



ABRIDGED AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021

SALIENT FEATURES FOR THE YEAR ENDED 30 JUNE 2021	INFLATION-ADJUSTED		HISTORICAL	
	FY 2021 ZWL (\$ 000)	FY 2020 ZWL (\$ 000)	FY 2021 ZWL (\$ 000)	FY 2020 ZWL (\$ 000)
Revenue	21 214 331	15 552 869	18 185 772	3 656 926
Operating profit before depreciation and fair value adjustments	2 118 056	1 771 346	2 991 623	740 946
Profit after tax	667 542	1 301 492	2 247 978	882 137
Headline earnings per share (cents)	71.56	127.90	226.23	94.62

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

DIRECTORS' RESPONSIBILITY

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements and this press release represents an extract thereof. The audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements, except for non-adherence to International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates". The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

CAUTIONARY STATEMENT – RELIANCE ON FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FOR 2020/2021

The Directors would like to advise users to exercise caution on their use of these financial statements due to the material and pervasive impact of the technical difficulties brought about by the change in functional currency in February 2019 and its consequent effect on the usefulness of the financial statements for 2020/2021 financial periods and the adoption of reporting under International Accounting Standard (IAS) 29 'Financial Reporting in Hyperinflationary Economies' effective 1 July 2019.

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

AUDITOR'S STATEMENT

The abridged audited financial results should be read in conjunction with the complete set of financial statements for the Group for the year ended 30 June 2021, audited by Deloitte & Touche Chartered Accountants (Zimbabwe), in accordance with International Standards on Auditing. The audit report carries an adverse opinion with respect to non-compliance with IAS 21. There were no specific matters that were determined to be key audit matters. The auditor's report on the financial statements, which forms the basis of these abridged financial results, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit is Mr. Stelios Michael.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD 29: FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The Group adopted the Zimbabwe Consumer Price Index (CPI) as the general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index. Monetary assets and liabilities and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognized in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognized in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. Comparative amounts in the Group financial results have been adjusted to reflect the change in the general price index. Financial statements prepared under the historical cost convention have also been presented as supplementary information.

The CPI increased from 1,445.20 in June 2020 to 2,986.44 in June 2021, representing a 107% increase in the period under review compared to the Reserve Bank of Zimbabwe (RBZ) Auction rate which increased by 34% during the same period. Due to these and other disparities currently prevailing in the economy, significant distortions can occur in the preparation of inflation-adjusted financial statements in accordance with the requirements of IAS 29. Of significance in the inflation-adjusted financial statements is a net monetary loss of ZWL\$ 951 006 million in the current period.

According to IAS 29, monetary movements can be derived as the difference resulting from the restatement of non-monetary assets, owner's equity and items in the statement of comprehensive income and the adjustment of index linked assets and liabilities. As a retail centered Group, restatement of prior period inventories contained older, slow-moving stocks which resulted in higher restated opening inventory values, against current period inventories with a much more current age profile owing the efforts to clear these old and slow-moving lines. In inflation adjusted terms, this results in significantly reduced gross margin, which impacts profitability.

The Directors view these distortions as material and pervasive to these inflation-adjusted financial statements and advise users to exercise caution on their interpretation. Abridged financial statements prepared under the historical cost convention are therefore also presented as supplementary information.

OPERATING ENVIRONMENT AND OVERVIEW

During the financial year ended 30 June 2021, the operating environment remained fragile but was underpinned by a relatively stable local currency, with inflation continuing to subside resulting in all Group businesses recording volume growth except for the Zambian operation. Zimbabwe witnessed some increase in consumer disposable income, benefiting from increased economic activity driven by infrastructure spending, improved mining activity and better agriculture output.

Volume growth in Zimbabwe operations was witnessed despite the COVID-19 lockdown restrictions experienced during the second half of the financial year. The COVID-19 lockdown measures reduced economic activity as there were disruptions to normal business operations. During lockdown periods in the financial year, TV Sales & Home was particularly affected as it was not fully operational whilst Transerv and DGA were operating at reduced levels with minimal staff. The regional distribution businesses were not affected as there were no effective lockdowns in Zambia or Malawi. Post 30 June 2021, Zimbabwe experienced another COVID-19 lockdown in July and August 2021. During this renewed lockdown period, all our business units were operating albeit with restricted trading hours.

The introduction of the foreign currency auction system in June 2020 played a critical role in formalizing and improving the allocation of foreign currency to economic participants. The Group is hopeful that this auction system will continue to ensure that payments to foreign suppliers will be met, despite some delays being experienced in receiving the auction money. There is concern that the current trends are showing a significant gap between the official auction and market rates. The result of this growing level of arbitrage and market distortions have negative effects on the entire economy.

The receding inflation has given rise to the correction of gross trading margins across the Group's businesses in Zimbabwe. However, the indexed cost base and high interest rates had a significant impact on the Group's financial results. Operating expenditure is expected to correct to reasonable levels as inflation continues to subside. Management will continue to adapt business units operating models to manage business growth and sustainability. The Group's business units were resilient despite some adverse factors and this helped the Group to record a fair performance.

FINANCIAL OVERVIEW (BASED ON INFLATION ADJUSTED RESULTS)

The impact of a relatively stable auction exchange rate during the reporting period positively affected demand, thus turnover volumes were above those traded in the comparative period. The Group reported revenue of ZWL\$21.214 billion during the year to achieve a 36% growth compared to the prior comparative period. The

Group benefited from improved access to foreign currency through domestic nostro sales, although this was disrupted by the unintended consequences of SI127 of May 2021. The Group posted an operating profit of ZWL\$2.118 billion, representing a 20% increase on the comparative period. Equity accounted earnings are mainly comprised of the results of Restapedic Bedding. Owing to the significant net monetary loss of ZWL\$ 951.006 million, Basic Earnings Per Share and Headline Earnings Per Share declined by 45% and 44% respectively.

The Group continues to prepare a set of results using the United States dollar as a reporting base for internal measurement which reflect a headline earnings growth in real terms of 25%.

Net borrowings increased by ZWL\$1.336 billion mainly to support strategic working capital investments. The increase however had an impact on the results through high finance charges.

The Group generated cash of ZWL\$429.079 million from operations which was 76% below the comparative period. The Group's capital expenditure for the year totalled ZWL\$412.255 million and this was limited to critical maintenance and expansion projects as these were also affected by inflationary pressures.

SUSTAINABILITY REPORTING

The Group continues to apply the Global Reporting Initiatives (GRI's) Sustainability Reporting Guidelines as part of its commitment to ensuring the sustainability of its businesses. The Group will continue to uphold these practices and values across its operations to ensure that long-term business success is achieved in a sustainable manner.

OPERATIONS

The main operating business units in the Axia Corporation Limited Group are TV Sales & Home (TVSH), Distribution Group Africa (DGA) and Transerv. TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. DGA's core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled warehousing, logistics, marketing, sales, and merchandising services. Transerv retails automotive spares and accessories through retail stores and fitment centers to service the needs of its customers.

TV Sales & Home

TV Sales & Home recorded a decent set of results despite the major restrictions to social and economic activity implemented by authorities in response to the advent of the COVID-19 pandemic.

The business recorded turnover growth of 33% on prior year and this is attributed to volume growth of 35% against the comparative period. The volume growth was driven by an increase in the store network, increased promotional activity, improved product supplies and mix as well as the reintroduction of credit sales despite the offsetting effect of the lockdown induced reduction in trading hours to retail activity. The Black Friday, Workers Day Deal and Hisense Euro 2020 promotions were very successful, contributing significantly to the respective periods' turnover. The debtors' book grew by 306% in value and collections on the book have remained solid.

Inventory holding remains firm as our relationships with local suppliers continue to support the value chain. As reported in the interim results statement, TV Sales & Home will continue to focus on products from local suppliers as they have proved critical in the businesses operations. The manufacturing units continued to witness growth in both turnover and volumes despite the operating capacity limitations arising mainly from local raw material supply gaps as well as timely access to foreign currency for imported raw materials.

Restapedic's turnover and volumes were 5% and 52% above prior year respectively. Growth in Legend Lounge was due to a low base as the business was established in 2020.

Growth and profitability remain the key thrust and to that end, the business will be aggressively growing the debtors' book and investing in production facilities to increase production of lounge suites and beds so as to service the local and export markets. These plans to increase production facilities are underway with a factory build in progress. There are also plans to enhance the retail store network which include opening a new store in Bulawayo in the first quarter of the coming financial year coupled with upgrades to systems and outlooks of existing stores to enhance the customer experience.

Distribution Group Africa - Zimbabwe

The distribution business in Zimbabwe delivered a fair set of results despite the crippling impact of COVID-19. Turnover increased by 29% on the prior comparative period, with volumes growth of 3% year on year. The volumes growth was largely driven by locally sourced products which do not require sourcing of foreign currency. The business continues to grow the balance sheet in real terms and to find ways to grow market share thus improving volumes. Management expects this business to continue to grow in the foreseeable future.

Management has been improving the logistics and distribution model by distributing some products directly from source to the market, thus avoiding duplications and improving efficiencies. As reported in the interim results statement, the business concluded a major local distribution agency with effect from 26 April 2021 which will positively contribute to operating profit in the new financial year.

Distribution Group Africa - Region

The trading environments for the regional operations continue to be volatile and challenging. Zambia experienced resurgent inflation and currency depreciation during the financial year whilst in Malawi access to foreign currency was a challenge. The consolidated turnover for Zambia and Malawi, in US\$ terms, declined by 7% year on year owing to a distributorship agency business which was discontinued in Zambia. There has been improvement in revenue generation during the fourth quarter and the momentum is expected to continue in the new financial year. Gross margin was up 16%, despite decline in revenue while operating costs were 13% below the prior comparative period resulting in a decent operating profit. The growth in operating profit at 53% ahead of the comparative year was however diluted by significant exchange losses in Zambia as the local currency depreciated by 52% and 25% to the South African Rand and US\$ respectively. The seamless transfer of power after the elections in Zambia ushered in hope that the currency volatility will be dealt with. Malawi recently concluded a major distributorship agency with Unilever which is expected to significantly boost turnover and profitability in FY2022.

Transerv

While the effects of the COVID-19 pandemic were felt in the supply chain, the business managed to achieve revenue growth of 30% which was underpinned by volumes growth of 67%. Transerv will continue focusing on fast moving product lines and maintain its grip on cost control. The business completed its rebranding program where its three former MIDAS franchised retail stores have been rebranded to Transerv. Renovations were completed on 4 retail outlets and 1 fitment center, giving a much-improved customer experience. As reported in the third quarter trading update, an additional retail and fitment centre was opened in Kariba in March 2021. The branch has some additional lines which have been offered to service the local needs. In FY2022, management is focused on improving revenue generation as well as aggressively expanding the store network.

IMPACT OF COVID-19

The Group remains focused on ensuring the safety and health of its employees, customers and other stakeholders and thus, will continue to implement and observe COVID-19 guidelines approved by the World Health Organisation and the Ministry of Health and Child Welfare, throughout its operations. The Group applauds the Government on the commencement of the nationwide vaccination program for COVID-19 and has been encouraging its employees to make use of this opportunity to get vaccinated.

The impact of COVID-19 on businesses globally is and will continue to be significant. The Group remains resilient and determined to withstand the risks associated with COVID-19. At present, the financial status of the Group remains healthy, and the impact of the COVID-19 has not created any issues from a solvency or liquidity perspective.

PROSPECTS

The ongoing COVID-19 related cost and inefficiencies continue to periodically affect global supply chains. Management will continue to assess all supply chain constraints for imported and local goods and will thus be working closely with suppliers to ensure adequate product supply.

The manner in which Zimbabwe will manage and contain COVID-19 will have an impact on the short to medium term prospects of the economy and this will have an impact on the business community. The roll out of vaccines provides hope that countries will attain herd immunity that will allow a return to normal levels of social and economic activity.

The Group has been prudent in its cashflow management to the extent that its credit facilities with foreign suppliers were not fully utilised and the growth in trade payables did not exceed growth in turnover. The Group's management teams will continue to optimally manage the Group's gearing levels, that is to align the quantum and cost of debt deployed across the Group, focus on improving free cash flows, invest free funds into assets with attractive returns, manage foreign currency exposure and ensuring the balance sheet value remains protected in real terms.

The Group is looking forward to the execution and completion of the following exciting opportunities in the new financial year:

- Investing in production facilities to boost lounge suite and bed manufacturing at TV Sales & Home. We are also planning to invest in working capital to aggressively grow the debtors' book.
- Aggressively expanding the store network at Transerv.

- Optimising and increasing the newly acquired major distribution agencies in Zimbabwe and Malawi at Distribution Group Africa.
- The Group ventured into the hardware business through opening a hardware store in the last quarter of the financial year ended 30 June 2021 as a joint venture. We are looking forward to opening additional stores.

Such projects will require the Group to channel free cash generated towards them.

DIVIDEND

Due to the aforementioned expansion projects where the Group is reinvesting most of its free funds into new business opportunities, the Board has decided not to pay a final dividend. The Board is confident that in the next 6 months, dividend payments will resume.

APPRECIATION

I express my sincere gratitude to the Board of Directors, executives, management and staff for their ongoing efforts during the year under review. Their commitment, despite the challenging operating environment, is greatly appreciated. I also take this opportunity to thank the Group's valued customers, suppliers and other stakeholders for their continued support and trust.

L M Ngwerume

L E M NGWERUME
Chairman

30 September 2021

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	INFLATION - ADJUSTED		HISTORICAL	
	30 June 2021 Audited ZWL (\$ 000)	30 June 2020 Audited ZWL (\$ 000)	30 June 2021 ZWL (\$ 000)	30 June 2020 ZWL (\$ 000)
Revenue	21 214 331	15 552 869	18 185 772	3 656 926
Operating profit before depreciation and fair value adjustments	2 118 056	1 771 346	2 991 623	740 946
financial income	546 159	558 041	463 947	359 133
depreciation	(319 640)	(64 315)	(186 824)	(12 559)
fair value adjustments on listed equities	(3 431)	(16 328)	53 727	83 511
net monetary (loss)/gain	(951 006)	96 005	-	-
Profit before interest and tax	1 390 138	2 344 749	3 322 473	1 171 031
net interest expense	(406 649)	(137 205)	(368 067)	(38 581)
equity accounted earnings	118 767	83 626	96 523	28 448
Profit before tax	1 102 256	2 291 170	3 050 929	1 160 898
tax expense	(434 714)	(989 678)	(802 951)	(278 761)
Profit for the year	667 542	1 301 492	2 247 978	882 137
Other comprehensive income - to be recycled to profit or loss				
exchange differences arising on the translation of foreign operations	19 195	170 733	19 195	170 733
Other comprehensive income for the year, net of tax	19 195	170 733	19 195	170 733
Total comprehensive income for the year	686 737	1 472 225	2 267 173	1 052 870
Profit for the year attributable to:				
equity holders of the parent	399 105	714 012	1 251 750	519 312
non-controlling interests	268 437	587 480	996 228	362 825
	667 542	1 301 492	2 247 978	882 137
Total comprehensive income for the year attributable to:				
equity holders of the parent	398 492	776 861	1 251 137	582 161
non-controlling interests	288 245	695 364	1 016 036	470 709
	686 737	1 472 225	2 267 173	1 052 870
Earnings per share (cents)				
Basic earnings per share	72.31	130.66	226.80	95.03
Headline earnings per share	71.56	127.90	226.23	94.62
Diluted earnings per share	71.70	128.84	224.89	93.70
Diluted headline earnings per share	70.96	126.11	224.33	93.30

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	INFLATION - ADJUSTED		HISTORICAL	
	At 30 June 2021 Audited ZWL (\$ 000)	At 30 June 2020 Audited ZWL (\$ 000)	At 30 June 2021 ZWL (\$ 000)	At 30 June 2020 ZWL (\$ 000)
ASSETS				
Non-current assets				
property, plant and equipment	1 089 098	787 565	385 118	98 006
intangible assets	32 374	32 374	5 023	5 023
investments in associates and joint ventures	362 987	226 698	151 023	20 630
right of use assets	404 834	64 508	246 506	10 403
deferred tax assets	49 224	24 506	119 398	41 912
	1 938 517	1 135 651	907 068	175 974
Current assets				
financial assets	90 775	135 587	90 775	65 614
inventories	3 605 587	3 483 690	3 072 349	1 017 617
trade and other receivables	3 052 014	1 641 174	2 711 380	838 359
cash and cash equivalents	691 540	1 226 875	691 540	657 598
	7 439 916	6 487 326	6 566 044	2 579 188
Total assets	9 378 433	7 622 977	7 473 112	2 755 162
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	2 529	2 528	56	55
share premium	16 236	1 833	2 187	339
share based payment reserve	3 055	15 409	392	773
non-distributable reserves	70 358	70 971	70 358	70 971
distributable reserves	2 448 018	2 343 577	1 558 545	559 221
Attributable to equity holders of the parent	2 540 196	2 434 318	1 631 538	631 359
non-controlling interests	1 937 171	1 907 455	1 338 191	519 917
Total shareholders' equity	4 477 367	4 341 773	2 969 729	1 151 276
Non-current liabilities				
deferred tax liabilities	486 716	793 961	89 033	77 648
lease liabilities	144 387	8 875	144 387	5 508
	631 103	802 836	233 420	83 156
Current liabilities				
interest-bearing borrowings	1 238 527	438 165	1 238 527	270 551
lease liabilities	118 632	9 345	118 632	5 800
trade and other payables	2 365 789	1 723 358	2 365 789	1 085 883
provisions and other liabilities	59 752	26 916	59 752	14 256
current tax liabilities	487 263	280 584	487 263	144 240
	4 269 963	2 478 368	4 269 963	1 520 730
Total liabilities	4 901 066	3 281 204	4 503 383	1 603 886
Total equity and liabilities	9 378 433	7 622 977	7 473 112	2 755 162

Directors: *L.E.M. Ngwerume (Chairman), J. Koumides (Chief Executive Officer), *Z. Koudounaris,*T.C. Mazingi, R.M. Rambanapasi, *T.N. Sibanda (*Non Executive)



ABRIDGED AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary Share Capital ZWL (\$ 000)	Share premium ZWL (\$ 000)	Share Based Payments Reserve ZWL (\$ 000)	Non- Distributable Reserves ZWL (\$ 000)	Distributable Reserves ZWL (\$ 000)	Total ZWL (\$ 000)	Non- Controlling Interests ZWL (\$ 000)	Total ZWL (\$ 000)
INFLATION-ADJUSTED								
Balance on 1 July 2019	2 525	-	15 282	8 122	1 785 499	1 811 428	1 069 090	2 880 518
Profit for the year	-	-	-	-	714 012	714 012	587 480	1 301 492
Other comprehensive income	-	-	-	62 849	-	62 849	107 884	170 733
Issue of shares through exercising share options	3	1 473	-	-	-	1 476	-	1 476
Realisation of share option reserve	-	360	(360)	-	-	-	-	-
Share based payments expense	-	-	487	-	-	487	-	487
Dividends declared	-	-	-	-	(156 266)	(156 266)	(102 958)	(259 224)
Transactions with owners in their capacity as owners	-	-	-	-	332	332	245 959	246 291
Balance on 30 June 2020	2 528	1 833	15 409	70 971	2 343 577	2 434 318	1 907 455	4 341 773
Profit for the year	-	-	-	-	399 105	399 105	268 437	667 542
Issue of shares through exercising share options	1	1 830	-	-	-	1 831	-	1 831
Other comprehensive (loss)/ income	-	-	-	(613)	-	(613)	19 808	19 195
Share based payments expense	-	-	219	-	-	219	-	219
Realisation of share option reserve	-	12 573	(12 573)	-	-	-	-	-
Dividends declared	-	-	-	-	(294 664)	(294 664)	(258 529)	(553 193)
Balance at 30 June 2021	2 529	16 236	3 055	70 358	2 448 018	2 540 196	1 937 171	4 477 367

	Ordinary Share Capital ZWL (\$ 000)	Share premium ZWL (\$ 000)	Share Based Payments Reserve ZWL (\$ 000)	Non- Distributable Reserves ZWL (\$ 000)	Distributable Reserves ZWL (\$ 000)	Total ZWL (\$ 000)	Non- Controlling Interests ZWL (\$ 000)	Total ZWL (\$ 000)
HISTORICAL								
Balance on 1 July 2019	54	-	457	8 122	76 165	84 798	54 308	139 106
Profit for the year	-	-	-	-	519 312	519 312	362 825	882 137
Other comprehensive income	-	-	-	62 849	-	62 849	107 884	170 733
Issue of shares through exercising share options	1	272	-	-	-	273	-	273
Realisation of share option reserve	-	67	(67)	-	-	-	-	-
Share based payments expense	-	-	383	-	-	383	-	383
Dividends declared	-	-	-	-	(36 288)	(36 288)	(33 063)	(69 351)
Transactions with owners in their capacity as owners	-	-	-	-	32	32	27 963	27 995
Balance on 30 June 2020	55	339	773	70 971	559 221	631 359	519 917	1 151 276
Profit for the year	-	-	-	-	1 251 750	1 251 750	996 228	2 247 978
Issue of shares through exercising share options	1	1 372	-	-	-	1 373	-	1 373
Other comprehensive (loss)/ income	-	-	-	(613)	-	(613)	19 808	19 195
Share based payments expense	-	-	95	-	-	95	-	95
Realisation of share option reserve	-	476	(476)	-	-	-	-	-
Dividends declared	-	-	-	-	(252 426)	(252 426)	(197 762)	(450 188)
Balance at 30 June 2021	56	2 187	392	70 358	1 558 545	1 631 538	1 338 191	2 969 729

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	INFLATION - ADJUSTED		HISTORICAL	
	30 June 2021 Audited ZWL (\$ 000)	30 June 2021 Audited ZWL (\$ 000)	30 June 2021 ZWL (\$ 000)	30 June 2020 ZWL (\$ 000)
Cash generated from operations	429 079	1 799 139	862 064	719 073
net interest paid	(406 649)	(137 205)	(368 067)	(38 581)
tax paid	(556 600)	(443 401)	(523 394)	(102 993)
Net cash (utilised in)/ generated from operating activities	(534 170)	1 218 533	(29 397)	577 499
Investing activities	(401 316)	(162 227)	(319 398)	(12 657)
Net cash (outflow)/inflow before financing activities	(935 486)	1 056 306	(348 795)	564 842
Financing activities	400 151	(28 484)	382 737	62 822
(Decrease) / increase in cash and cash equivalents	(535 335)	1 027 822	33 942	627 664
Cash and cash equivalents at the beginning of the year	1 226 875	199 053	657 598	29 934
Cash and cash equivalents at the end of the year	691 540	1 226 875	691 540	657 598

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2021

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Operating Segments

The following table represents the summarised financial information of the Group's operating segments for the year ended 30 June 2021:

	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
INFLATION - ADJUSTED				
Revenue				
30 June 2021	18 687 120	2 527 211	-	21 214 331
30 June 2020	14 972 433	580 436	-	15 552 869
Operating profit before depreciation and fair value adjustments				
30 June 2021	1 916 274	201 782	-	2 118 056
30 June 2020	1 738 242	33 104	-	1 771 346
Depreciation and amortisation				
30 June 2021	(306 867)	(12 773)	-	(319 640)
30 June 2020	(57 498)	(6 817)	-	(64 315)
Equity accounted earnings				
30 June 2021	118 767	-	-	118 767
30 June 2020	83 626	-	-	83 626
Profit before tax				
30 June 2021	992 998	109 258	-	1 102 256
30 June 2020	2 272 851	18 319	-	2 291 170
Segment assets				
30 June 2021	9 571 902	1 267 585	(1 461 056)	9 378 431
30 June 2020	8 435 728	813 198	(1 625 948)	7 622 978
Segment liabilities				
30 June 2021	3 965 821	1 022 828	(87 583)	4 901 066
30 June 2020	2 893 386	626 985	(239 167)	3 281 204
Capital expenditure				
30 June 2021	409 591	2 664	-	412 255
30 June 2020	179 336	10 094	-	189 430

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2021 (continued)

2 Operating Segments (continued)

	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
HISTORICAL				
Revenue				
30 June 2021	15 658 561	2 527 211	-	18 185 772
30 June 2020	3 076 490	580 436	-	3 656 926
Operating profit before depreciation and fair value adjustments				
30 June 2021	2 789 841	201 782	-	2 991 623
30 June 2020	707 842	33 104	-	740 946
Depreciation and amortisation				
30 June 2021	(174 051)	(12 773)	-	(186 824)
30 June 2020	(5 742)	(6 817)	-	(12 559)
Equity accounted earnings				
30 June 2021	96 523	-	-	96 523
30 June 2020	28 448	-	-	28 448
Profit before tax				
30 June 2021	2 941 671	109 258	-	3 050 929
30 June 2020	1 142 579	18 319	-	1 160 898
Segment assets				
30 June 2021	7 704 118	1 267 585	(1 498 587)	7 473 116
30 June 2020	3 469 664	813 198	(1 527 700)	2 755 162
Segment liabilities				
30 June 2021	3 573 832	1 022 828	(93 277)	4 503 383
30 June 2020	1 103 649	626 985	(126 748)	1 603 886
Capital expenditure				
30 June 2021	328 727	2 664	-	331 391
30 June 2020	48 790	10 094	-	58 884

	INFLATION - ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 Audited ZWL (\$ 000)	Year ended 30 June 2020 Audited ZWL (\$ 000)	Year ended 30 June 2021 ZWL (\$ 000)	Year ended 30 June 2020 ZWL (\$ 000)

3 Commitments for capital expenditure

Contracts and orders placed	56 051	45 627	56 051	22 080
Authorised by Directors but not contracted	927 021	451 880	927 021	234 699
	983 072	497 507	983 072	256 779

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

4 Borrowings & Security

Net book value of motor vehicles pledged as security for interest-bearing borrowings - Regional operations	29 498	490	29 498	490
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Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe is 41% per annum, with borrowings for regional operations averaging an interest rate of 18% in the respective local currency loans. The facilities expire at different dates and will be reviewed and renewed as they mature.

5 Hyperinflation Reporting

The inflation adjusted financial statements represent the primary financial statements of the Group with historical cost financial information being provided as supplementary information.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that corresponding figures for previous periods be stated in the same terms to the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 30 June 2021 are as follows:

	Indices	Conversion factor
CPI on 30 June 2021	2 986.44	1.00
CPI on 30 June 2020	1 445.21	2.07
CPI on 1 October 2018	64.06	46.62
Average CPI - 12 months to 30 June 2021	1.21	
Average CPI - 12 months to 30 June 2020	6.45	

6 Earnings per share

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Diluted earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for the conversion of share options. Share options are considered for dilution if the average market price of ordinary shares during the year exceeds the exercise price of such options. Only the employee share options had a dilutive effect at the end of the financial year.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	INFLATION - ADJUSTED		HISTORICAL	
	30 June 2021 Audited ZWL (\$ 000)	30 June 2020 Audited ZWL (\$ 000)	30 June 2021 ZWL (\$ 000)	30 June 2020 ZWL (\$ 000)
Reconciliation of basic earnings to headline earnings:				
Profit for the year attributable to equity holders of the parent	399 105	714 012	1 251 750	519 312
Adjustment for capital items (gross of tax):				
Profit on disposal of equipment and motor vehicles	(6 751)	(17 143)	(5 593)	(2 659)
Profit on disposal of investment in subsidiary	-	(13 891)	-	(1 351)
Impairment of goodwill on acquisition of subsidiary	1 617	-	1 518	-
Tax effect on adjustments	376	7 671	386	991
Non-controlling interests' share of adjustments	591	8 276	552	785
Headline earnings attributable to ordinary shareholders	394 938	698 925	1 248 613	517 078
Number of shares in issue				
Number of ordinary shares in issue per Basic and Headline Earnings Per Share	551 925	546 469	551 925	546 469
Effect of share options	4 672	7 736	4 672	7 736
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	556 597	554 205	556 597	554 205
Basic earnings per share (cents)	72.31	130.66	226.80	95.03
Headline earnings per share (cents)	71.56	127.90	226.23	94.62
Diluted basic earnings per share (cents)	71.70	128.84	224.89	93.70
Diluted headline earnings per share (cents)	70.96	126.11	224.33	93.30

7 Contingent liabilities

There were no contingent liabilities on 30 June 2021.

8 Events after the reporting date

There have been no significant events after reporting date at the time of issuing this press release.