilities</b>	<b>4,547,072</b>	<b>2,535,797</b>	<b>2,974,297</b>	<b>744,540</b>
<b>Current liabilities</b>				
Trade and other payables	9 6,882,789	5,878,431	6,882,789	3,397,937
Provisions	288,277	250,696	288,277	144,911
Short term lease liability	311,030	236,000	311,030	136,416
Short term borrowings	11 1,713,964	489,914	1,713,964	283,187
Current tax liabilities	120,942	47,525	120,942	27,471
<b>Total current liabilities</b>	<b>9,317,002</b>	<b>6,902,566</b>	<b>9,317,002</b>	<b>3,989,922</b>
<b>Total equity and liabilities</b>	<b>30,782,545</b>	<b>21,662,508</b>	<b>21,598,079</b>	<b>8,371,167</b>

**Audited Abridged Consolidated Statement of Cash Flows**

For the year ended 31 March

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

**Condensed Consolidated Statement of Changes in Shareholder's Equity**

For the year ended 31 March

Note	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
Shareholders' equity at the beginning of the period	12,224,145	10,906,745	3,636,705	996,198
<b>Changes in share capital</b>				
Arising from shares issued	161,140	190,011	121,962	108,983
Recognition of share based payments	19,717	17,783	14,326	6,990
<b>Changes in distributable reserves</b>				
Dividends paid	(1,422,877)	(909,667)	(961,998)	(440,067)
Total comprehensive income for the year net of tax	5,936,346	2,019,273	6,495,785	2,964,601
<b>Shareholders' equity at the end of the year</b>	<b>16,918,471</b>	<b>12,224,145</b>	<b>9,306,780</b>	<b>3,636,705</b>

**Notes to the Audited Abridged Consolidated Financial Statements**

For the year ended 31 March 2022

**1. General Information**

The Group is a leading supermarket retailer whose business covers three major categories comprising groceries, basic clothing and textiles and houseware products. At the reporting date, the Group was operating from sixty eight shops countrywide and had three wholly owned subsidiaries.

**2. Basis of Preparation**

The audited consolidated financial statements of OK Zimbabwe Limited have been prepared in accordance with International Financial Reporting Standards "IFRSs" and in a manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

**2.1 Hyper Inflation**

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS 29 (Financial Reporting in Hyperinflationary Economies) compliant. Indices used were obtained from the Zimbabwe Statistical Office for the period from April 2020 to March 2022. The conversion factors used to restate the financial results are as follows:

	Indices	Conversion Factor
CPI as at 31 March 2022	4,766.1	1.00
CPI as at 31 March 2021	2,759.8	1.73

**2.2 Currency of reporting**

The financial statements are presented in Zimbabwe dollars (ZWL), which is the functional currency of the Group. All foreign denominated transactions and balances are translated to ZWL in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) at the exchange rate applicable determined using the RBZ Auction rate as a base discounted by the authorised foreign currency discount rate applicable for in-store sale of products in the domestic market at the time of transacting. All values are rounded to the nearest thousand except where otherwise stated.

**2.3 Historical reporting\***

The historical financial disclosure is shown as supplementary information. The information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). As a result, the auditors have not issued an audit opinion on the historic financial information.

**3. Statement of Accounting Policy**

The accounting policies are consistent with those used in the prior year

	INFLATION ADJUSTED		HISTORICAL*	
	2022 ZWL 000	2021 ZWL 000	2022 ZWL 000	2021 ZWL 000
<b>4. Capital Expenditure</b>				
	3,056,914	2,122,538	2,284,094	1,010,889
<b>5. Capital Commitments</b>				
Authorised but not contracted for	7,840,000	2,916,590	7,840,000	1,685,890
<b>6. Income Tax Expense</b>				
Current income tax	1,339,988	1,673,299	1,113,035	698,757
- Standard	1,300,769	1,623,830	1,080,463	678,108
- Aids levy	39,023	48,715	32,414	20,343
- Withholding tax on interest earned	196	754	158	306
Deferred tax movement	680,444	(75,300)	134,313	(326,836)
	<b>2,020,432</b>	<b>1,597,999</b>	<b>1,247,348</b>	<b>371,921</b>
<b>7. Cash Generated from Trading</b>				
Profit before tax	4,798,741	3,464,253	3,640,523	2,364,174
<b>Adjusted for:</b>				
Finance costs	924,531	242,169	718,801	117,544
Depreciation and amortisation	1,481,822	1,097,790	502,993	190,611
Share based payments expense	19,717	17,783	14,326	6,990
Finance income	(8,166)	(7,436)	(6,003)	(3,177)
Loss/(profit) on sale of property and equipment	12,092	(2,268)	(21,179)	(5,405)
Re-organisation cost	—	186,311	—	107,694
Impact of inflation on cash flows	(1,557,656)	(891,974)	—	—
	<b>5,671,081</b>	<b>4,106,628</b>	<b>4,849,461</b>	<b>2,778,431</b>
<b>8. Property and Equipment</b>				
At the beginning of the year	10,249,545	8,676,844	2,851,939	750,186
Asset reclassification	4,643	—	2,683	—
Capital expenditure	3,056,914	2,122,538	2,284,094	1,010,889
Revaluation	3,983,877	183,726	5,186,528	1,174,924
Disposals	(42,136)	(8,486)	(2,361)	(148)
Depreciation	(883,122)	(725,077)	(233,007)	(83,912)
<b>At the end of the year</b>	<b>16,369,721</b>	<b>10,249,545</b>	<b>10,089,876</b>	<b>2,851,939</b>
<b>9. Trade and Other Payables</b>				
Trade payables	6,130,263	5,269,243	6,130,263	3,045,805
Accruals and other payables	752,526	609,188	752,526	352,132
	<b>6,882,789</b>	<b>5,878,431</b>	<b>6,882,789</b>	<b>3,397,937</b>
<b>10. Inventories</b>				
Consumable stocks	171,967	138,557	153,593	79,994
Merchandise	8,027,699	6,010,375	7,884,252	3,432,141
	<b>8,199,666</b>	<b>6,148,932</b>	<b>8,037,845</b>	<b>3,512,135</b>
<b>11. Borrowings</b>				
Unsecured interest bearing loans	1,713,964	279,158	1,713,964	161,363
Bank overdraft	—	210,756	—	121,824
	<b>1,713,964</b>	<b>489,914</b>	<b>1,713,964</b>	<b>283,187</b>
<b>12. Contingent Liabilities</b>				
There were no contingent liabilities at reporting date.				
<b>13. Going Concern</b>				
The directors and management have assessed the ability of the Group to continue as a going concern and believe the preparation of the abridged financial results on a going concern basis is still appropriate. The Group is capable of settling all its obligations as they fall due while operating profitably. In addition, the Group has banking facilities in place which can be utilised if the need arises.				
<b>14. Audit Opinion</b>				
These financial results should be read in conjunction with the complete set of consolidated financial statements for the year ended 31 March 2022 which have been audited by Deloitte & Touche in accordance with International Standards on Auditing. An unmodified audit opinion has been issued thereon. The engagement partner responsible for the audit was Stelios Michael (PAAB Practice Certificate Number 0443)				

Directors: H. Nkala (Chairman), M. P. Karombo (Chief Executive Officer), P. Mushosho (Chief Finance Officer), T. L. Gumbo, S. Masanga, R. A. Maunze, R. Mavima, A. S. McLeod, C.J. Goncalves (Alternate), R. J. Moyo, K. Mtemererva, L. Webster-Rozon

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OK ZIMBABWE LIMITED

### REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the inflation adjusted consolidated financial statements of OK Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 7 to 47, which comprise the inflation adjusted consolidated statement of financial position as at 31 March 2022, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity, and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OK ZIMBABWE LIMITED**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Key Audit Matters (continued)**

Key Audit Matter	How the matter was addressed in the audit
<b>Valuation of freehold land and buildings</b>	
<p>As set out in note 9 to the inflation adjusted consolidated financial statements, the Group has freehold land and buildings amounting to ZWL 7.18 billion.</p> <p>The directors make use of independent external valuers in determining the fair values of freehold land and buildings. Valuations by their nature require the use of judgment and estimates which involve significant unobservable inputs such as:</p> <ul style="list-style-type: none"> <li>- Market rentals</li> <li>- Risk yields</li> <li>- Market price per square metre</li> </ul> <p>The current economic environment is extremely volatile given the valuation intricacies impacting property in the Zimbabwean market. We identified the valuation of freehold land and buildings as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgement associated with determining the fair values.</p> <p>The judgements have a higher estimation uncertainty as a result of there being minimal market data arising from a subdued and depressed property market which is largely due to the prevailing liquidity and economic constraints in Zimbabwe.</p>	<p>We performed the following audit procedures:</p> <p>We assessed the competence, capabilities, objectivity, and independence of the directors' independent valuers, and assessed their qualifications.</p> <p>We made enquiries of the directors' independent external valuers to obtain an understanding of the valuation techniques and judgements adopted.</p> <p>With the assistance of our internal specialists, we assessed the work performed by the independent external valuers in valuing of freehold land and buildings by performing the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the work performed by the directors' expert in valuing land and buildings at year end;</li> <li>• Assessed the reasonableness and rationale of the key assumptions made and inputs applied;</li> <li>• Evaluated the valuation methods used and assessed them for consistency with the reporting requirements;</li> <li>• Reviewed the overall logic and mathematical accuracy of the valuations performed;</li> <li>• Reviewed the financial statement disclosures for appropriateness and adequacy.</li> </ul> <p>Based on the work done, we found the directors' assumptions to be reasonable and the valuation and disclosures of the freehold land and buildings to be appropriate.</p>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OK ZIMBABWE LIMITED**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Other Information**

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

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

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

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

**Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements**

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OK ZIMBABWE LIMITED**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

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

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OK ZIMBABWE LIMITED**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Report on Other Legal and Regulatory Requirements**

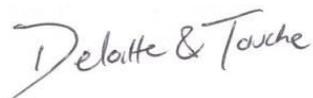
In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

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

Section 193(2)

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



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

**21 June 2022**