



2024 ANNUAL REPORT





Welcome
To Our
Annual Report



About This Report

ABOUT THIS REPORT

Axia Corporation Limited, a Group listed on the Victoria Falls Stock Exchange (VFEX), presents the Annual Report for the financial year ended 30 June 2024. The report integrates financial and non-financial information to enable stakeholders to make an informed assessment of our performance and impacts.

REPORTING SCOPE

The report covers sustainability information for Axia Corporation Limited, presenting a balanced view of material issues and performance from its operations in Zimbabwe, Malawi and Zambia. It contains relevant comparisons to previous periods and is consistent with information and performance indicators used in internal management reporting. In this report, unless otherwise noted, references to 'our', 'we', 'us', 'the Group', and 'Axia' refer to Axia Corporation Limited.

REPORTING FRAMEWORKS

This report was compiled with consideration of the following:

- Companies and Other Business Entities Act [Chapter 24:31];
- Victoria Falls Stock Exchange Listing Requirements;
- International Financial Reporting Standards (IFRS).
- Global Reporting Initiative ("GRI") Standards (2021).

The report contains elements of the IFRS Sustainability Disclosure Standards (S1 and S2) which will continue to be aligned and developed along the systems to fully meet the standards' requirements.

SUSTAINABILITY DATA

The data presented in this report is a result of a thorough analysis of both qualitative and quantitative information extracted from various sources including company records, policy documents, and insights from management personnel responsible for the key areas of the business. The team took utmost care to ensure that estimations and assumptions made in the report are consistent with the current business operations, providing an accurate and comprehensive overview of the business' performance.

ASSURANCE

The financial statements were audited by BDO Zimbabwe Chartered Accountants, in accordance with the International Standards of Auditing ("ISA"). The independent auditor's report is contained on pages 84 to 88. Sustainability information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts for compliance with GRI Standards but was not externally assured. A GRI Content Index is contained on pages 163 to 165.

RESTATEMENTS

The Group did not make any restatement of data previously published except for employee statistics.

BOARD RESPONSIBILITY AND APPROVAL OF THIS REPORT

The Annual Report of Axia Corporation Limited has been compiled by the management team with the collective responsibility of the Board of Directors. The Board takes full accountability for the integrity of this report and has approved it on 26 September 2024.

REPORT DECLARATION

The Board of Directors and Management confirm that this report has been prepared in accordance with GRI Standards (2021).

REPORTING CURRENCY


All references to \$ throughout this report refer to the United States Dollar (USD).

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. Our assessment and future expectations are subject to various known and unknown risks, uncertainties, and factors that may negatively impact our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We commit to publicly sharing any revisions of the forward-looking statements to reflect changes and or events after the publication of this report through trading and website updates.

FEEDBACK

The Group values opinions and feedback from all stakeholders on how we can improve operations and reporting. We welcome your feedback, and all enquires you may have, kindly share your feedback with the finance team on finance@axiaops.com. You can find more information about Axia Corporation Limited online at www.axiacorpltd.com



LUKE NGWERUME
Chairman



RAY RAMBANAPASI
Chief Executive Officer

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For an online version of this report and additional information visit the following website
www.axiacorpltd.com



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Overview



At TV Sales & Home sales volumes increased by 15%, reaching 144,886 units sold compared to the previous year. This positive growth reflects the brand's strength in the market, bolstered by the supply of top-quality brands and the opening of four Bedtime shops in Harare and Gweru.



Our Vision & Mission



Vision

To create value through the provision of high quality consumer and durable goods in Zimbabwe and the Region.



Our Mission

To sustainably and profitably distribute, market, merchandise and retail leading consumer and durable goods, thereby growing stakeholder value and to enable easier access to high quality consumer and durable goods at reasonable prices to our customers.

Our Values



Quality



Fairness



Integrity



Teamwork



Accountability



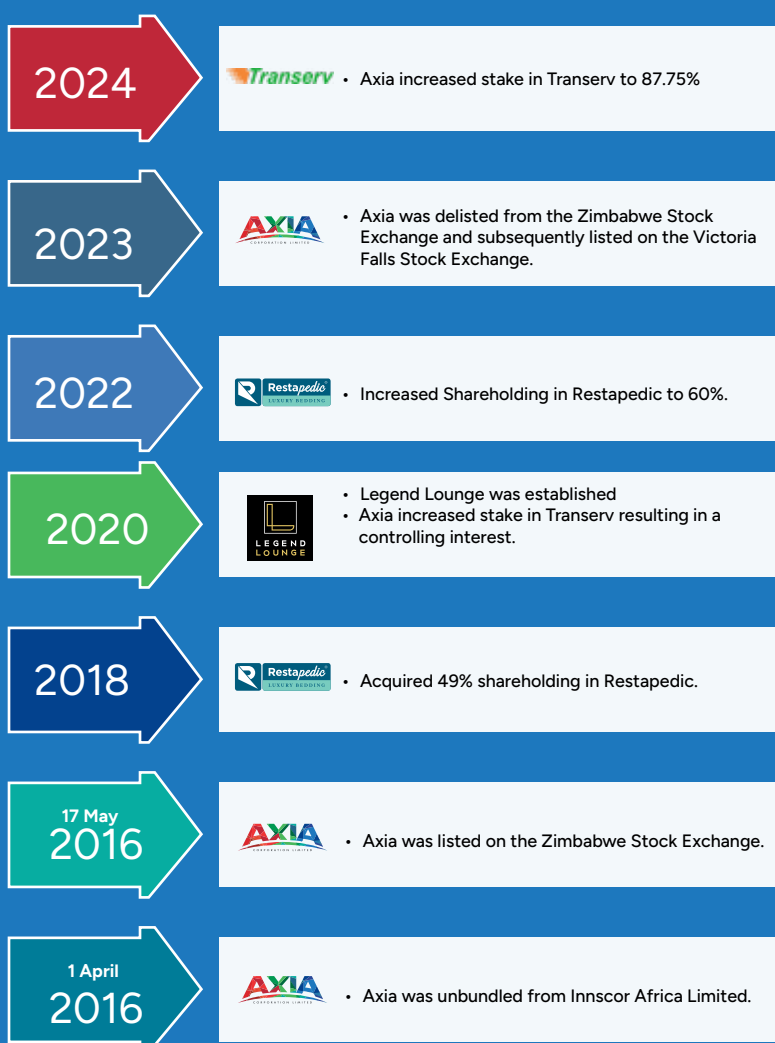
Entrepreneurship

Our History & Milestones

OUR HISTORY

The story of Axia Corporation Limited "Axia" began on 24 February 2016 when it was incorporated through a scheme of reconstruction, whereby the net assets of Innscor Africa Limited's Speciality Retail and Distribution business were unbundled to form the Group. On the 1st of April 2016, Axia unbundled from Innscor Africa Limited and was listed on the Zimbabwe Stock Exchange (ZSE) on the 17th of May 2016. The Group adopted a financial year ending on the 30th of June. Axia Corporation Limited was delisted from the ZSE on 28 February 2023 and subsequently listed on the Victoria Falls Stock Exchange (VFEX) on 3 March 2023.

MILESTONES



Group Structure and Activities

Axia Corporation Limited operates within the speciality retail and distribution sector. It has three operating business units, namely TV Sales & Home (TVSH), Transerv and Distribution Group Africa (DGA).

- TVSH is a leading furniture and electronic appliance retailer with sites located countrywide. Over the years, TVSH has invested in manufacturing through the acquisition of 60% in Restapedic and the formation of Legend Lounge.
- Restapedic manufactures a wide range of quality beds for the local and export markets.
- Legend Lounge is a manufacturer of premium quality lounge suites.
- Transerv retails automotive spares and accessories, by utilising its network of home-grown retail branches and numerous fitments centres.
- DGA is a large and successful distribution and logistics concern, with operations in Zimbabwe, Zambia and Malawi. Its core areas of expertise lie in inbound clearing and bonded warehousing, ambient warehousing, logistics, marketing, sales and merchandising services.

A. SPECIALITY RETAIL

TV SALES & HOME

- TV Sales & Home 61*
- Restapedic
- Legend Lounge
- Touch Distributors

TRANSERV

- Retail shops 48*
- Fitment Centres 14*
- Clutch & Brake Speciality (CBS) 1
- Oil Serve 1

B. DISTRIBUTION

DGA

Zimbabwe

- Innscor Distribution
- Comox Trading
- Equip
- Vital Logistics
- National Foods Logistics

Zambia

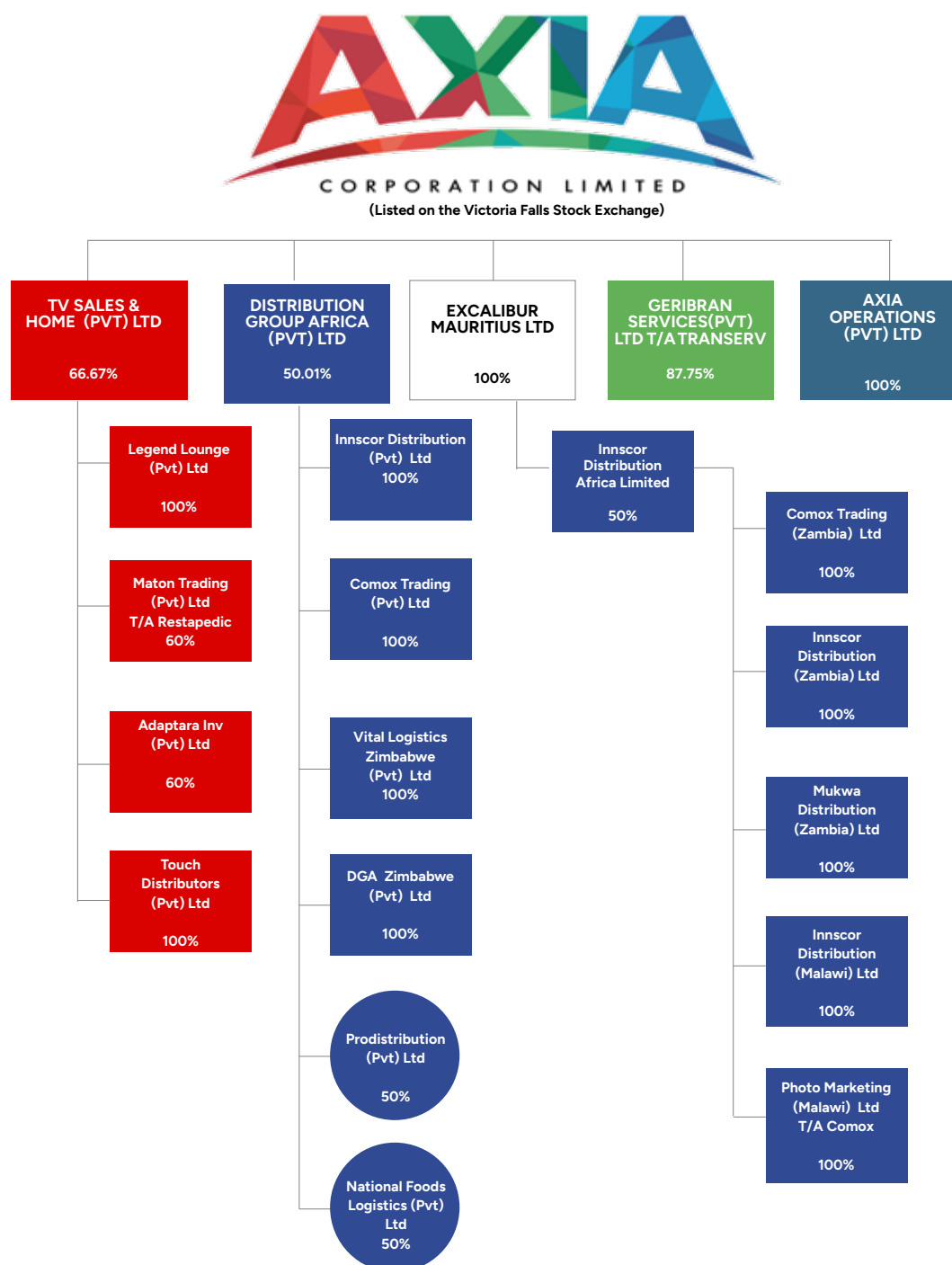
- Innscor Distribution
- Comox Trading
- Mukwa Distribution

Malawi

- Innscor Distribution
- Comox Trading

* The number in front of a brand represents the total outlets open on 30 June 2024

Group Structure



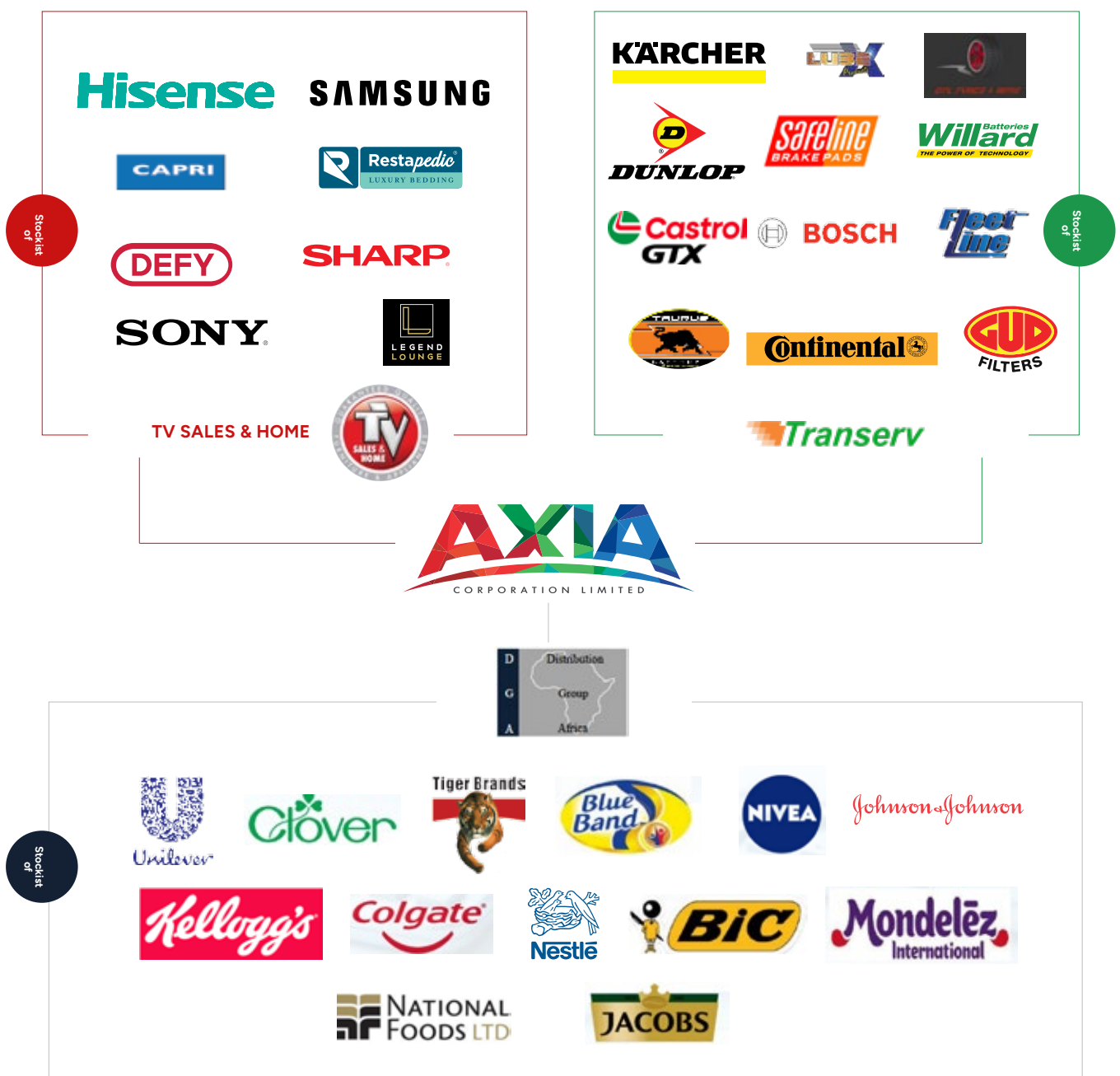
Key Brands & Operating Units

MARKETS

Our extensive knowledge of the African business environment particularly Zimbabwe, Zambia and Malawi help us meet our customers and beneficiaries at their point of need.

SUPPLY CHAIN

We rely on a network of suppliers and customers to deliver our products and services to the end consumer. This network includes manufacturers, distributors, vendors and merchandisers who play an essential role in ensuring our ability to meet the needs of our customers. Strengthening our relationships with our supply chain partners is crucial to providing quality products and services. We are always looking for ways to improve and appreciate feedback to help us achieve this goal.



Business Association Memberships & Awards

MEMBERSHIP

GENERAL	<ul style="list-style-type: none"> • Retailers Association of Zimbabwe • Confederation of Zimbabwe Industries • National Employment Council for Motor Industry
OTHER	<ul style="list-style-type: none"> • Association of Chartered Certified Accountants (ACCA) • Institute of Chartered Accountants of Zimbabwe (ICAZ) • Chartered Institute of Purchasing and Supply (CIPS) • Chartered Institute of Management Accountants (CIMA) • Institute of Chartered Secretaries and Administration (ICSAZ)

AWARDS

Subsidiary	Award
DGA	Best in market sales- Colgate Palmolive - Malawi Distributor of the Year- Colgate Palmolive - Malawi Exceptional Business delivery - Unilever Malawi Rest of Africa Champions League - Mondelez (Cadbury Chocolates) Malawi
AXIA	Second runner-up - ESG Award of the year (Listed Entity)

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How We
Performed



Transerv recorded a 6% increase in volumes to 2,988,851 units compared to the prior year resulting in 11% revenue growth.

Contributing factors include the opening of eight new retail shops, three of which were launched in the last quarter, the erection of three new container shops, one in-store agent, and two service centers.



Financial Highlights

For The Year Ended 30 June 2024

Revenue USD



5% Decrease

Gross Margin USD



2% Increase

Operating Profit USD



6% Decrease

Profit before Tax USD



18% Decrease

Net Cash Generated USD



10% Increase

Total Assets USD



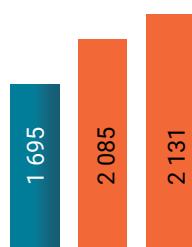
8% Increase

Sustainability Highlights

For The Year Ended 30 June 2024



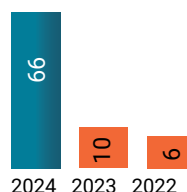
**Employees
'Head count'**



19% Decrease



**Recordable work-
related injuries**



560% Increase



**Electricity Usage
'Kwh'**



33% Increase



**Diesel Usage
'litres'**



33% Decrease



Chairman's Statement & Review of Operations

The Group generated net cash of US\$7.925 million from operating activities, representing a 10% increase on the comparative year. This translated into enhanced free cash generation enabling the Group to incur capital expenditure for the year totaling US\$3.2 million and increasing its investment in Transerv.

OPERATING ENVIRONMENT AND OVERVIEW

The operating environment presented a mix of challenges and opportunities for the speciality retail and distribution businesses. Government initiatives and efforts to stabilize exchange rates in the last quarter of the financial year provided a supportive platform for volumes growth. However, persistent foreign currency shortages and competition from informal markets required adaptive strategies to sustain growth and profitability. The ongoing shift towards a more informal economy has impacted demand for some of our FMCG products in the modern trade, as certain segments of the market are able to access those products in the informal market at lower prices regardless of quality. Nonetheless, the Group has been proactively addressing this challenge and is making significant strides in reclaiming market share.

The fluctuating currency and high inflation necessitated frequent price adjustments and cost management strategies to maintain profitability. The introduction of the Zimbabwe Gold ("ZWG") in the last quarter has shown promising signs of stabilizing the exchange rate parity between the local dollar and foreign currencies, which had directly impacted the Group, given that most of our products are imported. While the Group supports the monetary authorities' currency reforms, we are currently affected by unpaid auction funds that were ringfenced and this has negatively impacted our working capital. Despite this, we remain hopeful that the ZWG will preserve value until the funds mature.

The Inflationary impact on Zimbabwean dollar denominated costs and realignment of United States dollar denominated cost bases affected the Group's financial results. Management will continue to streamline expenditure by aligning to revenue generation while managing business growth and overall sustainability.

Malawi experienced moderate economic growth driven by agriculture, but the economy remained vulnerable to external shocks such as climate change and global commodity price fluctuations. Inflation was relatively moderate compared to prior year levels with occasional spikes due to food prices and fuel costs. There were pressures from trade imbalances resulting in foreign currency shortages which saw the Malawian Kwacha depreciating by 69% on the official market to close at 1,751. Strategic partnerships with local agencies led to an increase in locally sourced products being sold to the market. This initiative coupled with trading in commodities, helped mitigate some of the foreign currency challenges.

Zambia faced economic challenges with slow growth and high debt levels. Efforts to negotiate debt restructuring and engage with international lenders are still ongoing. The Zambian Kwacha experienced volatility, and inflation remained a concern, influenced by factors such as fuel prices and food costs. The Zambian Government pursued policies to stabilize the economy towards the latter part of the financial year thereby easing currency volatility.

Chairman's Statement & Review of Operations

The Group posted an operating profit of US\$19.645 million, representing a 6% decline on the comparative year.

FINANCIAL OVERVIEW

The Group reported revenue of US\$193.849 million during the year, representing a 5% decline compared to the prior year. Our Distribution business in Zimbabwe revenue declined by 23% from prior year which affected the Group position. Despite the decrease in revenue, the gross margin increased by 2% from the prior year. Operating expenditure increased by 5% over prior year due to inflationary pressures on both local currency and United States dollar costs. The Group posted an operating profit of US\$19.645 million, representing a 6% decline on the comparative year. Substantial once-off costs were incurred as a result of restructuring the distribution business as significant debtor and inventory balances were written off as a result of the final reconciliation processes. Management is confident that going forward, the businesses are set on a profitable trajectory. Profit after tax of US\$6.064 million was reported, which was down (2%) against prior year. Headline Earnings Per Share of 0.60 US cents was 10% down on the prior year.

The Group's statement of financial position remained strong. Total asset position increased by US\$9.380 million whilst borrowings increased by 59% to fund working capital and capital expenditure.

The Group generated net cash of US\$7.925 million from operating activities, representing a 10% increase on the comparative year. This translated into enhanced free cash generation enabling the Group to incur capital expenditure for the year totaling US\$3.2 million and increasing its investment in Transerv. As previously communicated in the interim report, the Group increased its shareholding in Transerv from an effective 50.51% to 87.75% with effect from 1 July 2023 for a purchase consideration of US\$1.8 million.

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.



Chairman's Statement & Review of Operations (cont'd)

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. It has manufacturing business units namely Restapedic, a bed manufacturing business, and Legend Lounge, a lounge suite manufacturing business. 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 and solar products through its nationwide retail stores network and service centers.

TV Sales & Home

The year's sales volumes increased by 15%, reaching 144,886 units sold compared to the previous year. This positive growth reflects the brand's strength in the market, bolstered by the supply of top-quality brands and the opening of four Bedtime shops in Harare and Gweru. Additionally, the credit book remains robust, demonstrating strong performance throughout the year. The business plans to open 3 new stores in the first half of the new

financial year. At Restapedic, sales volumes increased by 54% to 41,963 units. This growth is primarily due to strong market demand and Restapedic's improved production and supply efficiencies. Production also rose by 47% to 42,204 units, driven by enhanced capacity utilization at the new production facility in Sunway City and secured lines of credit that ensured an uninterrupted supply of raw materials. Management is aggressively pursuing initiatives to increase the presence of its products in the regional markets.

Legend Lounge experienced a 15% increase in sales volumes, culminating in 6,108 units being sold by the end of the year. This growth is attributed to heightened demand and positive market reception of the new lounge suites introduced during the year.

For the TV Sales & Home Group, growth and profitability remain the key thrust and to that end, management will focus on volume growth, growing the debtors' book, improving gross margin dollars and managing costs.



Chairman's Statement & Review of Operations (cont'd)

Distribution Group Africa (DGA)- Zimbabwe

Sales volumes decreased by 45%, totaling 4,751,806 units by the end of the year. This decline is partly attributed to a strategic restructuring by management during the year, where one of the distribution companies with significant agencies transitioned into a joint venture with a major supplier. This move is aimed at alleviating working capital constraints while enhancing profitability in the newly structured business. Such sales are now reported in the joint venture and no longer included in the consolidated sales going forward. The modern trade sector continues to face significant challenges, compounded by ongoing informalization in the sector and this affected sales volumes through this channel. The business was restructured effective 1 January 2024 as there were a number of duplicated functions and processes within the distribution group. Management is optimistic that by addressing control weaknesses noted earlier, profitability shall increase in the forthcoming year.

Distribution Group Africa - Region

In Malawi, volumes remained relatively flat at 1,950,557 units in the current year compared to 1,955,462 units in the prior year. Our key strengths continue to be market coverage and trade execution, despite the challenges posed by grey products and direct imports by some of our customers. Strong collaboration with most of our suppliers has helped mitigate the impact of these grey products. However, Malawi continues to struggle with foreign currency shortages. Management will focus on initiatives to generate foreign currency to settle obligations to foreign suppliers.

DGA Zambia experienced a 14% decline in volumes for the year, totaling 745,000 units. This decline in volume and revenue is largely due to price increases implemented during the year under review, which the market is still adjusting to amidst ongoing austerity measures affecting disposable incomes. Additionally, the Zambian Kwacha depreciated by 37% against the US Dollar and 43% against the South African Rand from the end of June 2023 to the end of June 2024. Despite these challenges, the Zambian entities have managed to source sufficient foreign currency to meet their requirements.



Chairman's Statement & Review of Operations (cont'd)

Transerv

Transerv recorded a 6% increase in volumes to 2,988,851 units compared to the prior year resulting in 11% revenue growth. Contributing factors include the opening of eight new retail shops, three of which were launched in the last quarter, the erection of three new container shops, one in-store agent, and two service centers. Additionally, the growth in credit sales, particularly driven by the expansion of solar products sales, has played a crucial role in revenue growth. There are plans to open new shops in the first half of the new financial year as well as broadening the product range.

PROSPECTS

The Group is hopeful that the Zimbabwe Gold (ZWG) will remain stable which will help ease import costs and improve pricing stability.

Our efforts to boost demand in the formal market through close partnership with retailers have started to pay dividends. The Group will aim to increase its product offerings and consolidate its market share by continuing to look for new markets for its products.

The Group's management teams remain committed to managing gearing levels by aligning the amount and cost of debt across the Group, enhancing free cash flow, investing free funds in high-return assets, managing foreign currency exposure, and safeguarding the balance sheet value.

The Group is looking forward to the execution of the following opportunities in the new financial year.

- Expansion of the store network at Transerv and TV Sales and Home
- Completion of the bedding manufacturing plant
- Investing in working capital to aggressively grow the debtor's book at both Transerv and TV Sales and Home.

The Group will therefore be directing the free cash generated towards the funding of these opportunities.

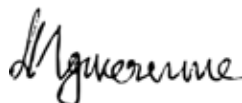
The Group's proactive measures to address economic shifts and consumer preferences will play a pivotal role in sustaining and potentially increasing market share. Overall, the combination of strategic initiatives and improved currency stability will steer the Group to an improved performance in the coming year.

DIVIDEND

The Board has decided not to declare a final dividend for the financial year ended 30 June 2024. The Group will be reinvesting most of its free funds towards the aforementioned expansion projects which are aimed at creating additional business opportunities. The Board remains committed to prudent financial management and ensuring the long-term growth and sustainability of the Group. The Board hopes to resume dividend payments at the interim stage.

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 E M NGWERUME

Chairman

26 September 2024



At DGA Malawi, volumes remained relatively flat at 1,950,557 units in the current year compared to 1,955,462 units in the prior year. Our key strengths continue to be market coverage and trade execution, despite the challenges posed by grey products and direct imports by some of our customers.

**STRATEGIC LEADERSHIP &
GOVERNANCE**


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Our
Checks &
Balances



A modern living room interior featuring a brown velvet sofa and armchair with dark wood legs, a large potted plant, and a wooden wall panel with gold trim. A text box is overlaid on the right side of the image.

The Directors recognise the importance of conducting the Group's Affairs with transparency, integrity, accountability, and abiding with accepted corporate practices

Board of Directors

Luke Ngwerume
Independent Non-Executive Chairman

Qualifications: MBA (UCT)

Key Skills: Corporate Finance, Financial Performance, Strategy, Entrepreneurship, Investments, Compliance and Governance, Banking and Financial Services and Business Management.

Ray Rambanapasi
Group Chief Executive Officer

Qualifications: Chartered Accountant, MBA (UCT)

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy, Compliance and Governance and Business Management.

Thembiwe Mazingi
Independent Non-Executive Director

Qualifications: LLB, MBA (UZ)

Key Skills: Corporate Law, Taxation, Agriculture, Strategy, Compliance and Governance, Banking and Financial Services and Business Management.

Other Commitments: Director of Ariston Holdings Limited and African Century Limited. Partner at Coghlan, Welsh and Guest Legal Practitioners

Zinona (Zed) Koudounaris
Non-Independent Non-Executive Director

Qualifications: B.Com Business & Computer Science

Key Skills: Entrepreneurship, Strategy, Business Management, FMCG, Manufacturing, Agriculture, Mining, Banking and Financial Services and Financial Performance.

Other Commitments: Director of Innscor Africa Limited and Simbisa Brands Limited

Simbarashe Mambanda*
Finance Director

Qualifications: Chartered Accountant

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy, Compliance and Business Management.

**Appointed on the 1st of December 2023*

Thembinkosi (Themba) Sibanda
Independent Non-Executive Director

Qualifications: Chartered Accountant

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy and Business Management.

Other Commitments: Director of Edgars Stores Limited (Chairman of the Board), Padenga Holdings Limited (Chairman of the Board), Innscor Africa Limited and PPC Zimbabwe Limited. Principal at Schmulian & Sibanda (Chartered Accountants).

Directorate and Management

GROUP MANAGEMENT

Ray Rambanapasi	Group Chief Executive Officer
Simbarashe Mambanda	Group Finance Director
Brian Makwara	Group Finance Manager

DIVISIONAL MANAGEMENT

Tv Sales & Home

Sean Gorrige	Managing Director
Joseph Kamasho	Finance Director

Restapedic

Neil Bruce	Managing Director
Wise Mhembere	Finance Director

Transerv

Lloyd Mugabe	Managing Director
Faith Manikai	Finance Manager

DISTRIBUTION

Distribution Group Africa-Zimbabwe

Craig Hodgson	Managing Director
Lucille Makwasha	Finance Director

Innscor Distribution & Comox – Zambia

Seko Mwanyungwi	Managing Director
Priscilla Mwanza	Head of Finance
Kohan Morina	Sales Director

Innscor Distribution & Comox – Malawi

Kennedy Muchenga	Managing Director
Matthew Shonhiwa	Finance Manager

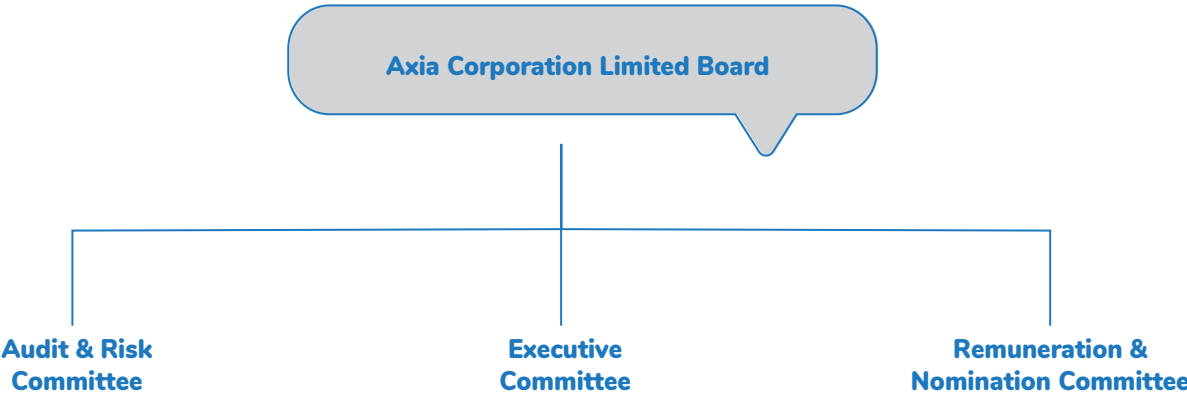
Corporate Governance

GROUP GOVERNANCE

Axia Corporation Limited is dedicated to adhering to the principles of Corporate Governance outlined in the King IV Code and the National Code on Corporate Governance in Zimbabwe. The Directors understand the importance of conducting the Group's operations transparently, with integrity, accountability, and in accordance with accepted corporate standards. This commitment assures shareholders and stakeholders that Axia Corporation Limited is being managed ethically, with cautiously defined risk parameters and in compliance with international best practices. This, in turn, ensures the enhancement of the Group's financial and human capital investments.

BOARD STRUCTURE

The Group established committees to enable the Board to achieve its responsibilities as follows:



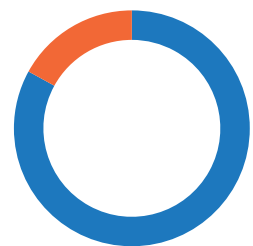
BOARD RESPONSIBILITY

The Board's main duty is to fulfill its fiduciary responsibility to both the shareholders and the Group. In this capacity, it acts as the top policy-making body of the Group and is tasked with offering strategic direction. The Board convenes on a quarterly basis to supervise management performance and maintain oversight of the Group's strategic direction.

BOARD COMPOSITION

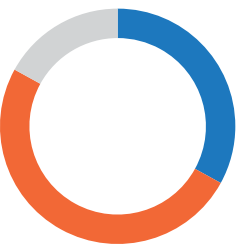
The Board is composed of two executive directors and four non-executive Directors, four of whom are independent. Non-executive Directors provide independent guidance and oversight for the Company's strategic decision-making and corporate governance.

Gender Distribution



■ Male 83% ■ Female 17%

Board Composition



■ Non-Independent Non-Executive 17%
■ Independent Non-Executive 50%
■ Executive 33%

Board Age Profile



■ Below 40 17%
■ 40-50 17%
■ 60-65 33%
■ Above 65 33%

Corporate Governance (cont'd)

BOARD EXPERTISE

The Board of Directors delegated responsibilities to sub-committees, assigning tasks to members according to their individual skills and areas of expertise. Each business unit within the Group operates under a distinct Board responsible for its daily activities and specific objectives. A robust financial reporting system is implemented to hold each business unit accountable monthly.

NOMINATION OF DIRECTORS

The Board comprises of individuals with demonstrated track records and diverse skills and experience, which they leverage for the benefit of the Group. The Group is committed to ensuring that there is excellent leadership at the highest level. Therefore, the selection of Board members considers diversity, independence, and expertise, while paying attention to the interests of the business stakeholders.

BOARD AND MANAGEMENT ETHICS

The Group emphasizes that it is the collective responsibility of the Board and management to lead by upholding acceptable ethical business standards. Therefore, all Directors and Management are obliged to disclose any interests that could pose conflicts with their engagements within the Group. Professionalism and ethical norms are regarded as fundamental pillars of the Group's business activities. Acknowledging that the Group's image is influenced by the conduct of its Directors, management, and employees, Axia Corporation Limited is committed to always maintaining the highest standards of integrity and ethical conduct.

MECHANISMS FOR COMMUNICATION WITH STAKEHOLDERS

The Group offers multiple channels for stakeholders to engage with its Board of Directors and senior management. These communication platforms encompass the Annual General Meeting, press releases, announcements of interim and year-end results, investor briefings, annual reports to shareholders, and the opportunity for shareholders to exercise their voting rights.

DECLARATION OF DIRECTORS' INTERESTS

The beneficial interests of Directors and their families in the shares of the Group are disclosed under note 23.3.

WHISTLE-BLOWER POLICY

The Group stands firm in upholding its values and code of conduct, expecting all individuals to adhere to ethical standards. It is compulsory for all employees and stakeholders to report unethical behavior through an independently managed whistle-blower system. This system offers a secure avenue for stakeholders to report any misconduct they encounter without the fear of facing consequences.

SHARE DEALINGS

The Group has a policy in line with the Victoria Falls Stock Exchange Listing Requirements prohibiting dealings in shares by Directors, officers, executive management and all its employees for a designated period which is:

- Any period when they are aware of any negotiations or in possession of price-sensitive information not within the public domain;
- The period from the end of the Group's financial year end to the date of earliest publication of the Group's preliminary report, abridged report provisional report;
- The period from the expiry of the first six months of the Group's financial year to the date of publication of the Group's interim results;
- Where the Group reports quarterly, the period from the end of a quarter to the date of publication of the Group's quarterly results; or
- Any period when the Group is trading under cautionary announcement.

PROFESSIONAL ADVICE

It is the Group's policy that where justifiable, Directors are entitled to seek independent professional advice at the Group's expense on matters in the furtherance of their duties or in advance of the Group and its companies' value creation.

Corporate Governance (cont'd)

BOARD COMMITTEES

COMMITTEES	MEMBERS	SUMMARY ROLES AND RESPONSIBILITIES
EXECUTIVE	R.M.Rambanapasi (Chairman), S. Mambanda S. Gorringer C. Hodgson J. Kamasho L. Mugabe L. Makwasha F. Manikai	The Executive Committee is responsible for formulating, directing, and implementing strategic decisions. The Committee meets monthly and comprises of two Directors and six executives from business units.
AUDIT AND RISK	T.N Sibanda (Chairman), R.M.Rambanapasi T.C. Mazingi	<p>The audit and risk committee of the Board deals, inter alia, with compliance, internal control, and risk management. The committee currently comprises of two independent non-executive directors and one executive director.</p> <p>The committee meets at least three times a year and its responsibilities include but are not limited to the following:</p> <ul style="list-style-type: none"> • Ensuring that financial reporting across the Group is transparent, accurate and reliable; • Overseeing and managing the performance, functioning, and effectiveness of the Group's finance and risk functions and internal audit functions; • Assisting the Board in fulfilling its corporate governance oversight responsibility regarding the identification, evaluation, and mitigation of operational, strategic and external risks; • Monitoring and reviewing the Group's risk management practices and risk-related disclosures and; • Ensuring that the roles and functions of both internal and external audit are lucid and synchronised. Both the internal and external auditors meet regularly and have unrestricted access to the Audit Committee.
REMUNERATION AND NOMINATION	T.C.Mazingi (Chairperson), L.E.M Ngwerume, R.M.Rambanapasi, Z. Koudounaris, T.N. Sibanda	<ul style="list-style-type: none"> • The remuneration and nomination committee comprises of three independent non-executive Directors, one non-independent non-executive Director, and one executive Director. The remuneration and nomination committee's mandate has the following primary responsibilities. • Evaluating and sanctioning the appointment of, and remuneration packages for, all Board members, Executive Directors, and senior management. In doing so, it will assemble a structure and strategy related to the terms of employment for employees, management, and Board members, as well as any compensation that aims to reward in a manner that attracts and retains talented individuals, and employees to constantly seek to elevate and contribute to the Group's success. • Orchestrating succession planning within the Group, particularly that of the Chief Executive and Executive Management. <p>Criteria for Nomination</p> <ul style="list-style-type: none"> • The Board is key to the Group's long-term success and ensuring strong leadership is paramount. The Group strives to make sure that there is the right calibre of leadership at the top levels thus selection of Board members considers diversity, independence and expertise, with due consideration of the business stakeholders.

Corporate Governance (cont'd)

COMMITTEE MEETING ATTENDANCE

Attendance of meetings during the financial year ended 30 June 2024 was as follows:

BOARD MEMBER	BOARD ATTENDANCE & AGM	AUDIT AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
Luke Ngwerume	5/5	N/A	1/1
Ray Rambanapasi	5/5	3/3	N/A
Simbarashe Mambanda*	2/5	2/3	N/A
Zinona (Zed) Koudounaris	4/5	N/A	1/1
Thembiwe Mazingi	5/5	3/3	1/1
Thembinkosi (Themba) Sibanda	4/5	3/3	1/1

*Joined on 1 December 2023.

COMPLIANCE WITH GOVERNANCE REGULATIONS

As per the Companies and Other Business Entities Act [Chapter 24:31] (COBE), section 206 (2), a public company must have a minimum of 3 independent non-executive directors on its Board of Directors. Axia Corporation Limited fully complies with this requirement as its Board has 3 independent non-executive directors. The Group's Audit Committee consists of 3 members, out of which 2 are independent directors. Additionally, section 195(1) of the COBE requires a public company to have at least seven(7) directors. The Axia Directorate comprises of six(6) directors. The Group has embarked on steps to ensure that this requirement is met.

Business Practices

BUSINESS ETHICS

Axia Corporation Limited recognises the importance of business ethics in creating trust and credibility that enhances the Group's reputation and promotes long-term success. We established procurement, payment, and recruitment procedures to uphold ethical standards in our operations. By prioritising the recruitment of individuals with integrity, we aim to mitigate the risk of engaging in unethical business practices. Additionally, the Group implemented a standard payment system equipped with controls designed to prevent such practices. Axia Corporation Limited acts on concerns raised during internal and external audits. To address ethical violations or misconduct reported by our employees, we conduct the following process:



Regular internal and external audits are vital for ensuring that implemented procedures and related internal controls are functioning effectively, as they help identify any deviations and mitigate potential financial losses.

REGULATORY COMPLIANCE

Regulatory compliance is a cornerstone of our operational integrity, encompassing adherence to all relevant laws, regulations, guidelines, and specifications that govern our business processes. This commitment not only safeguards our resources but also strengthens our reputation as a reliable entity in our industry. In managing regulatory compliance, we acknowledge that our actions enhance our market standing, protect us from fines and penalties, and foster trust among stakeholders. However, challenges can arise, such as the potential for financial strain due to excessive statutory obligations, which may indirectly affect our employees.

We established a compliance program that prioritises education and awareness. This program includes regular training for employees, ensuring they are well-informed about their legal responsibilities. We conduct regular internal audits and monitoring, allowing us to promptly identify and rectify compliance issues. Our procedures are continuously updated to align with evolving regulations, and we conduct risk assessments to mitigate potential compliance risks proactively.

To track the effectiveness of our compliance strategies, we focus on specific goals, such as adhering to all statutory regulations, with key performance indicators centred around maintaining a record of zero fines or penalties. Our internal processes for tracking compliance include regular audits and monitoring systems. Feedback from these interactions highlighted areas for improvement, prompting us to enhance our training programs and compliance measures. This ongoing engagement ensures we remain accountable and responsive to the expectations of our community and industry.

Business Practices (cont'd)

ANTI-CORRUPTION

Our Impacts

corruption is avoided and reduced in its business practices in order to uphold sound sustainable business practices. The Group's strong anti-corruption policies can improve brand reputation, build trust with customers, investors, and partners. Reducing corruption leads to improved operational efficiency for Axia Corporation Limited through more transparent and efficient operations, minimising losses and improving overall business performance. Adhering to anti-corruption laws help avoid legal penalties and fines, ensuring that we operate within legal frameworks. A clear stance against corruption boost employee morale and foster a culture of integrity and accountability. However, establishing and maintaining anti-corruption measures is costly and resource-intensive, requiring investment in training, monitoring, and compliance systems. Strict anti-corruption policies may initially disrupt operations as processes are adjusted and employees adapt to new protocols.

Our Approach

The Group has Procurement and Recruitment policies to guide the execution of these processes. Axia Corporation Limited is committed to performing background checks on new employees to ensure they do not engage in corrupt activities and that they are not associated with corrupt organisations and individuals that may affect brand reputation. Internal and external audits are conducted periodically to ensure there is compliance with anti-corruption laws and that the occurrence of corrupt activities may be detected.

Tracking Progress

Management reviews and external audits are conducted to track the progress made towards anti-corruption practices. We rely on our internal audit investigations to monitor and evaluate our processes and compliance to anti-corruption. The Group aims to achieve zero cases of corruption in its operations. We use key performance indicators which include number of deviations raised by the auditors and purchasing of poor quality goods which may be indicative of corrupt practices. These actions have proved to be effective as there has been no corruption issues raised in the reporting period.



Business Practices (cont'd)

HUMAN RIGHTS

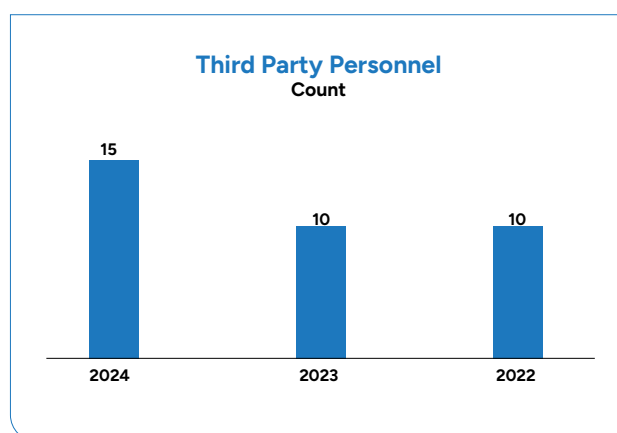
We are committed to upholding Human Rights across all our operations, fostering a culture of respect, inclusivity, and ethical conduct. Our approach to Human Rights management reflects our dedication to responsible business practices, ensuring that our operations do not disregard upon the rights of individuals or communities. We recognise that our impact extends beyond our immediate operations, influencing employees, customers, and stakeholders. As we navigate the complexities of our industry, we remain vigilant in identifying human rights impacts and taking measures to address them. Also, our commitment to creating a safe and equitable work environment positions us as a preferred employer, allowing us to attract talent and foster employee loyalty. The Group contributes to economic stability and growth within the communities we serve, enhancing the overall quality of life by prioritising human rights. However, we acknowledge potential challenges associated with our operations. Any perceived failure to uphold human rights can lead to reputational damage, resulting in financial losses, customer boycotts, and legal repercussions. Further, issues such as long working hours and inadequate working conditions can impact efficiency and employee morale.

We adhere to the Human Resources Policies aligned with national and international labour standards, including the Labour Act of Zimbabwe [Chapter 28: 01] and various codes of conduct. Our recognition and support of freedom of association and collective bargaining enable us to engage meaningfully with recognised trade unions to negotiate working conditions. Axia Corporation Limited provides a safe and healthy work environment, prohibiting forced and child labour, and ensuring non-discrimination in all aspects of employment. In our efforts to mitigate potential negative impacts, we conduct regular training and awareness programs on Human Rights issues, equipping our employees with the knowledge to recognise and address violations. More so, we continuously review our human resource procedures to maintain their effectiveness and efficiency. Axia Corporation Limited leverages informal channels and structured forums, such as the Works Council, to engage employees and promptly address their concerns. Our employment codes of conduct and grievance procedures are regularly updated to reflect best practices in Human Rights management.

The Group implemented internal and external audits to assess compliance with our Human Rights standards. Regular evaluations of our policies and practices, combined with feedback mechanisms for employees and customers, help track our progress. Our primary goal is to be recognised as a supplier of choice, with specific targets focused on enhancing diversity and inclusion across all levels of the Group. Key performance indicators (KPIs) such as employee turnover rates, incident reporting rates, and employee satisfaction scores allow us to monitor our effectiveness and identify areas for improvement.

Through stakeholder engagement and internal assessments, we learnt the importance of promoting diversity in hiring and promotions, as well as implementing clear policies that prohibit discrimination and harassment. Our commitment to transparency strengthened our relationships with employees, customers, and the community, reinforcing our dedication to Human Rights. Axia Corporation Limited engages with stakeholders, including local organisations and human rights advocates, to enhance our understanding of human rights issues, informing our policies and ensuring accountability to our community and employees. We believe that ongoing dialogue with our stakeholders is crucial for cultivating a culture of respect and accountability, which helps further integrate human rights into our Group's values.

Security personnel trained in human rights were as follows:



Business Practices (cont'd)

DIVERSITY AND INCLUSION

Axia Corporation Limited promotes diversity and inclusion as we view these as essential in creating a dynamic workplace where a range of perspectives and experiences drive innovation and enhance our collective success. These increase creativity, bringing together individuals from different backgrounds and leading to innovative solutions and fresh ideas. Additionally, our diverse employees are equipped to understand and cater to the needs of a varied customer base, resulting in improved customer satisfaction. However, we are aware that failing to prioritise diversity and inclusion can expose us to significant legal and regulatory risks, including discrimination lawsuits and reputational damage. By not tapping into a diverse talent pool, we risk losing top talent and limiting our potential for growth. We recognise that negative attitudes, including prejudice, stereotyping, and discrimination, hinder workplace harmony, and we are dedicated to addressing these issues through open communication. Further, we recognise that compensation gaps based on race, gender, or physical challenges can lead to breaches of labour and human rights regulations. Therefore, fostering a culture of diversity and inclusion is not only a moral imperative for us but a strategic necessity for our ongoing success.

Our commitment to diversity and inclusion is reflected in the composition of our Board and employees, as well as our approach to salaries and remuneration. We are guided by our Human Resources Policy Manual, Labour Act of Zimbabwe [Chapter 28:01] and National Employment Council for the Commercial Sectors of Zimbabwe (CBA), which ensures that all employees are treated with dignity and respect and are entitled to fair and consistent application of policy, processes and procedures. By creating a diverse and inclusive workplace, the Group not only earns a positive reputation as a fair and ethical business but ensures that it attracts and retains top talent. To achieve this, the Group's Human Resource Policy is guided by rigorous standards for fair recruitment and promotion and compensation, which ensure that all employees have equal opportunities for career advancement, regardless of age, gender or ethnicity.

As Axia Corporation Limited, we prioritise diversity and inclusion by regularly monitoring gender distribution through quarterly and monthly reports, which currently indicate a male-to-female ratio of 70% to 30%. Turnover rates and employee satisfaction scores, help us evaluate the effectiveness of our diversity and inclusion initiatives. As a result of our focus on equality, transparency, and ethical conduct, we observed a notable increase in employee

satisfaction, aligned with our strategic pillars. Additionally, the selection of Gender Champions across our branches further promoted a conducive working environment by implementing and developing gender-sensitive policies. We continue to set ambitious targets to enhance our diversity efforts and ensure that all employees have equal opportunities and compensation, contributing to a thriving workplace culture.

CYBERSECURITY AND PRIVACY PROTECTION

In an increasingly digital world, managing cybersecurity and privacy protection has become a critical focus for businesses. We are committed to safeguarding sensitive information and ensuring that our customers' data is handled with the highest care. Our approach encompasses a comprehensive strategy that not only protects our infrastructure from unauthorised access but also maintains the integrity and privacy of the personal data we collect. This commitment is fundamental to building trust with our customers and stakeholders while enhancing our operational resilience.

Moreover, our measures enhance customer trust, leading to increased loyalty as they feel secure sharing sensitive information during our vetting process. Additionally, cybersecurity protocols mitigate the risk of financial losses, reputational damage, and legal liabilities that can arise from data breaches. However, we acknowledge the challenges posed by reliance on third-party vendors and the potential risks associated with data mishandling. These factors highlight the importance of our strict data protection policies and ongoing vigilance.

Our Data Protection Policy outlines procedures for handling personal data, together with a detailed security incident response plan. We implement third-party vendor management processes to assess risks associated with external partnerships and conduct vulnerability assessments and penetration testing to identify and address potential weaknesses in our systems. Our network security is fortified using firewalls and intrusion detection systems, ensuring unauthorised access is effectively blocked. We regularly conduct training sessions for employees, raising awareness about phishing threats and promoting best practices in cybersecurity. In the event of a breach, we use measures such as data encryption and regular backups to protect data integrity and ensure business continuity.

Business Practices (cont'd)

CYBERSECURITY AND PRIVACY PROTECTION (CONT'D)

The effectiveness of our cybersecurity initiatives is tracked through processes that include internal and external audits, risk assessments, and incident response plan drills. More so, we set goals to reduce security incidents by 90% within six months, enhance incident response times by 90% within three months, and continuously improve employee awareness of cybersecurity threats. Key performance indicators such as the frequency of security incidents, audit findings, and employee training completion rates enable us to measure our progress. We learnt from past incidents that inadequate employee training led to vulnerabilities, prompting us to implement mandatory cybersecurity awareness training, including simulations to prepare employees for real threats. We identified the need for regular monitoring and reviews, establishing a routine for vulnerability assessments and compliance audits to ensure our systems remain resilient. Engagement with stakeholders such as clients, employees, and regulatory bodies allow us to identify key concerns and prioritise initiatives that enhance our cybersecurity measures. Surveys conducted post-training help us assess the effectiveness of our programs and make necessary adjustments. Further, consultations with regulatory authorities keep us aligned with the latest data protection laws, ensuring that our policies meet compliance standards and reducing the risk of legal repercussions.

SECURITY PRACTICES

As Axia Corporation Limited we manage security conduct to prevent the risk of using force or violating human rights. We utilise third-party security in our facilities and stores, where our primary concern is ensuring that the culture of the security company aligns with our own, therefore our policy focuses on aligning security objectives and ensuring that personnel are adequately trained in customer handling. In cases of misconduct, negligence and criminal activities the Group faces the risk of reputational damage and legal liability. Third-party security providers can be associated with potential implications such as their access to sensitive areas of information which may lead to breaches in confidentiality agreements, data leaks, and even theft. Additionally, third-party security providers may not meet the Group's required training standards for handling specific risks or scenarios such as internal theft and, they may be less invested in our goals and culture resulting in a lack of accountability and commitment.



Risk Management



The Group's Risk varies from strategic, operational and financial which are monitored by senior management, internal and external auditors.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group conducts a thorough risk profiling process where internal stakeholders are consulted extensively to identify risks. Based on the likelihood and magnitude of an impact, risks are categorised and rated, and risk management techniques are implemented. To guarantee continuous risk assessment and mitigation, audit risk reviews are carried out. The Group uses a risk-based strategy to choose audit areas, considering risks that could affect important operational and strategic goals. The Group's Risk varies from strategic, operational and financial which are monitored by senior management, internal and external auditors. We keep a risk register in which we describe the risks that have been recognised, the intended activity as well as the evaluation of the residual risks. For the residual risk evaluation, we employ the Brags rating system. We regularly report on our risks to the Board and Management during meetings to ensure accountability. We conduct operations meeting monthly, board meeting quarterly and risks assessment is done in these meeting to direct our operations.

MANAGING FINANCIAL RISK

Axia Corporation Limited places a high priority on managing its financial risks, with interest rate and liquidity risk receiving most of its attention. The Group uses fixed interest rates as opposed to variable rates to reduce interest rate risk. We guarantee that fixed interest rates do not rise above the anticipated rate of return on the assets we invested in. The Group continually evaluates the risk profiles and maturity of its financial instruments to maintain a monitoring system for liquidity risk. When liquidity shortages are predicted, management moves quickly to restructure financial liability maturity dates or find new sources of finance. We continuously use risk reduction approach, where the mix of multi currencies is monitored in both receipts and payments to ensure a matching is maintained to reduce the risk of exchange losses.

Risk Management (cont'd)

MANAGING FINANCIAL RISK (cont'd)

Residual risks identified in the current reporting period where as follows:

RISK	DESCRIPTION	MITIGATION MEASURES
FINANCIAL LOSS	<ul style="list-style-type: none"> Devaluation of ZWG and Kwacha, which causes exchange losses. Loss of value of monetary assets and decline of shareholders value. Loss of shareholder value due to inappropriate pricing Challenges in obtaining foreign currency. 	<ul style="list-style-type: none"> Active monitoring of local monetary assets, ensuring business units generate meaningful profits. Using multiple currency for transactions to spread foreign exchange risks Structuring business operations to naturally offset foreign exchange exposures by matching inflows and outflows in the same currency
BRAND REPUTATION	<ul style="list-style-type: none"> Risks to brand reputation can arise from negative customer reviews, social media backlash, unethical business practices, or public controversies. A damaged reputation can lead to loss of customer trust, decreased sales, and long-term financial implications. 	<ul style="list-style-type: none"> Establishing transparent communication channels to keep customers informed about the Group's values, initiatives, and responses to issues.
HEALTH AND SAFETY	<ul style="list-style-type: none"> Risk related to work-related injuries and work-related ill health. 	<ul style="list-style-type: none"> Risk reduction through identification of potential hazards in the workplace and implementing controls to minimise the identified risks.
COMPLIANCE RISK	<ul style="list-style-type: none"> Penalties due to late payment of taxes. Stringent regulatory environment 	<ul style="list-style-type: none"> Continuous engagement with regulators to ensure compliance.
HUMAN RESOURCES	<ul style="list-style-type: none"> There is risk of employee turnover and loss of skilled and key employees. 	<ul style="list-style-type: none"> Risk avoidance through regular training of employees to increase efficiency and boosts morale. Continuous review of remuneration and HR practices.
OPERATIONAL	<ul style="list-style-type: none"> The risk of suppliers withholding materials due to payment delays. 	<ul style="list-style-type: none"> Risk avoidance by ensuring that timely payments are made, and constant communication is done with the suppliers. Prioritising supplier payments
CREDIT	<ul style="list-style-type: none"> Customers that buy on credit may default payment leading to credit losses. 	<ul style="list-style-type: none"> Conduct thorough assessments of customers' creditworthiness before extending credit. Adopt credit insurance to protect against potential losses from defaults.
BUSINESS	<ul style="list-style-type: none"> Volumes decline due to lower disposable incomes because of hyperinflation. Competition from cheaper brands. 	<ul style="list-style-type: none"> Continue to price products competitively.

Risk Management (cont'd)

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

The Enterprise Risk Management Framework manages the overall approach to sustainability-related risks and opportunities. Axia Corporation Limited identifies, measures and keeps sustainability information as it is required to report to stakeholders. We are environmentally conscious and aim to limit carbon footprint in our operations. Axia Corporation Limited's approach to sustainability risk management focuses on economic, environmental, social and governance metrics (ESG) that may reasonably affect immediate, short-term and long-term cashflows, cost of capital and the ability of the Group to access finance.

INTERNAL CONTROLS TO STRENGTHEN CREDIBILITY OF SUSTAINABILITY REPORTING

Our commitment to integrity and ethical values forms the foundation of our approach, ensuring transparency in all sustainability initiatives. Independent oversight from our Board of Directors reinforces accountability and strategic direction on sustainability matters. We established clear structures, reporting lines, and defined responsibilities to facilitate effective communication and collaboration across the Group, empowering teams to take ownership of sustainability objectives. Additionally, we invest in talent management to attract, develop, and retain skilled individuals who can drive our sustainability agenda. By holding employees accountable for internal controls and establishing clear performance metrics, we foster a culture of responsibility that enhances the trust of our stakeholders in our sustainability efforts.

The following are significant sustainability-related risks and opportunities during the reporting period:

RISK	DESCRIPTION	OPPORTUNITIES	FINANCIAL IMPACTS
ENVIRONMENTAL	<ul style="list-style-type: none"> Pollution, from poor waste management practices can result in fines and penalties for non-compliance 	<ul style="list-style-type: none"> Proper recycling of waste ensures unnecessary costs are reduced and brand reputation is enhanced. 	<ul style="list-style-type: none"> Fines and penalties can increase expenses and lower profits
SOCIAL	<ul style="list-style-type: none"> Poor communication with stakeholders may lead to disgruntlement and poor relationships. 	<ul style="list-style-type: none"> Improving communication with stakeholders leads to good stakeholder relations and investor trust. 	<ul style="list-style-type: none"> Lost revenue and investment This may lead to reduced profits and loss of investor funds and confidence
CYBER SECURITY	<ul style="list-style-type: none"> Risk of hacking and loss of confidential data 	<ul style="list-style-type: none"> Investing in advanced technology and cyber security practices protects confidential and sensitive data. 	<ul style="list-style-type: none"> Investment in advanced technology may require substantial capital.
TAX COMPLIANCE	<ul style="list-style-type: none"> Non-compliance with tax laws and regulations can result in fines and penalties. 	<ul style="list-style-type: none"> Training and regular review of tax laws and use of tax experts results in improved tax practices leading to reduced or no penalties and fines. 	<ul style="list-style-type: none"> Increase in interest and fines

CORPORATE SUSTAINABILITY

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Corporate
Sustainability



Our ultimate goal is to create positive impacts for our stakeholders through our business activities and operations, which will lead to long term success.

Sustainability Approach



The Group's emphasis is on recognising, quantifying, and taking responsibility for economic, environmental, and social concerns. We firmly believe that our most significant contribution to sustainable development is the operation of an efficient and profitable business.

OUR STRATEGY

Axia Corporation Limited is dedicated to fostering value through sustainable business strategies. Central to this commitment is the emphasis on recognising, quantifying, and taking responsibility for economic, environmental, and social concerns. Our key focus is on delivering environmentally friendly, top-quality, and long-lasting products to our customers. As a retail and distribution enterprise, we depend on our stakeholders to assist us in identifying the effects and possibilities within our operations and supply chain. Our overarching aim is to generate favourable outcomes for our stakeholders by means of our business practices and activities for long term success.

SUPPLY CHAIN

We act as a responsible intermediary between producers and consumers, ensuring a strong commitment to ethical practices. To uphold the highest standards within our supply chain, we implement a stringent monitoring system that involves comprehensive screening procedures. Supplier evaluation criteria include environmental impact, social responsibility,

regulatory compliance, and human rights practices. Our aim is to encourage sustainable practices that align with our values and safeguard the integrity of our brands. We prioritise transparency and fairness in our relationships with supply chain partners, fostering mutually beneficial collaborations.

SUSTAINABLE OPERATIONS

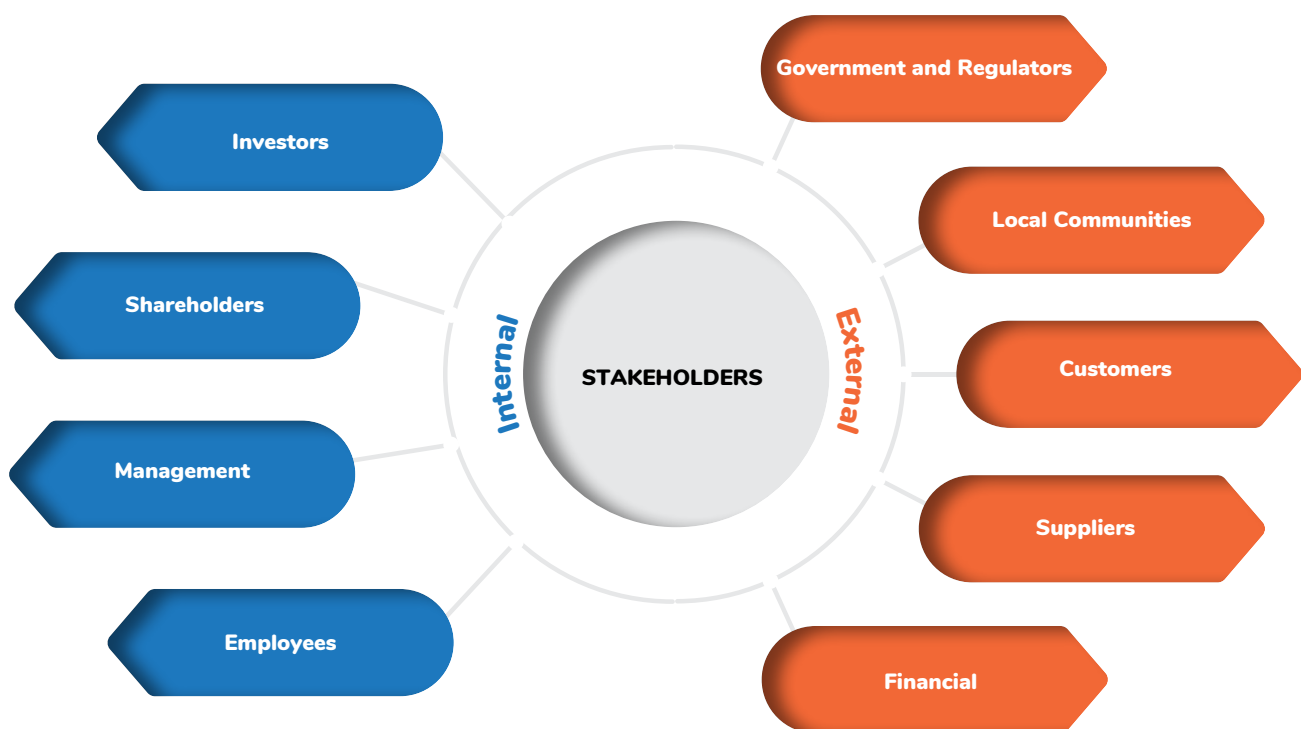
As a socially responsible business, we acknowledge the critical importance of conducting operations in a sustainable manner that safeguards the environment. We actively encourage all our subsidiaries to proactively take measures to minimise any adverse effects on the environment, society, and the economy. Our subsidiaries are committed to following standardised operating procedures that promote sustainable practices, ensuring that their activities do not contribute to negative impacts on the environment, society, or the economy.

Stakeholder Engagement

SHARED VALUES

Our business strategy revolves around customer satisfaction, emphasising inclusivity and responsiveness to their needs. We prioritise cultivating shared values with our customers and stakeholders by embracing eco-friendly practices and ensuring the responsible disposal of packaging waste. We strongly believe that by fostering shared values, we can contribute positively to a better world. Our approach to stakeholder engagement is implemented at the Group level, adhering to the guidelines set forth by the GRI Standards (2021). This framework guides us in identifying, prioritising, and managing our stakeholder relationships. We employ a variety of methods and channels to communicate with stakeholders, striving to gain an enhanced understanding of their expectations, interests, and concerns with the aim of addressing these issues promptly and constructively. We continuously monitor and assess the effectiveness of our stakeholder engagement initiatives. This evaluation process allows us to report on the outcomes and impacts of our efforts, ensuring accountability and fostering ongoing improvements in our engagement practices.

Our stakeholders are categorised as follows:



Stakeholder Engagement(cont'd)

STAKEHOLDER ACTIVITIES

Stakeholder	Material Matters	Our Response	Engagement Methods	Engagement Frequency
EMPLOYEES	<ul style="list-style-type: none"> Employee welfare. Mental health and work-life balance. Remuneration. Efficiency. 	<ul style="list-style-type: none"> Payment of performance incentives. Regular breaks. Training and education. Regular salary reviews. 	<ul style="list-style-type: none"> WhatsApp. Emails. Calls. Texts. Works Council Meetings. Internal Memorandums. 	<ul style="list-style-type: none"> Monthly. Ad hoc.
LOCAL COMMUNITY	<ul style="list-style-type: none"> Employment Opportunities. CSR Projects. 	<ul style="list-style-type: none"> Investing in corporate social responsibility. Opening new business units. 	<ul style="list-style-type: none"> Continuous engagement with community leaders. 	<ul style="list-style-type: none"> Ad hoc.
SHAREHOLDERS AND POTENTIAL INVESTORS	<ul style="list-style-type: none"> Business expansion opportunities. Profitability. Investment. 	<ul style="list-style-type: none"> Monitoring economic performance in tangible metrics. Investing in production facilities and expanding the number of store locations. 	<ul style="list-style-type: none"> Shareholder briefings. Annual General Meetings. Publication of bi-annual results. Trading updates. 	<ul style="list-style-type: none"> Annually. Quarterly.
GOVERNMENT & REGULATORS	<ul style="list-style-type: none"> Payment of taxes. Compliance with laws and regulations. 	<ul style="list-style-type: none"> Policy briefings. Compliance inspections. 	<ul style="list-style-type: none"> Memos. Emails. Phone calls. 	<ul style="list-style-type: none"> Annually. Ad hoc.
SUPPLIERS	<ul style="list-style-type: none"> Payment time. Product quality Delivery lead times Country risk 	<ul style="list-style-type: none"> Timeous and bulk payments. Bulk ordering 	<ul style="list-style-type: none"> Supplier briefings and meetings. Emails. Telephone. Competitive tenders. 	<ul style="list-style-type: none"> Quarterly. Ad hoc. Monthly.
CUSTOMERS	<ul style="list-style-type: none"> Value delivery. Promotions. Competitive pricing. Online sales channel. 	<ul style="list-style-type: none"> Monitoring of product pricing. Rigorous quality control measures. 	<ul style="list-style-type: none"> Customer feedback in- store and links on websites 	<ul style="list-style-type: none"> Daily. Weekly. Monthly.
FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> Lending rates. Market risks. Liquidity. 	<ul style="list-style-type: none"> Negotiating favourable interest rates. Diversification into other financial institutions. 	<ul style="list-style-type: none"> Briefings. Publications. Formal meetings. 	<ul style="list-style-type: none"> Ad hoc.

Sustainability Materiality Assessment

OUR SUSTAINABILITY CONTEXT

Axia Corporation Limited's sustainability strategy is designed to generate a positive impact through targeted initiatives that address the most pertinent concerns of stakeholders. Following the principles of Economic, Environmental, Social, and Governance (ESG) issues in line with the Global Reporting Initiative (GRI) guidelines, our strategy underscores a commitment to sustainable practices. We actively engage with both internal and external stakeholders, conduct thorough analyses of business risks and opportunities, and measure our performance against industry benchmarks. This evaluation forms the basis for shaping our sustainability strategy, setting goals, and informing our reporting practices. We firmly believe that our most significant contribution to sustainable development is the operation of an efficient and profitable business.

SUSTAINABILITY MATERIALITY ASSESSMENT PROCESS

Our sustainability materiality assessment is a crucial process that support identifying the most significant issues that could impact our business, values, and ability to achieve our strategic objectives. This assessment was conducted by the Group through a questionnaire survey. The data collected from the survey underwent several phases of analysis, including the identification of issues relevant to our operations through stakeholder assessment and benchmarking. The survey evaluated management's perceptions of the relative importance of the identified topics to Axia Corporation Limited and their influence on stakeholder decisions and Human Rights. The final topics were reviewed and approved by senior management to ensure consistency with our business activities.



Material Topics

The material issues identified have been reaffirmed as being the most relevant to Axia Corporation Limited for the period ending 30 June 2024. The identified issues were categorised into economic, environmental, social and governance topics as presented below:

- **Economic category** – topics that cover the flow of capital among different stakeholders, and the main economic impacts of the Group throughout the society.
- **Environmental category** – covers impacts on living and non-living natural systems, including land, air, water, and ecosystems.
- **Social category** – topics that relate to impacts on the social systems and human rights in our area of operations.
- **Governance** – covers impacts on the system of rules, practices and processes by which the Group is directed and controlled.

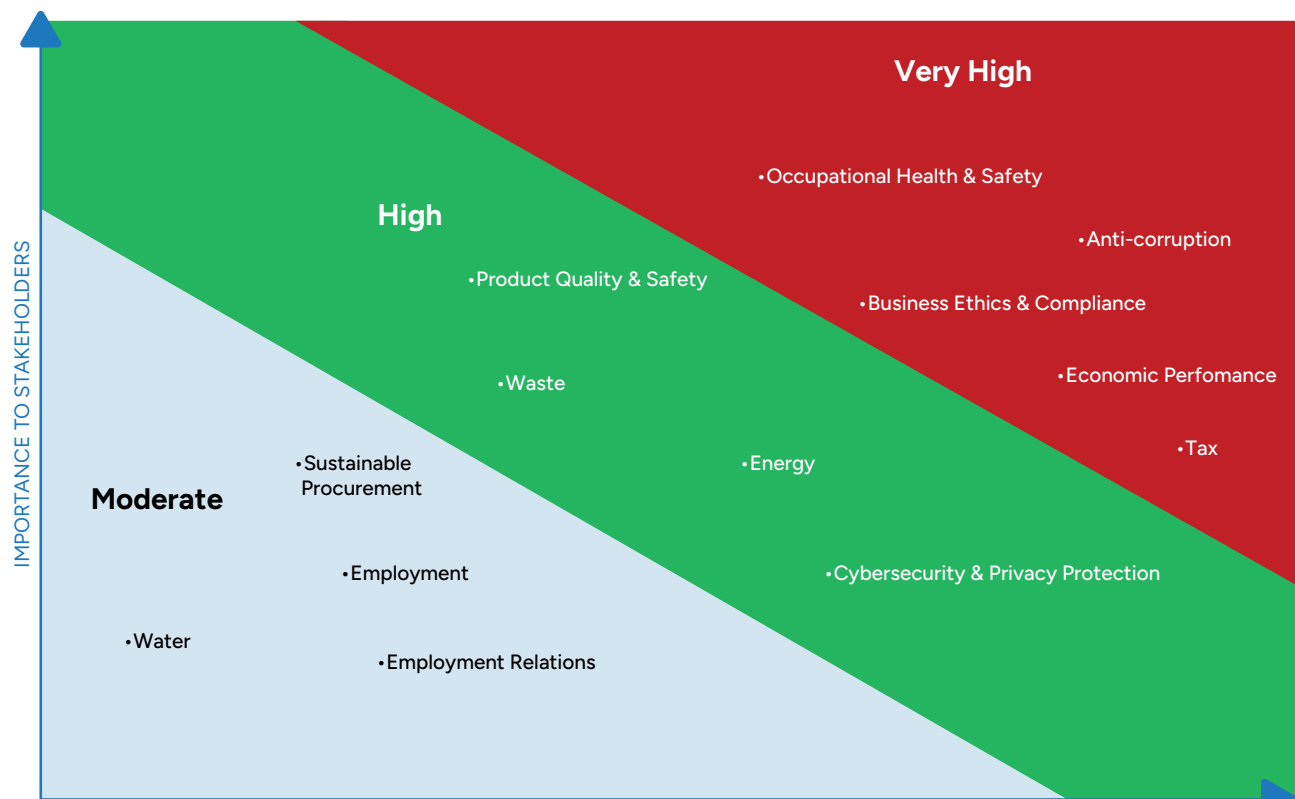
Sustainability Materiality Assessment(cont'd)

Material Topics (cont'd)

Economic	Environment	Social	Governance
<ul style="list-style-type: none"> • Tax • Economic • Performance • Procurement 	<ul style="list-style-type: none"> • Climate Change • Water • Energy • Waste • Greenhouse Gas Emissions 	<ul style="list-style-type: none"> • Occupational Health and Safety • Diversity and Inclusion • Employment, Education and Training • Corporate Social Responsibility • Employee Relations • Human Rights • Customer Service • Outlets Accessibility • Product Quality and Safety • Product Variety and Availability • Timely Deliveries • Driver Working Conditions • Accident and Safety Management 	<ul style="list-style-type: none"> • Compliance • Anti-corruption • Cybersecurity and Data Privacy • Security Practices • Customer Privacy and Security

Materiality Matrix

The materiality analysis presented below ranks the top 13 topics that are most significant to the business and to its stakeholders. The Group's assessment has shown that there are slight changes in the material topics from the previous year.



Moderate:	Reflects where significant efforts made to the address
High:	Reflects where measures are in place to manage the impacts while improvements continue to be implemented.
Very High:	Those regarded by the business and stakeholders to be of significant interest

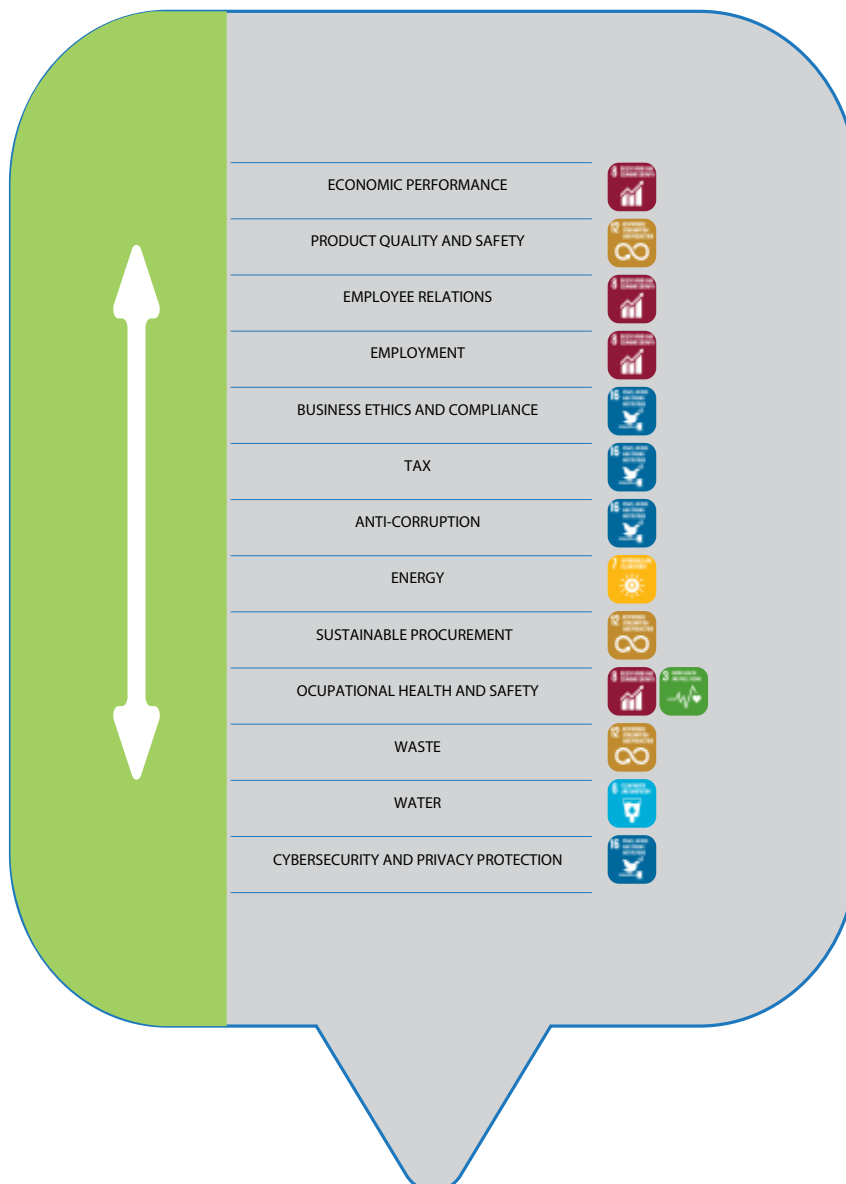
Sustainability Materiality Assessment(cont'd)

The material topics identified as significant and important to both the business and stakeholders were:

- Occupational Health and Safety
- Anticorruption
- Business Ethics and Compliance
- Economic Performance
- Tax

MATERIAL TOPICS LINKS TO SDGs

Our sustainability material topics were identified based on stakeholder input. The identified topics reflects our impact and contribution towards the SDGs, fostering sustainable future for all. We are committed to making a positive impact and driving progress towards a more sustainable world.



Product Stewardship



Product quality and safety are essential for our business to succeed in a competitive market. We ensure that our customers receive outstanding products that meet their expectations and uphold the Group's reputation.

PRODUCT QUALITY AND SAFETY

Product quality and safety are essential for our business to succeed in a competitive market. We ensure that our customers receive outstanding products that meet their expectations and uphold the Group's reputation. We source all our furniture, electronics, home appliances, automotive spare parts, and FMCG products from reputable suppliers and reputable brands. We established agreements with world-class suppliers to maintain a diverse range of quality products. To address any negative impacts on product quality and safety, we implemented the following actions:

PRODUCT VARIETY AND AVAILABILITY

As a business, product variety and availability are essential in ensuring that customers at our specialty retail outlets have different choices. By offering a wide range of options, we reduce the likelihood of customer grievances and increase sales volume, ultimately enhancing our market share. Our procurement strategy focuses on pre-planning and purchasing in large quantities to guarantee product availability. Additionally, our finance teams work diligently to ensure the business has sufficient working capital and financing to maintain strong relationships with our suppliers and prevent stock-outs. To further refine our offerings, we actively track customer preferences through consultations, allowing us to adapt our product variety to meet the tastes and needs of our clientele effectively.

Product Stewardship (cont'd)

Enhanced Quality Control:	Customer Feedback Mechanism:	Product Recall Procedures:	Supplier Audits and Training:
<ul style="list-style-type: none"> Established quality control processes at every stage of production, including regular inspections and testing of raw materials and finished products to ensure they meet safety standards. 	<ul style="list-style-type: none"> Developed a system for collecting and analysing customer feedback on product quality and safety. This identifies recurring issues and areas for improvement. 	<ul style="list-style-type: none"> Implemented clear and efficient product recall procedures to quickly address safety concerns. This includes transparent communication with customers and providing remedies such as refunds, replacements, or repairs. 	<ul style="list-style-type: none"> Conducted regular audits of suppliers to ensure they adhere to our quality and safety standards. Additionally, provide training and support to suppliers to help them improve their processes and meet our requirements.

Our expert team conducts rigorous quality checks on all items to prevent any sub-standard products from being returned to our outlets. The Managing Director supervises the quality of raw materials at the highest level. In our furniture division, experienced quality control officers inspect each product before it leaves the factory. Additionally, we provide regular training for both our manufacturing and merchandising teams to enhance the quality of our offers.



Customer Relations



**Axia Corporation Limited
recognises that delivering
excellent customer service is
essential for fostering strong
relationships, crucial to our
success.**

CUSTOMER SERVICE

Axia Corporation Limited recognises that delivering excellent customer service is essential for fostering strong relationships, crucial to our success. We provide top-quality products and services that meet our clients' needs and expectations. Valuing customer input allows us to enhance our performance and improve overall satisfaction. Our team, composed of highly skilled and experienced professionals, is always available to address customer complaints and concerns related to our business activities. Ultimately, our goal is to build long-term, mutually beneficial relationships with our customers, founded on trust, respect, and transparency.

CUSTOMER PRIVACY AND SECURITY

Axia Corporation Limited established a framework for safeguarding customer data through its Customer Privacy and Security Systems, reinforcing our commitment to maintaining high standards of integrity. To ensure the confidentiality and security of our customers' information, we implemented IT policies and controls designed to protect the integrity of customer data stored in our systems. Strict IT access controls are implemented, guaranteeing that only authorised personnel can access sensitive information. Additionally, we maintain proactive systems that ensure our IT control measures are continuously reviewed and updated. Our aim is to consistently safeguard customer information and prevent any instances of unauthorised access to our information systems, thereby upholding the trust our customers place in us.

OUTLETS ACCESSIBILITY

Outlet accessibility plays a crucial role in providing convenience to customers, enhancing brand recognition, and driving overall business performance. To achieve these objectives, the Group is continuously expanding its store network, strategically focusing on locations that cater to our target customer base. Our Business Development Policy ensures that we establish a presence in all key areas where our customers are located, allowing us to maximise

Customer Relations (cont'd)

accessibility and convenience. We carefully select and manage the sites for our branches, ensuring they are optimally positioned to meet customer needs. Our strategy is guided by a rigorous performance-tracking mechanism that enables us to evaluate the effectiveness of our approach and make informed, data-driven decisions.

TIMELY DELIVERIES

The Group ensures timely deliveries as a cornerstone of our operational strategy, recognising our crucial role in customer satisfaction and overall business success. Our dedication to effective delivery management involves an approach aimed at minimising delays and enhancing service reliability. We are determined to achieve zero avoidable delays, understanding that prompt delivery not only builds trust with our customers but also strengthens our competitive position in the market. Further, consistently delivering products on time fosters enhanced customer satisfaction and loyalty, as clients feel confident in our ability to meet their needs. This reliability leads to increased sales opportunities and a competitive edge in the Fast-Moving Consumer Goods (FMCG) sector, where stock availability is critical.

Moreover, effective delivery management streamlines our supply chain enabling better inventory control and ultimately driving operational efficiency. However, delays in deliveries results in customer dissatisfaction, potentially damaging relationships and leading clients to seek alternatives. The operational costs can increase due to penalties, rush delivery fees, or lost sales from stockouts, while reputational damage from repeated delays can hinder our ability to attract and retain customers. As a responsible retail business, we recognise that these challenges could arise from factors within our control, such as inadequate planning or insufficient communication.

We utilise advanced logistic technologies, including Global Positioning System (GPS) tracking and route optimisation software, to enhance delivery efficiency and reduce delays. Strengthening our relationships with reliable suppliers and adopting just in time inventory management ensures that products are readily available, minimising the risk of stockouts. Additionally, we prioritise clear communication with our customers regarding delivery status, offering real-time updates and alternative solutions when necessary. Investing in warehouse automation further streamlines our operations, improving order fulfillment processes to accelerate delivery times.



Our team, composed of highly skilled and experienced professionals, is always available to address customer complaints and concerns related to our business activities.

We continuously track the effectiveness of these actions through internal assessments and performance indicators. By grouping routes in advance and ensuring clear communication between branches and the transport department, we effectively manage and execute delivery schedules. Engagement with stakeholders, including customers and suppliers, has been crucial in shaping our strategies by providing feedback that highlights areas for improvement and ensures our initiatives align with market expectations and customer needs.

Our Employees



The Group recognises the critical role that employment plays in fostering economic growth, enhancing community well-being, and creating a positive workplace culture

HUMAN CAPITAL MANAGEMENT

The Group recognises the critical role that employment plays in fostering economic growth, enhancing community well-being, and creating a positive workplace culture. Our commitment to creating employment opportunities and conducive working conditions is central to our operations. We strive to meet not only legal and ethical standards but also to promote a workplace environment that values diversity, inclusion, and the well-being of all employees.



Employee Hire
(Headcount)

32%

Decrease
from 304 in FY2023



Collective Bargaining
Agreements (Headcount)

3%

Increase
from 1,280 in FY2023



Pension Contributions
(USD)

13%

Increase
from 339,070 in FY2023



Average Employee
Training Hours

71%

Decrease
from 24 in FY2023

Our Employees (cont'd)

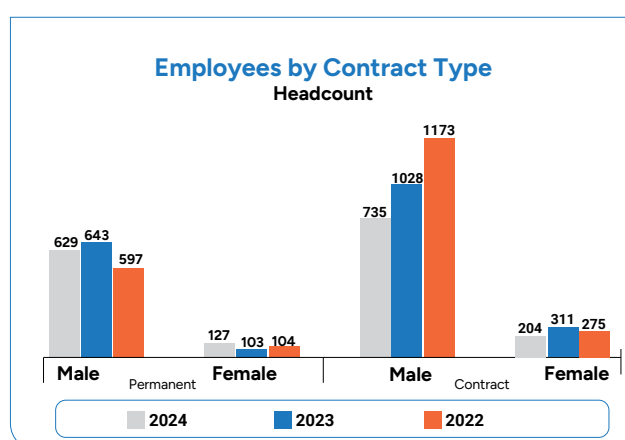
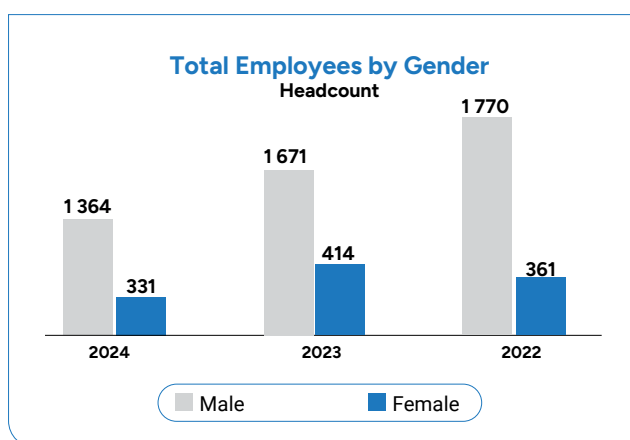
HUMAN CAPITAL MANAGEMENT (CONT'D)

Our employment initiatives led to the creation of job opportunities that contribute to lowering the unemployment rate. Employees benefit from enhanced job security and competitive wages, leading to improved living standards. A supportive work environment fosters employee confidence, boosting productivity and creating a better working atmosphere. Our focus on employee well-being helps employees manage stress effectively, enhancing resilience in challenging situations. However, we acknowledge potential challenges, such as changes in government economic policies and their influence on our operational environment. If not managed responsibly, our production activities can create electronic waste and environmental concerns, while employee exposure to hazardous materials and excessive working hours can impact employee welfare.

To manage these employment impacts, Axia Corporation Limited established policies including Recruitment Policy and Human Resources Policy which ensure fair and equitable hiring practices across all levels of the Group. We adhere to relevant employment laws and regulations emphasising respect and dignity for every employee. Further, we provide a safe, inclusive, and fair work environment, promoting diversity regardless of race, gender, or background. Our management team fosters a culture of open communication, collaboration, and professional development. We also maintain a workers' council to facilitate employee engagement and address concerns. Our business operations adapt to comply with government guidelines, ensuring legal and ethical adherence. We provide training and resources for employees to adapt to new safety protocols and remote work requirements, promoting their skills and capabilities. Employee morale is regularly assessed to identify and address any concerns promptly, and we offer flexible work hours and paid time off to support those dealing with illness or family responsibilities. Additionally, Axia Corporation Limited provides training and development programs to enhance employee skills, ensure fair wages, and guarantee safe working conditions.

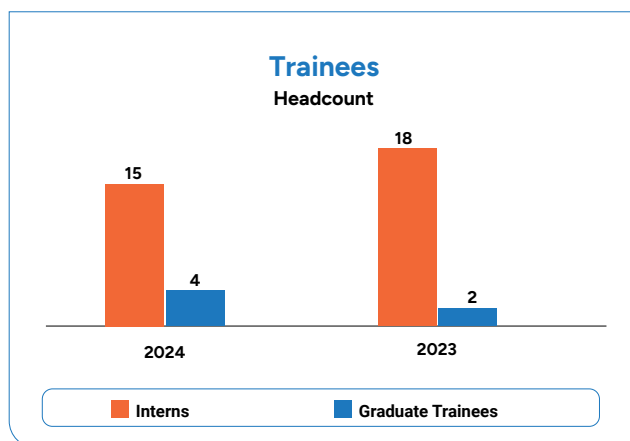
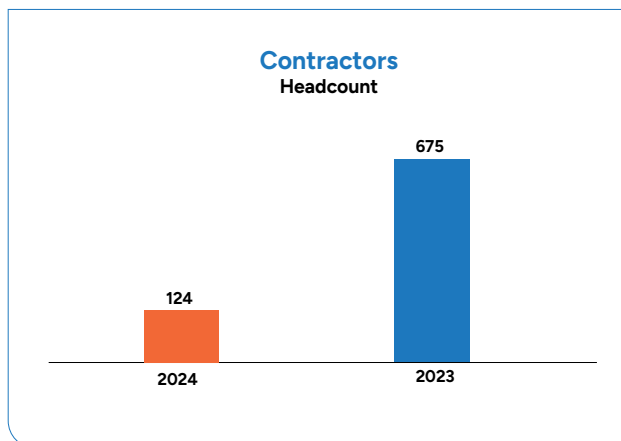
We use an employee tracking system that records hiring, training, performance evaluations, and promotions, ensuring accountability and transparency. We monitor attendance to identify absenteeism patterns and maintain compliance with work schedules. The Group's performance goals include expanding market share, boosting customer satisfaction, increasing revenue, and improving the company brand. We continuously assess our progress towards these goals, focusing on key performance indicators such as revenue, sales, and customer returns. The evaluations conducted indicate advancements in sales revenue, customer satisfaction, and overall growth, allowing us to identify successful strategies and areas for improvement. Engagement with stakeholders is vital for informing our actions, as seeking feedback from employees, customers, suppliers, and community members provides valuable insights into their needs and concerns, helping us assess our initiatives, adjust, and enhance our reputation.

EMPLOYEE BASE



Our Employees (cont'd)

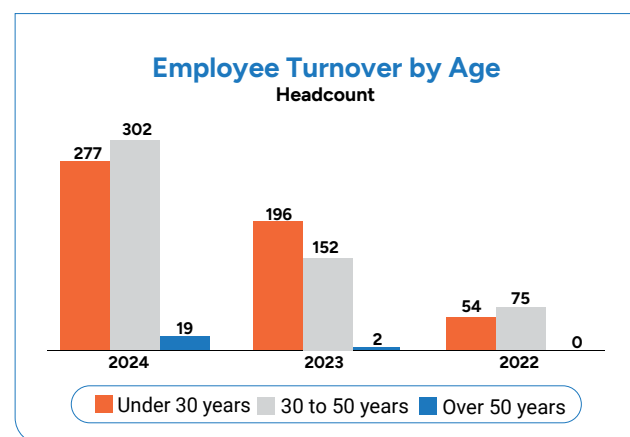
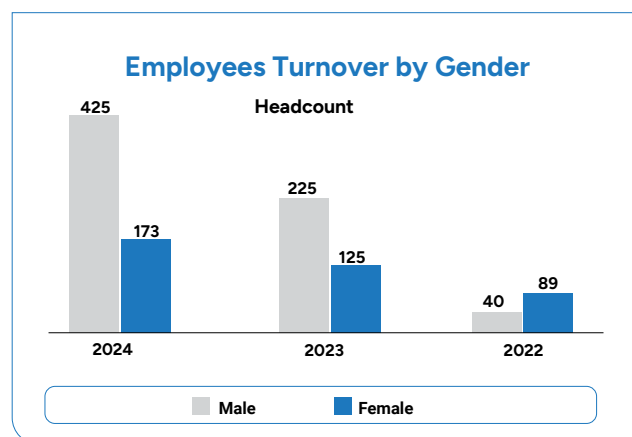
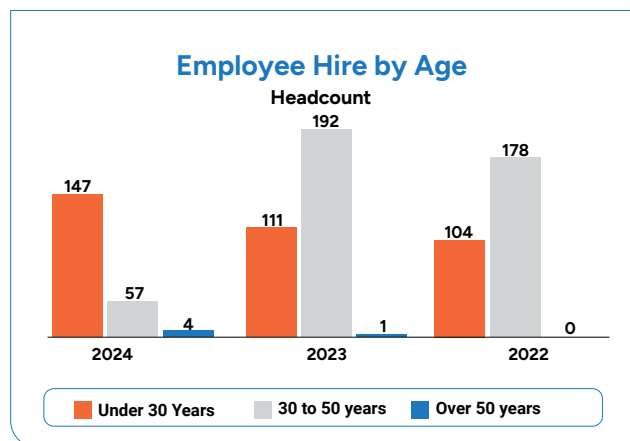
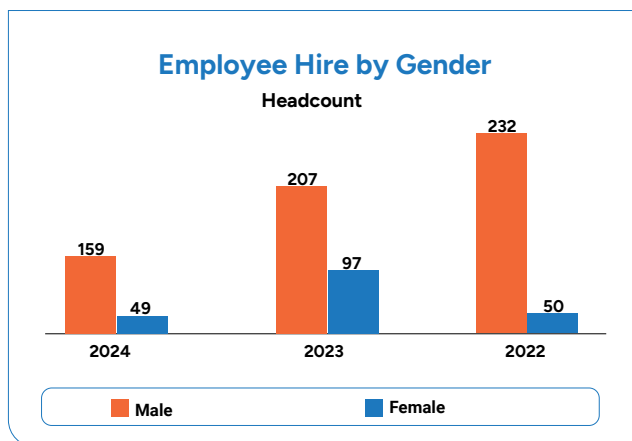
Third party employees were as follows:



EMPLOYMENT

Axia Corporation Limited places high priority on employee recruitment and retention, while also striving to promote diversity in terms of gender and age. When hiring employees, we recruit individuals who not only possess the required skills and qualifications but also align with the Group's values. This ensures a cohesive and value-driven work environment.

Employee movement in FY24 was as follows:



Our Employees (cont'd)

EMPLOYEE RELATIONS

As Axia Corporation Limited, we are committed to uniform, just, and fair labour practices, which yield numerous positive impacts. These include a rise in production, increased well-being of workers, improved working conditions, and enhanced relationships at work. Our focus on better dispute settlement, guided by the principles of our Collective Bargaining Agreement (CBA), has further strengthened our brand image and reduced employee turnover. Effective management of employee relations is critical for our Group, as strong relationships with our employees result in higher engagement, better legal compliance, and improved retention rates. However, neglecting employee welfare and relations can lead to significant negative outcomes. Poor treatment can result in low employee morale, disengaged employees, and ineffective Group performance, all of which contribute to a decline in economic activity. This may manifest as a sharp increase in sick days, a high turnover rate, and cognitive depletion due to skill flight. Additionally, restricted career growth and limited employment opportunities hinder our potential for economic growth.



The Group prioritised open communication, fair labour practices, and employee engagement. This includes adherence to the Employment Code of Conduct and Grievance Procedures SI45/93 for non-managerial employees, as well as the National Code of Conduct SI 15/2006 for managerial employees. We empower employees to voice their concerns by establishing clear channels for feedback, adopting a culture of trust and collaboration. Further, our investment in training and development opportunities underscores our commitment to employee growth, mitigating turnover and boosting morale. By actively promoting a positive workplace environment that values employee contributions, the Group has significantly reduced the likelihood of industrial relations matters, creating a stronger employer-employee relationship. We closely monitor key performance indicators such as absenteeism rates, labour turnover, and the retention of high performers to ensure effective employee management.



Our goals include maintaining controllable employee costs, achieving high availability, enhancing employee engagement and relations, reducing workplace accidents, and minimising turnover rates. To support these objectives, we communicate the Group's vision to all employees and regularly assess our employee turnover rate and engagement levels, particularly during the hiring of new employees. Axia Corporation Limited made considerable progress in engaging employees and complying with the Labour Act [Chapter 28:01], as evidenced by the effective administration of employee salaries, the scheduling of regular meetings, and the accessibility of budgeted positions.

We are committed to treating all employees with respect and dignity, ensuring fair and equitable treatment, and addressing grievances in a timely manner. Our initiatives, including liaison meetings and National Works Council meetings, improved communication regarding job openings, and working conditions, creating a more inclusive and supportive work environment for all.

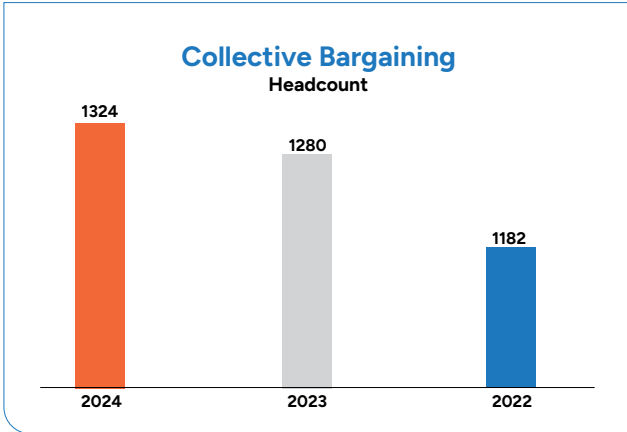
Our Employees (cont'd)

COLLECTIVE BARGAINING

Axia Corporation Limited upholds employee rights to belong to collective bargaining and the National Employment Council for the sector which represent employee welfare interests. Employees covered under CBA were as follows:

Most employees are affiliated with National Employment Councils across the following sectors:

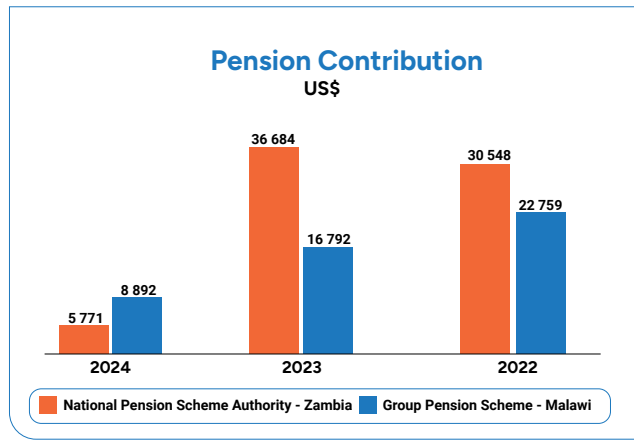
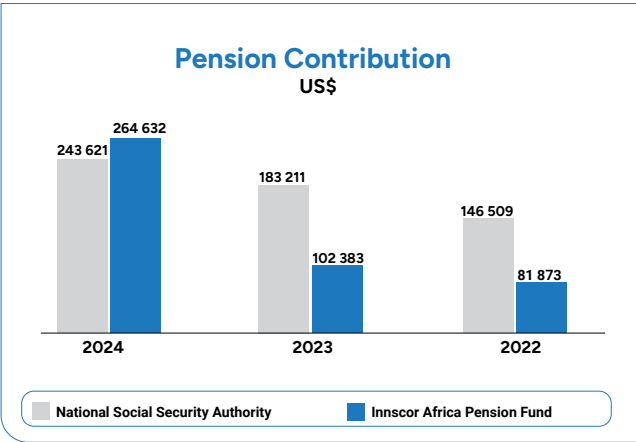
- Motor Industry;
- Furniture and Manufacturing Industry; and
- Retailers and Wholesalers.



POST-EMPLOYMENT CONTRIBUTIONS

The Group contributes to employee retirement schemes under the statutory National Social Security Funds scheme and Group Pensions administered under the Innscor Africa Pension Fund.

For FY24, pension contributions are stated below:



Our Employees (cont'd)

PARENTAL LEAVE

Axia Corporation limited in accordance with the Labour Act [Chapter 28:01] offers parental leave to all employees. Adjacent are the statistics of employees who took parental leave in FY24:

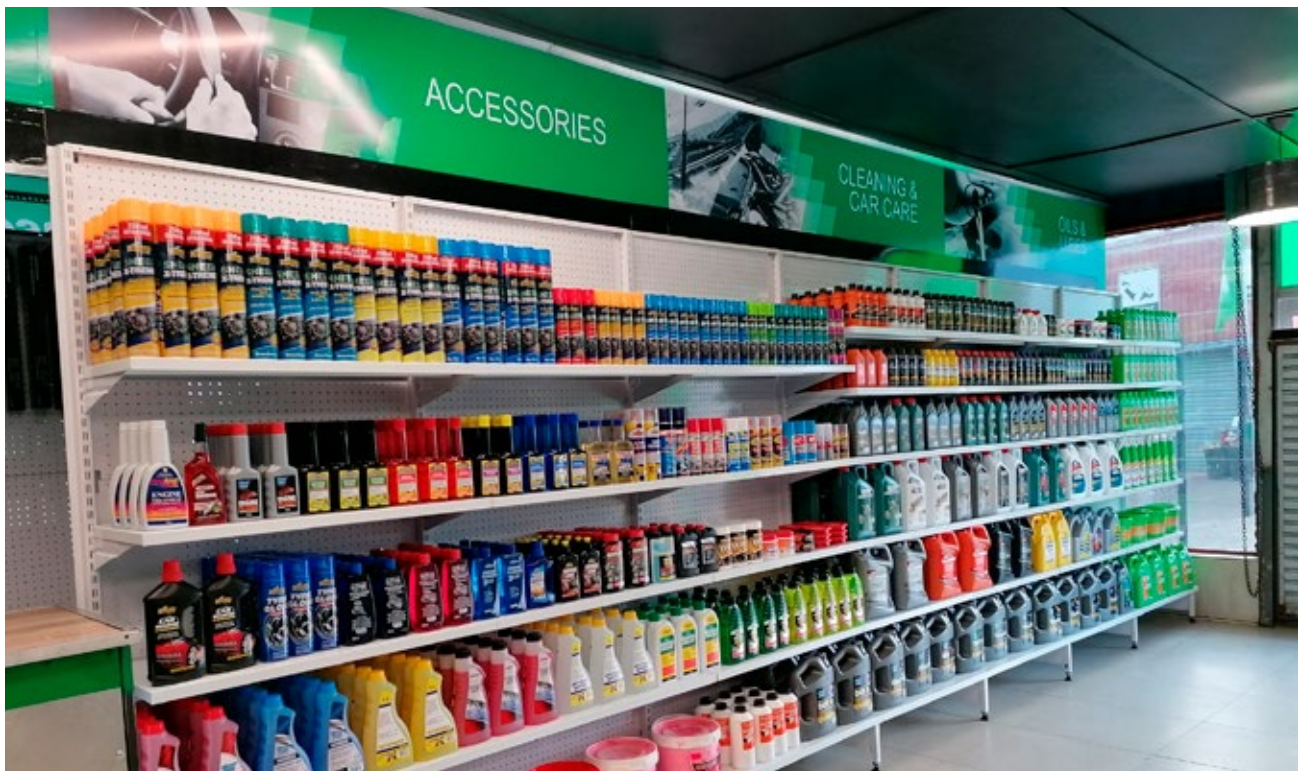
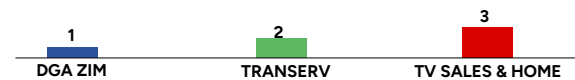
SKILLS DEVELOPMENT

Axia Corporation Limited recognises the importance of training and development as essential in shaping productive and efficient employees. Our training and development initiatives equip our employees with the skills and knowledge needed to perform their tasks more effectively. This leads to better customer service, quicker problem-solving, and improved operational efficiency. Providing continuous development opportunities creates a positive work environment, boosting morale and job satisfaction.

Further, these programs enhance the adaptability and innovation of our employees by informing them of updates in industry trends, new technologies, and best practices, making the Group more adaptable to market changes. However, developing and implementing training programs is costly, especially for our large retail Group. Costs include hiring trainers, purchasing materials, and allocating time away from normal work duties, which temporarily affects productivity. Conducting training sessions, especially during business hours, disrupts regular operations. This results in fewer employees available on the shop floor, leading to longer customer wait times and reduced service quality. Additionally, we experienced resistance to change as some employees are comfortable with current practices and do not acknowledge the importance of these programs. This resistance hinders the effectiveness of the programs and lowers employee engagement levels.

Employees that Took Maternal Leave

Headcount



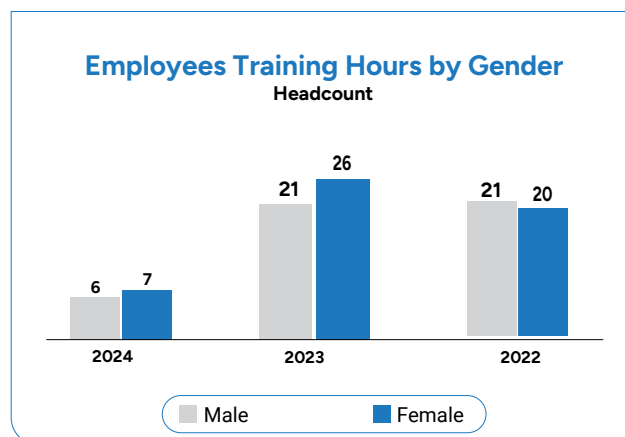
Our Employees (cont'd)

SKILLS DEVELOPMENT (CONT'D)

Our Learning and Development Policy aims to enhance human resource capability, enabling employees to fully realise their potential by creating an environment that supports learning and growth. We encourage trainees to provide feedback on training programmes and regularly evaluate these programmes to ensure their effectiveness. Additionally, we established Bonding Training Agreements for employees attending high-cost training programmes, such as SABRE, and offer 'train the trainer' courses to build internal capacity. While our training and development programmes provide numerous benefits to the Group, balancing costs, minimising operational disruptions, and managing resistance are vital for maximising their effectiveness. To address these challenges, we introduced a training and development budget and encouraged our employees to join professional bodies such as The Institute of Chartered Accountants of Zimbabwe (ICAZ) and the Association of Chartered Certified Accountants (ACCA), which further enhance our initiatives and help reduce training costs. We empower management to act as change champions to mitigate resistance, cultivating a supportive culture. To minimise disturbances during training periods, we stagger employee training sessions, ensuring minimal disruptions to our operations. Further, we encourage our employees to maintain full compliance with the Continuous Professional Development (CPD) requirements of their respective boards.

We implemented a Training Needs Analysis which encompasses various components aimed at enhancing employee performance and productivity while improving teamwork and communication skills. Key activities include monitoring participant progress, tracking performance metrics, and conducting Return on Investment (ROI) analysis. We conduct post-training evaluations, such as product knowledge tests and 360-degree feedback from line management, together with KPIs assessments and annual external audits to gain insights into employee development. Additionally, mystery shopping feedback and skills audits contribute to creating competent employees that contributes to higher employee retention, satisfaction ratings, and reduced turnover. This assessment relies on key performance indicators, including customer satisfaction, operational efficiency, and compliance with regulations, informed by regular stakeholder feedback and communication. Strategies such as employee multi-skilling and internal promotions further enhance retention, while lessons learned highlight the importance of customer satisfaction, continuous innovation, employee training, and strategic partnerships. To embed these insights into our operational policies, we prioritise customer service delivery, collaborate with suppliers for training, and utilise virtual training platforms such as Great People.

Training Hours for FY2024, were as follows



Employee Safety



Our Human Resources Policy emphasises the importance of OHS as a fundamental aspect of our commitment to employee well-being while ongoing efforts include implementing regular safety training and continuous improvement of safety standards.



Lost Days due to Injury
800%
Increase from 10 in FY2023



High Consequence Work Related Injury
560%
Increase from 10 in FY2023

OCCUPATIONAL HEALTH AND SAFETY (OHS)

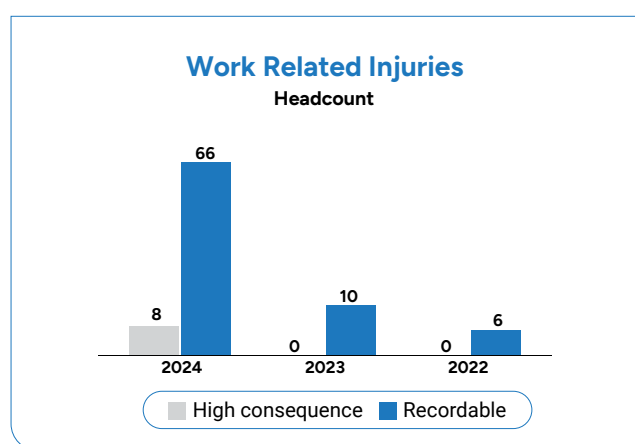
Axia Corporation Limited aims to foster a safe and healthy work environment through management of Occupational Health and Safety (OHS). This commitment is crucial for preventing and promoting the overall well-being of our employees. Our OHS practices led to numerous positive outcomes including enhanced employee well-being and productivity, as healthy employees are generally more motivated and engaged. Moreover, the Group's compliance with legal requirements mitigates the risk of legal issues and fosters positive relationships with regulatory bodies. Further, a strong commitment to OHS enhances Axia Corporation Limited's reputation among stakeholders, which improves employee retention, customer loyalty and attracting new talent. However, inadequate OHS management can result in negative impacts, as the establishment of safety programs often incurs initial costs for safety equipment and employee training, which can strain resources for a retail group operating on thin margins. Training sessions and audits may disrupt daily operations, impacting productivity and customer service. Introducing new OHS measures may face resistance from employees who perceive them as burdensome, potentially leading to decreased morale and compliance.

Employee Safety (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (OHS) (CONT'D)

Our Human Resources Policy emphasises the importance of OHS as a fundamental aspect of our commitment to employee well-being while ongoing efforts include implementing regular safety training and continuous improvement of safety standards. To measure our progress, we established specific targets and performance indicators, such as aiming for zero workplace accidents and achieving 100% compliance with OHS regulations. Key performance indicators utilised include tracking the number of accidents, completion rates of mandatory OHS training, and the reduction of manual handling injuries.

Employee work related injuries were as follows:



*The increase in work related injuries is due to a business whose data we were not including in the last two years and due to refinements in data collection we have now included in the current year. Most of the injuries occurred in the cutting, sewing and upholstery parts of the business.

HAZARD IDENTIFICATION AND RISK ASSESSMENT, (HIRA)

Our approach to HIRA involves a process for recognising work-related hazards and assessing associated risks. Each shop manager is responsible for minimising OHS incidents within their locations, particularly in our retail operations where risks may arise from factors such as reckless driving during deliveries. To mitigate these risks, we ensure that our vehicles are regularly serviced and that drivers receive adequate rest. In our manufacturing units, such as Legend Lounge and Restapedic, we employ trained artisans to further reduce the likelihood of accidents. Regarding stakeholder engagement, we prioritise transparent communication about OHS performance. Employees are informed of OHS issues through bulletin boards and notifiable occurrences documented in our main board communications.



Employee Safety (cont'd)

HAZARD IDENTIFICATION AND RISK ASSESSMENT, (HIRA) (cont'd)

Work related hazards that pose a risk of high consequence injury:

HAZARD	HAZARD IDENTIFICATION	MITIGATION
FIRE	The combustible nature of wood-based products, flammable upholstery materials and electrical overloads pose risk.	Conduct fire drills to ensure everyone knows how to react in case of a fire.
DUST	Dust accumulation from wood products and automotive components have high respiratory health concerns.	Implement routine cleaning schedules to remove dust accumulation from work areas and equipment.
FALLING	Falling hazards stem from stacked inventory, slippery surfaces, uneven flooring, and improper handling techniques.	Conduct regular safety audits and training.
CHEMICALS	chemicals such as cleaning agents, solvents, and finishing materials pose risks of skin irritation, respiratory issues, and potential chemical burns if mishandled or improperly stored.	Use of appropriate personal protective equipment (PPE).
MOVING OBJECTS	Heavy furniture pieces and automotive parts pose risks of crushing injuries and accidents if not handled properly.	Training employees on safe practices for operating machinery and moving objects.
LIFTING OF HEAVY OBJECTS	Moving of raw material to production process sites is done manually for example timber and foam.	Ensure that all employees are trained in the safe operation of these tools.

DELIVERY DRIVERS WORKING CONDITIONS

The Group ensures optimal working conditions for drivers as a fundamental aspect of its operational strategy. We understand that the environment in which our drivers work in significantly influences their performance, safety, and overall job satisfaction. The Group enhances productivity and strengthens its reputation as a responsible and supportive employer in the logistics sector by prioritising their well-being. When drivers are equipped with safe vehicles, adequate rest breaks, and fair compensation, their efficiency increases, leading to timely deliveries and improved customer satisfaction. Additionally, maintaining safe working conditions reduces the risk of accidents, which in turn lowers our exposure to liability and insurance costs. A positive work environment fosters higher morale and retention rates, reducing the need for costly recruitment and training efforts. However, we are aware that poor working conditions can have serious repercussions. Factors such as long hours, insufficient breaks, and pressure to meet tight schedules can lead to driver fatigue, increasing the likelihood of accidents and long-term health issues. High turnover rates, driven by dissatisfaction with working conditions, not only disrupt operations but also inflate training costs and impact supply chain efficiency. Further, neglecting the welfare of our drivers can damage our reputation and lead to legal challenges.

Recognising these dynamics, we are committed to adhering to industry standards and prioritising driver welfare. Our procedures align with recommendations from workers' councils and the National Employment Council (NEC) to ensure compliance with minimum standards for driver welfare. We provide medical aid for permanent employees and ensure they have adequate leave days to promote health and well-being.

Tracking driver departures serves as a critical metric for assessing the effectiveness of our efforts, as high turnover can signal underlying issues that need to be addressed promptly. We learned that stabilising our employees is crucial, given the significant costs associated with retraining departing drivers. We strive to create an environment that not only attracts talent but also retains it. Engagement with stakeholders has been invaluable in shaping our approach, feedback from drivers, regulatory bodies, and industry partners highlighted key areas for improvement. This collaborative effort allows us to adapt our strategies effectively, ensuring that our initiatives align with the needs and expectations of our employees.

Employee Safety (cont'd)

ACCIDENT AND SAFETY

Axia Corporation Limited is dedicated to enhancing accident and safety management as a fundamental aspect of our operational framework. We identify that safety practices are essential for compliance with local and international regulations and fostering a secure work environment that enhances employee morale and productivity. The Group aims to minimise workplace accidents and injuries, ensuring that employees feel secure in their roles, which ultimately leads to improved operational efficiency, particularly in fast-moving sectors like FMCG by prioritising safety. However, we acknowledge the challenges that come with implementing comprehensive safety programs. While these initiatives are vital for reducing accidents and enhancing workplace safety, they may result in increased operational costs and potential temporary slowdowns in operations due to rigorous compliance checks and training. In addition, issues such as last-minute deliveries can complicate route planning, leading to longer driving times without adequate rest, which could affect safety.

We established a series of policies and commitments aimed at enhancing safety across all levels of our operations. This includes providing regular safety training for employees, enforcing a Zero-Tolerance Policy for safety breaches, and continuously improving our safety standards through technology and employee feedback. We conduct regular risk assessments and invest in modern safety equipment and personal protective gear, ensuring that our employees are well-equipped to handle potential hazards. The Group is in the process of refining our assessment protocols to track the effectiveness of our safety measures. Currently, we monitor compliance with driver licensing and training requirements, and in some of our business units, we introduced breathalysers to combat impaired driving. We aim to reduce accidents due to human error and are developing measurable metrics to evaluate our safety performance accurately. Engagement with stakeholders has been instrumental in informing our safety strategies. Feedback from employees and safety audits helps to identify areas for improvement, allowing us to adapt our policies effectively.



Circular Economy



Our commitment to materials stewardship involves a proactive approach to the entire lifecycle of materials, from sourcing and production to usage and disposal.

RAW MATERIALS

We recognise that responsible management of materials is essential for sustainable growth and environmental protection. Our commitment to materials stewardship involves a proactive approach to the entire lifecycle of materials, from sourcing and production to usage and disposal. Central to this effort is our focus on sustainable sourcing, particularly concerning raw materials. By prioritising the procurement of sustainably sourced materials, we aim to minimise environmental impacts and support ethical practices in our supply chain. This is crucial given the increasing demand for raw materials, which poses challenges like resource depletion and ecological degradation.



Raw Materials

17%

Increase
from 1,407 tonnes in FY2023



Recycled Materials

45%

Increase
from 80 tonnes in FY2023



Liquid Fuels

28%

Decrease
from 1,619 litres in FY2023



General Waste

6%

Increase
from 17 tonnes in FY2023

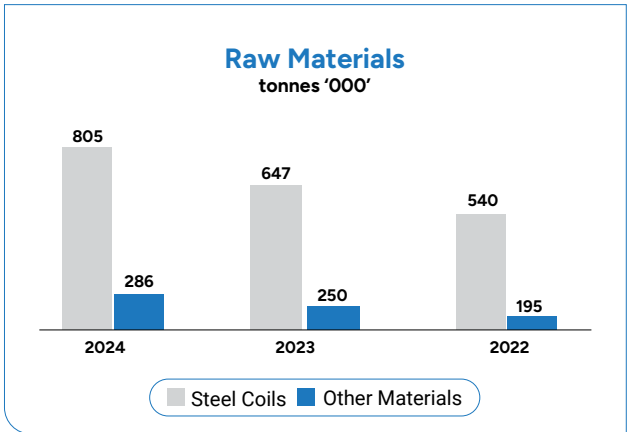
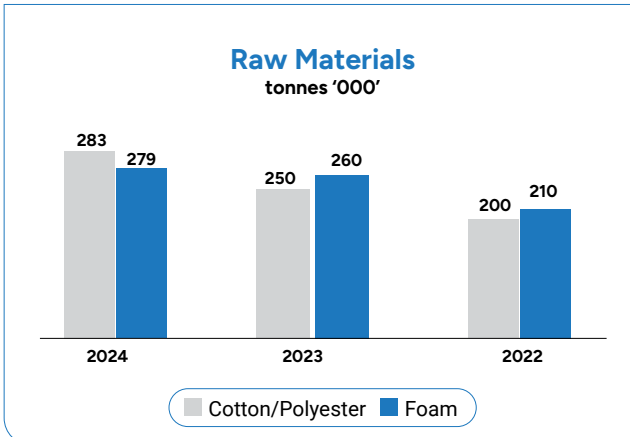
Circular Economy

RAW MATERIALS (CONT'D)

Efficiency in production is another key principle of our materials stewardship. We adopt advanced manufacturing technologies and processes designed to reduce waste, conserve energy, and optimise resource use. This not only lowers our operational costs but also contributes to a smaller carbon footprint. Further, by integrating recycled and alternative materials into our production, we can reduce our reliance on virgin raw materials, thereby addressing environmental concerns associated with their extraction.

Looking ahead, our commitment to materials stewardship enhances our operational efficiency and strengthens our reputation as a responsible corporate citizen. We are setting ambitious targets for reducing our environmental impact and fostering innovation in sustainable materials. By engaging with our stakeholders, we aim to build a greener future. Through these efforts, Axia Corporation Limited is dedicated to not only addressing the challenges related to raw materials but also paving the way for sustainable practices that align with the global imperative for environmental responsibility.

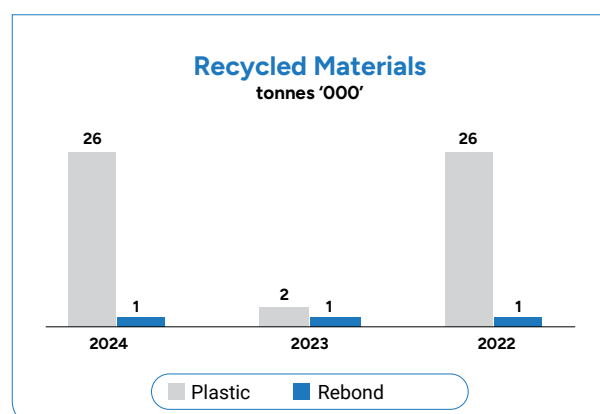
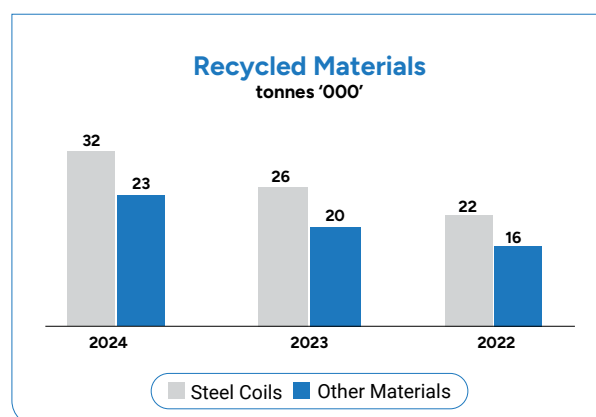
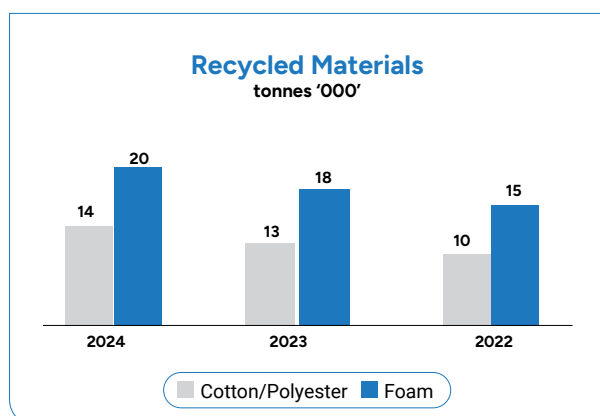
Raw Materials



Circular Economy (cont'd)

RAW MATERIALS (CONT'D)

Recycled Material



We resolved to buy most packaging plastic from a local supplier who uses recycled plastic.

Circular Economy (cont'd)

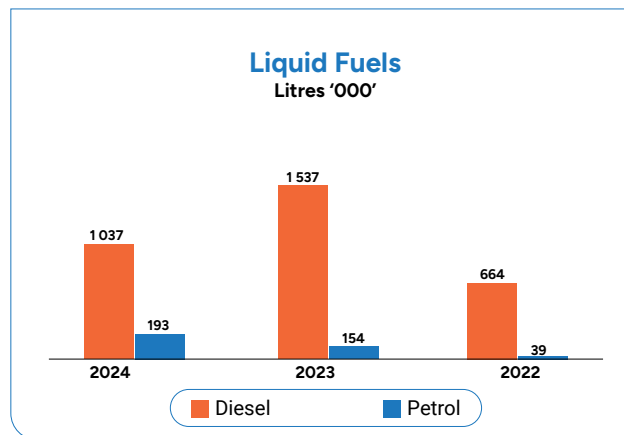
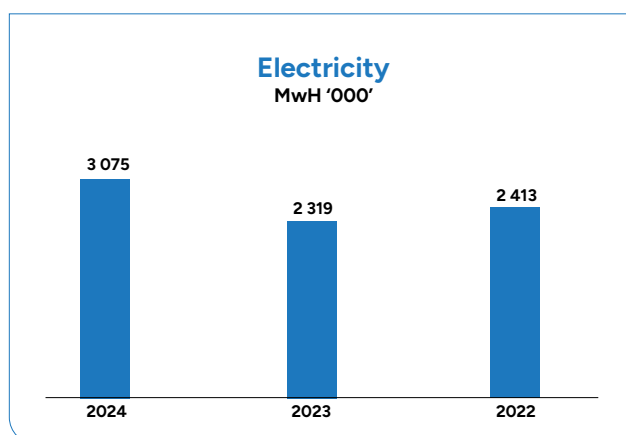
ENERGY

The Group is dedicated to responsible energy management, balancing operational needs with environmental considerations and cost efficiency. We use energy for essential business operations, including powering computers, lighting, and heating our premises. We actively encourage our employees to be mindful of energy consumption, implementing measures such as turning off unused equipment and optimising heating and cooling systems. Regular maintenance of our electrical systems and equipment ensures they operate at peak efficiency. By managing our energy use responsibly, we aim to achieve cost savings that contribute to our profitability and maintain good relations with stakeholders. We recognise that increased energy costs could lead to higher operational expenses, potentially risking financial losses and straining stakeholder relationships. Through clear communication and training, we emphasise the importance of energy management practices in sustaining our business.

We are committed to ensuring optimum use of energy across our operations. Our energy management strategy focuses on both efficiency and sustainability ensuring that energy is only used when necessary and promptly switched off when not in use, minimising waste and reducing our overall consumption. As a Group, we have action plans to control the impacts of energy use, with our primary initiative being the transition to alternative energy, mainly solar-powered operations. This strategic move aligns seamlessly with our business model, as we also distribute solar products.

We aim to lead by example in adopting the very technologies we offer to our customers. This transition demonstrates our commitment to reduce our long-term operational costs and environmental footprint. Through these initiatives, we strive to balance operational needs with environmental responsibility, ultimately contributing to our profitability and maintaining positive relationships with our stakeholders.

Energy consumption for the reporting period was as follows:

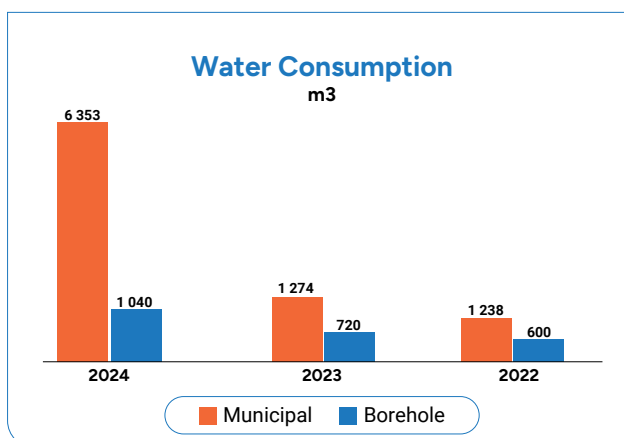


WATER

Our water usage reflects our commitment to responsible resource management as a retailer. We acknowledge that water is a vital resource, primarily used in our kitchen operations, ablution services, and cleaning processes. To minimise wastage, we actively seek to implement best practices that promote efficient water use while ensuring that all effluent is directed through an approved drainage system. This guarantees compliance with local regulations and protects our local water sources from contamination. Through regular employee training and annual policy reviews, we strive to foster a culture of water conservation.

We prioritise proper drainage systems that are connected to approved City of Harare pipes, ensuring effective water disposal across all our premises. Recognising the importance of water conservation, we primarily utilise borehole water and actively encourage employees to use water sustainably. We conduct thorough inspections to ensure compliance with our water management standards before securing any retail site.

Our water consumption is:



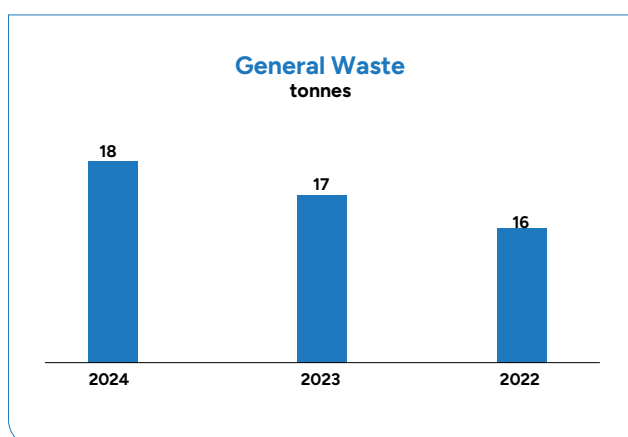
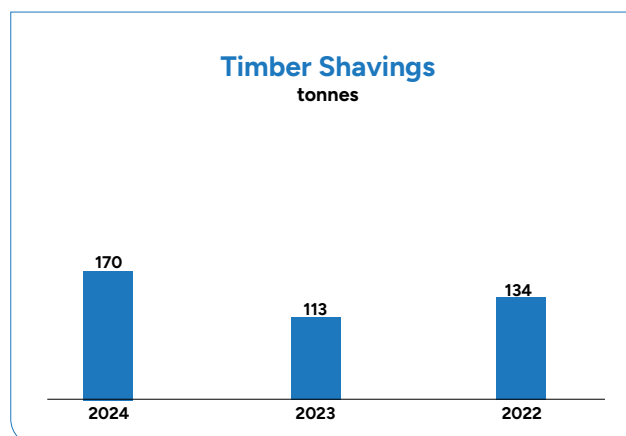
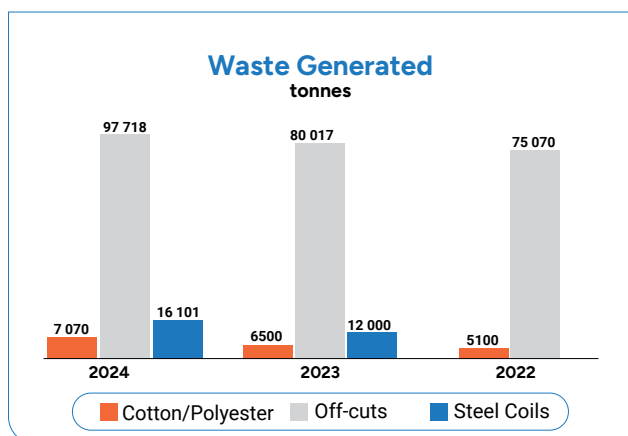
Circular Economy (cont'd)

WASTE

Axia Corporation Limited recognises the importance of reducing, reusing, and recycling the waste generated across our operations. All waste is disposed through the general sewer and regular garbage collection, in accordance with standard practices. We aim to improve our inventory management to reduce perishable waste, donate unsold food to local charities, and establish composting programs for expired goods. Our factory produces foam, dacron, fibre, fabric and leather offcuts. We have a policy to sell foam, fabric, leather and dacron offcuts to third parties who use them. Additionally, fabric and leather offcuts are donated to Danhiko and Jairos Jiri Children's home who use them in their handcraft activities. We then dispose any leftovers to Pomona Waste Management. During the reporting period, we established a liquidation shop at TV Sales and Home, where offcuts, damaged goods and returned goods are sold at reduced prices.

The Group targets to reduce food waste by 50% by FY25 in the distribution business. We aim to improve inventory and reduce paper waste by 50% in FY25 through a paper reduction use in our administrative and retail operations by shifting to digital receipts and electronic billing. We implemented a no colour printing and reusing printed papers as well as back-to-back printing across most of our subsidiaries. Additionally, the Group aims to achieve a 30% reduction in overall waste generated across all stores and warehouses by 2025. We implemented waste audits, optimised packaging, reduced single-use items in our operations. Through this, we found that the most effective way for waste reduction is employee training and changing our culture towards waste.

Waste Generated



Off- cuts consist of the following:

- Foam off-cuts
- Dacron off-cuts
- Fabric off-cuts
- Leather offcuts

General waste consists of the following:

- Plastic
- Cardboard boxes
- Brake dust

Climate Change



The Group is committed to addressing climate change through policies focused on digitalisation, energy efficiency, and reduced paper usage.

CLIMATE CHANGE

The Group acknowledges that its operations contribute both positively and negatively to the environment. While paper consumption from printing activities contributes negatively to environmental sustainability, the Group is addressing this through digitalisation efforts and the procuring fuel-efficient vehicles. Potential positive impacts include cost savings from energy efficiency measures, gaining a competitive edge in Zimbabwe's retail market as an early adopter of climate-conscious practices, and access to green financing opportunities. Our operations and business relationships are directly linked to climate impacts, particularly through energy consumption and supply chain interactions. To mitigate negative impacts and capitalise on positive opportunities, the Group is implementing initiatives such as energy-efficient lighting, exploring renewable energy sources like solar power, and positioning itself as a responsible business.



Scope 1 Emissions
(kg CO₂/litre '000')

26%
Decrease
from 3,303 in FY2023



Scope 2 Emissions
(kg CO₂/MwH '000')

32%
Increase
from 816 in FY2023

Climate Change (cont'd)

CLIMATE CHANGE (CONT'D)

The Group is committed to addressing climate change through policies focused on digitalisation, energy efficiency, and reduced paper usage. We actively monitor electricity consumption and implement practices such as turning off lights when not in use. The Group is pursuing solar energy installations to leverage Zimbabwe's abundant sunlight, thereby decreasing reliance on the national grid. In addition, efforts to track and minimise paper usage are underway. Further initiatives include local sourcing to cut transportation emissions, upgrading to energy-efficient LED lighting and appliances, and exploring rainwater harvesting systems. The Group promotes sustainable products and packaging by offering eco-friendly options and shifting to sustainable, recyclable, or biodegradable packaging for our in-house brands. Axia Corporation Limited has taken significant steps towards managing climate change and energy consumption. We learnt that relying solely on diesel power can be expensive and we are now transitioning to a blend with solar energy to reduce our environmental footprint. To monitor progress, we track monthly energy bills and printing costs, which have shown our branch managers' commitment to keeping costs low has been effective.



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks are continuously monitored for their physical impacts and financial implications on Axia Corporation Limited. During the period, we tracked the following:

Risk	Description	Classification	Mitigation Measures	Financial Impacts
Heat Wave	Heat Wave – The tyres of the distribution trucks would have been affected from the El Nino induced heat.	Physical	Investing in use of high-quality tyres that can sustain transportation over long distances.	Costs of frequent tyre changes may increase the overall operational costs
Energy Supply Disruptions	Low generation of electricity due to low water levels at Lake Kariba results in increased use of diesel generators	Transition	Investing in use of solar energy.	Initial capital outlay for purchase of solar panels may be substantial.
Emissions	Increased use of fossil fuels used to power delivery vehicles	Transitional	Investment in hybrid and electric vehicles Frequent car servicing to make car engines efficient	Increased initial costs in procuring and maintaining hybrid and electric vehicles
Drought	The El Nino drought caused disruptions in agriculture leading to issues related to acquisition of cotton used in making beds.	Physical	The Group can consider contract farming and importations.	Loss of revenue due to operational disruptions.

GREENHOUSE GAS (GHG) EMISSIONS

We are committed to investing in renewable energy solutions, as demonstrated by our transition to solar power across our stores, warehouses, and distribution centres. We reduced our fleet emissions by adopting fuel-efficient vehicles and telematics to monitor and optimise our routes. However, it is important to recognise that our fleet operations directly contribute to greenhouse gas emissions through fuel consumption. The Group faces indirect emissions from the production and supply chain of our vehicles, as well as the energy required for charging. Our emissions are further exacerbated by inefficient route planning and the retention of older vehicles. Further, our suppliers and logistics partners contribute to the overall emissions associated with our operations.

The business conducts regular audits to ensure compliance with environmental policies and procedures as we track progress towards emissions reduction targets using key performance indicators, such as fuel consumption per kilometre. We aim to reduce fleet emissions by 20% within the next five years and achieve annual fuel savings of 15% through improved route optimisation and vehicle maintenance. We monitor fuel consumption per vehicle and assess emission levels from our fleet operations. The Group implemented more efficient logistics practices, such as route optimisation software, and invested in hybrid or electric delivery vehicles to enhance our logistics and transportation efficiency. We strengthened our supply chain resilience by sourcing products from local suppliers whenever possible and adopting sustainable practices. Further, we diversify our suppliers to mitigate vulnerability to climate-related disruptions.

To support our efforts, we established a vehicle maintenance programme that provides detailed guidelines and procedures for the servicing and upkeep of our vehicles. We implemented a cost realignment due to high energy and fuel costs. Our drive to solar energy is an outcome of the engagements we made with our stakeholders. Plans are in progress to improve and optimise deliveries such as the setting up of a centralised distribution centre for the Group and its subsidiaries.

Climate Change (cont'd)

CARBON FOOTPRINT

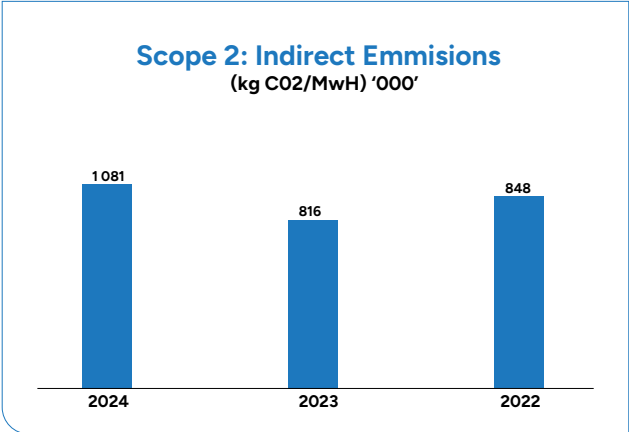
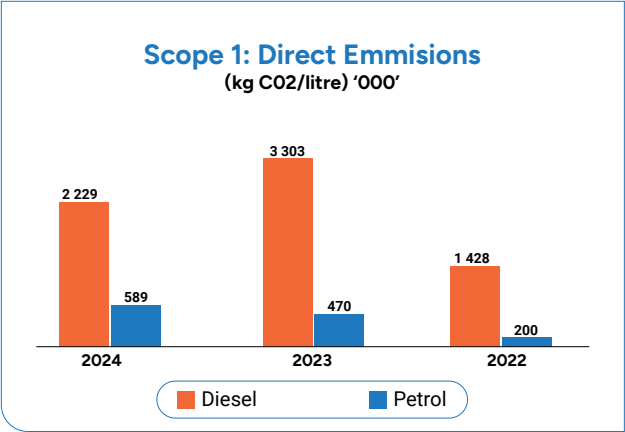
Scope 1 (Direct Emissions)

The Group converts its energy consumption, including diesel, petrol, and electricity, into carbon dioxide equivalent (CO₂e) using internationally accepted conversion factors. For Scope 1 direct emissions from diesel and petrol, Axia Corporation Limited applied the United Kingdom (UK) Government's GHG Conversion Factors.

Scope 2 (Indirect Emissions)

These are emissions from the consumption of energy generated and supplied by a third party over which Axia Corporation Limited has no control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Emissions for the reporting period were as follows:



Investing in the Community



Corporate Social Responsibility (CSR) is integral to our operations, guiding our commitment to invest in the communities and societies where we operate.



COMMUNITY RESPONSIBILITY (CR)

Corporate Social Responsibility (CSR) is integral to our operations, guiding our commitment to invest in the communities and societies where we operate. The Group's CSR initiatives are designed to enhance our impact on the environment, economy, and Human Rights while addressing the challenges that may arise. Through these efforts, we aim to foster a strong reputation, build customer loyalty, and attract talented individuals by demonstrating our dedication to ethical practices and social values. Our CSR activities yield significant benefits, including enhancements in our reputation and operational efficiencies such as energy savings and waste reduction. We recognise the resource-intensive nature of implementing effective CSR strategies, which requires careful management to ensure authenticity in our contributions and avoid perceptions of greenwashing.

The Group is dedicated to upholding CSR policies that prioritise sustainable practices and ethical labour. Moreover, these policies include sourcing materials locally such as timber for our furniture manufacturing which supports local farmers and businesses while investing in community development projects. Our actions to manage CSR and mitigate potential impacts include actively giving back to communities through donations and sponsorships.

The Group continuously assesses its progress through annual reporting, enabling us to monitor effectiveness and identify areas for improvement. Our goals focus on local sourcing, community investments in education and healthcare, and maintaining 100% compliance with ethical labour practices, further highlighting our commitment to social responsibility. As we strive to achieve these goals, we learnt valuable lessons through engagement with our stakeholders. The feedback indicated the necessity for greater community involvement, prompting us to partner with organisations like Society for the Prevention of Cruelty to Animals (SPCA) Zimbabwe. This collaboration enriched our understanding of community needs and shaped our actions, ensuring they align with stakeholder expectations.

Investing in the Community (cont'd)

SUSTAINABLE DEVELOPMENT GOALS

The Group aligns its operations and Corporate Social Responsibility (CSR) strategy to United Nations Sustainable Development Goals. In FY2024 the Group, focused on the following SDGs, SDG3, SDG8, SDG 13, SDG 15 and SDG17



COMMUNITY RESPONSIBILITY INVESTMENT

Good Health & Wellness



Beneficiaries

Think Pink
Cancer Network
GHOL Recovery Retreat
Sunshine project
Island Hospice
Leon Trust

Items donated include some of the Group's products and cash contributions

To Promote Animal Welfare And General Philanthropy



Beneficiaries

SPCA
Kwekwe Community
Zimbabwe Republic Police
National University of Science and Technology (NUST)
St Johns College Trust

Items donated include some of the Group's products and cash contributions

Financial Impacts



We aim to uplift communities and contribute to improved living standards by paying taxes and generating employment.

SUSTAINABLE PROCUREMENT

We make it our priority to maintain good relations with our suppliers to reduce the risk of disruptions which can cause late deliveries. We aim to support local suppliers for certain raw materials and finished goods as we aim to uplift the vulnerable groups in the communities in which we operate. Axia Corporation Limited's Procurement Policies guide our decision-making regarding responsible sourcing and supply chain management. Our commitment is to give a fair chance to all vulnerable groups and ensure we adhere to ethical procurement procedures. We carry out strict supplier vetting processes to ensure that we engage reliable, ethical and high-quality partners.



Supplier Spending (USD)

8%

Decrease
from 107,026 tonnes in FY2023



Number of Suppliers

16%

Decrease
from 254 tonnes in FY2023



Total Payments to Government (USD)

3%

Increase
from 19,780 in FY2023

Financial Impacts (cont'd)

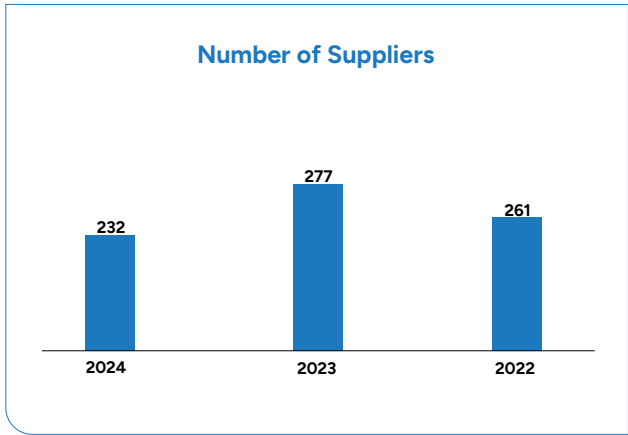
DIRECT ECONOMIC VALUE GENERATION AND DISTRIBUTION

As Axia Corporation Limited, we regard economic performance as a cornerstone of our mission to drive sustainable development and create lasting value for our stakeholders. Our operations extend beyond profitability, they encompass a commitment to enhancing the economic landscape of the countries we operate. We aim to uplift communities and contribute to improved living standards by paying taxes and generating employment. In pursuing our vision of delivering high-quality consumer and durable goods, we recognise that strong economic performance is essential for fostering wealth distribution and alleviating societal challenges. While we face challenges such as reliance on imported products, we are dedicated to maintaining policies that promote local engagement and quality assurance in our offerings.

Our approach combines experienced leadership, industry expertise, and innovative practices to ensure long-term growth and resilience. As we work to strengthen our performance, we remain focused on our responsibilities to shareholders, employees, suppliers, and the communities we serve. We understand that our economic activities have far-reaching impacts, including our role in supporting local industries through employment and services. Further, the Group's dedication to responsible business practices is evident through our measures to manage economic performance, ensuring that we align our operations with the broader goals of societal advancement and environmental stewardship.

For detailed information on the direct economic value generated and distributed, please refer to pages 91 to 94 of our financial statements. These pages provide a comprehensive overview of the economic impact we have achieved.

Procurement in the period under review was as follows:



Financial Impacts (cont'd)

TAX MANAGEMENT

The Group's Tax management encompasses compliance with all tax laws and regulations applicable to Axia Corporation Limited. We have a tax strategy, and we take a proactive approach to plan our tax matters to ensure we are compliant. Payment of taxes by Axia Corporation Limited contributes to fiscal revenue in the countries we operate. Our compliance with tax laws, avoids costly penalties, fines, and legal issues that arise from non-compliance. Compliance improves reputation with customers, investors, and regulators, fostering trust and potentially leading to increased business opportunities. Proper tax compliance helps in accurate financial reporting and planning, which can lead to better financial stability and decision-making. Many tax laws offer incentives, such as deductions and credits, which can reduce the overall tax burden and improve profitability.

However, compliance often requires significant resources such as hiring tax professionals, investing in compliance software, and training employees, which can increase operational costs for the Group. Navigating complex tax regulations can be time-consuming and burdensome, diverting resources from core business activities and often requires the work of experts. Despite best efforts, the complexity of tax laws can lead to errors in tax filings, which can result in audits, penalties, and additional scrutiny from tax authorities. Balancing these impacts requires careful planning and a proactive approach to tax compliance.

OUR APPROACH

The Board is responsible for reviewing and approving our tax strategy. We have tax experts on a monthly retainer who assists the Group with tax reviews, updates, trainings, and liaison with the tax authorities and assist in all tax investigations. We conduct external and internal audits on tax compliance and tracking our performance. Our teams regularly attend workshops by the Revenue Authorities in Zimbabwe, Malawi and Zambia to stay updated with evolving compliance regulations. We engage tax authorities on matters needing clarity to ensure non-compliance is avoided.

Country by Country Tax payments

Country	2024	2023	2022
Zimbabwe	19 051 794	19 093 121	18 784 639
Zambia	533 575	231 366	290 005
Malawi	799 333	455 167	573 267
Total	20 384 702	19 779 654	19 647 911

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Financial Reports

The background of the slide is a dark blue, abstract image featuring various financial data visualizations. It includes a candlestick chart, a line graph with multiple colored lines (red, blue, green), and a bar chart, all rendered in a semi-transparent, glowing style.

The Group generated net cash of US\$7.925 million from operating activities, representing a 10% increase on the comparative year.

Report of the Audit and Risk Committee

The Audit and Risk Committee assists the Board in the fulfilment of its duties. The Audit and Risk Committee of the Board deals, inter alia, with financial reporting, compliance, internal control and risk management. It receives reports from the Group Finance Director, Internal Auditors, External Auditors and Company Secretary and meets at least three times a year.

FINANCIAL REPORTING

The Committee reviews the interim and full year financial statements before their submission to the Board for Approval. The Committee also advises the Board on changes in accounting standards and their implication on financial reporting. Key issues discussed in the financial year relate to:

- i) **Compliance with International Accounting Standard (IAS) 21: Effects of changes in Foreign Exchange rates.**
The Directors are of the opinion that in the comparative year, the Group did not adopt the provisions of IAS 21 to convert the Group's inflation adjusted financial statements from ZWL which was the previous functional currency into the new functional currency. Therefore, the Group applied alternative procedures and techniques in the translation of ZWL financial statements to USD financial statements in an endeavour to present the best possible view of the comparative financial performance and position of the Group, in terms of the newly assessed functional currency.
- ii) **Functional currency**
The Directors have conducted a thorough reassessment of the Group's functional currency during the current year. After evaluating the currency in which most the Group's key transactions are denominated, including labour, material and other costs of providing goods or services, and sales prices for the goods and services, the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The Directors have concluded that the USD continues to appropriately reflect the Group's functional currency. This determination is based on the fact that the USD remains the dominant currency influencing the Group's financial activities and the economic environment in which it operates.
- iii) **Key estimates, uncertainties, and judgements.**
These include determination of useful lives and residual values for property, plant and equipment, provision for obsolete stock and the calculation of the loss allowance. A detailed disclosure of these estimates, uncertainties and judgements was included in the Group Financial statements as part of the notes to the financial statements.
- iii) **Appropriateness of the going concern basis of accounting.**
This was discussed, noting the macro-economic challenges in Zimbabwe.

Report of the Audit and Risk Committee (cont'd)

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee looked into a wide range of matters with management, internal auditors and external auditors with respect to identified risks and responses thereon. The Group's Risk register, which is updated and reviewed quarterly was shared with the Committee. Below is a summary of matters and work performed by the Committee:

- i) Received and reviewed regular reports from the Group Internal Auditors on work performed against the Audit plan, Audit findings, management responses, evaluation of mitigating controls (if any) and remedial action as required.
- ii) Received reports from the Group Finance Director and Group Internal Auditors on frauds and losses. Work covered special investigations on identified matters and the Committee tracked these to the point of appropriate resolution and remedial action on any control weaknesses identified.
- iii) Received and discussed regular reports from the Company Secretary and Group Finance Director on matters of compliance, matters regarding corporate governance, changes in regulatory requirements (such as the Companies and Other Business Entities Act Chapter 24:31) and specific relevant litigations.
- iv) Received regular reports from the Group Finance Director on Group treasury and borrowings arrangements, changes thereof specifically noting the impact of shortages in foreign currency and liquidity challenges in the banking sector.

EXTERNAL AUDIT INDEPENDENCE AND EFFECTIVENESS

The Committee received confirmation of independence from the Group's external auditors, BDO Chartered Accountants (Zimbabwe) as required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the Public Accountants and Auditors Board.

The Committee meets separately with internal and external auditors without management.



T.N. SIBANDA

Audit Committee Chairman

26 September 2024

Directors' Responsibility & Approval of Financial Statements

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange ("VFEX") listing requirements except for the non-adherence to International Accounting Standard (IAS) 21 "The Effects of Changes In Foreign Exchange Rates" in the comparative numbers.

The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements. The financial statements are prepared with the objective of complying fully with International Financial Reporting Standards (IFRS). Complying with IFRSs achieves consistency with the financial reporting framework adopted by the Company and the Group since its inception. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the financial statements.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board of Directors recognises and acknowledges its responsibility for the Group's systems of internal financial control. Axia Corporation Limited maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records.

The Group's Audit Committee has met the external auditors to discuss their reports on the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. Any breakdowns in established control procedures have been reported to the Group's Audit Committee and the Board.

The Group and Company External Auditors, BDO Zimbabwe Chartered Accountants, have audited the financial statements and their reports appear on pages 84 to 88 and 143 to 145 for the Group and Company financial statements respectively.

PREPARER OF FINANCIAL STATEMENTS

The financial statements were prepared by Axia's finance department under the supervision of the Executive Director, Mr Simbarashe Mambanda (Chartered Accountant Zimbabwe (CA (Z), PAAB Registration number 0633).

Directors' Responsibility & Approval of Financial Statements (cont'd)

APPROVAL OF FINANCIAL STATEMENTS

The Group and Company financial statements for the year ended 30 June 2024, which appear on pages 89 to 141 and 146 to 153 respectively, have been approved by the Board of Directors and are signed on its behalf by:



L. E. M. NGWERUME

Chairman

26 September 2024



R. M. RAMBANAPASI

Executive Director

26 September 2024

Company Secretary's Certification

For The Year Ended 30 June 2024

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and all such returns are true, correct and up to date. I also confirm that the Company has complied with the Victoria Falls Stock Exchange Listing Regulations.



PROMETHEUS CORPORATE SERVICES (PRIVATE) LIMITED

Company Secretary

Harare

26 September 2024

Report of The Directors

For The Year Ended 30 June 2024

The Directors of Axia Corporation Limited ("the Company") have the pleasure of presenting their report, together with the audited financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2024.

PRINCIPAL ACTIVITIES

Axia Corporation Limited is a diversified group operating within the speciality retail and distribution industries selling products such as homeware furniture, electrical appliances and automotive spares and accessories as well as the distribution of many locally and internationally branded FMCG products into the general retail and wholesale sectors whilst offering logistics, transport, marketing, merchandising, storage and maintenance services thereon in Zimbabwe and the region.

FINANCIAL RESULTS

The financial results for the year ended 30 June 2024 are set out in detail in the accompanying financial statements. Key highlights include:

	30 June 2024 USD	30 June 2023 USD
Revenue for the year amounted to	193 849 387	203 749 965
Gross margin for the year amounted to	61 657 425	60 507 401
Profit after tax stood at	6 063 908	6 183 508
Profit attributable to shareholders of the Company was	3 426 711	3 759 927

Further details regarding the Group's financial performance and position are provided in the financial statements.

DIVIDENDS

The Board has decided not to declare a final dividend for the financial year ended 30 June 2024. The Group will be reinvesting most of its free funds towards the expansion projects which are aimed at creating additional business opportunities. The Board remains committed to prudent financial management and ensuring the long-term growth and sustainability of the Group. The Board hopes to resume dividend payments at the interim stage.

DIRECTORATE

The names of the Directors who served during the financial year are as follows:

- Luke Ngwerume, Chairman
- Ray Rambanapasi, Group Chief Executive Officer
- Simbarashe Mambanda, Group Finance Director
- Zinona Koudounaris, Non-Executive Director
- Thembiwe Mazingi, Independent Non-Executive Director
- Themba Sibanda, Independent Non-Executive Director

In accordance with the Company's Articles of Association, Zinona Koudounaris and Luke Ngwerume will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance. The Directors affirm their commitment to ensuring that the Company continues to adopt internationally recognized governance principles. The Group has implemented a framework of checks and balances to ensure accountability, transparency, and compliance with regulatory requirements.

AUDITORS

BDO Zimbabwe Chartered Accountants, the Company's auditors, have expressed their willingness to continue in office. A resolution for their reappointment and for the Directors to determine their remuneration will be proposed at the AGM.

Report of The Directors (cont'd)

For The Year Ended 30 June 2024

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31] and other applicable regulations. The Directors' responsibility statement is set out separately in this Annual Report.

GOING CONCERN

The Directors have assessed the ability of the Company and the Group to continue operating as a going concern. Based on the Group's current financial position and forecasts, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

OUTLOOK

The Group is hopeful that the Zimbabwe Gold (ZWG) will remain stable which will help ease import costs and improve pricing stability. Our efforts to boost demand in the formal market through close partnership with retailers have started to pay dividends.

The Group will aim to increase its product offerings and consolidate its market share by continuing to look for new markets for its products.

The Group's management teams remain committed to managing gearing levels by aligning the amount and cost of debt across the Group, enhancing free cash flow, investing free funds in high-return assets, managing foreign currency exposure, and safeguarding the balance sheet value.

The Group is looking forward to the execution of the following opportunities in the new financial year.

- Expansion of the store network at Transerv and TV Sales and Home
- Completion of the bedding manufacturing plant
- Investing in working capital to aggressively grow the debtor's book at both Transerv and TV Sales and Home.

The Group will therefore be directing the free cash generated towards the funding of these opportunities. The Group's proactive measures to address economic shifts and consumer preferences will play a pivotal role in sustaining and potentially increasing market share.

Overall, the combination of strategic initiatives and improved currency stability will steer the Group to an improved performance in the coming year.

SUBSEQUENT EVENTS

The Directors are not aware of any material events or circumstances arising after the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 30 June 2024.

APPRECIATION

The Directors would like to express their sincere gratitude to the Group's management, employees, customers, business partners, and shareholders for their continued support throughout the year.

By order of the Board,



L E M NGWERUME

Chairman

26 September 2024



R M RAMBANAPASI

Executive Director

26 September 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AXIA CORPORATION LIMITED

Qualified Opinion

We have audited the consolidated financial statements of **AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES**, which comprise the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of **AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES** as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for a Qualified Opinion

Corresponding figures and comparative financial statements

The Group's functional currency before the change to United States dollar was ZWL, which was a currency of a hyperinflationary economy. In terms of International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency by applying the closing rate on the inflation adjusted statement of financial position on the date of the change.

The Group did not adopt as its opening balances for the comparative financial year, balances derived in terms of IAS 21 and IAS 29, as described above, instead the Group converted its historical balances and transactions using the monthly average exchange rates and spots rates.

The Group's functional currency changed from ZWL to USD on 1 July 2022 but the Group continued to record transactions in ZWL for the period 1 July 2022 to 31 May 2023. The transactions were translated to the functional currency at monthly average rates. Due to the volatility of exchange rates between the United States dollar and the Zimbabwean dollar for the period, 1 March to 31 May 2023 where the ZWL depreciated by approximately 133%, a monthly average exchange rate could not be considered to approximate the actual rate of exchange on the day of a transaction. The financial impact of the noncompliance with IAS 21 could not be determined but it was considered to be material to the financial statements.

The non-compliance with IAS 21 and IAS 29 resulted in misstatement of the comparative statement of profit or loss and other comprehensive income, which resulted in modification of our opinion. Our opinion on the current consolidated financial statements is modified because of the effects of this matter on the comparability of the current and prior year financial statements.

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 financial statements section of our report. We are independent of the Group in accordance with the 'International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)', together with other ethical requirements that are relevant to our audit of the consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 defined as those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matter described below to be a key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>ISA 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements provides that the auditor is required, based on a presumption that there are risks of fraud in revenue recognition, to evaluate which types of revenue, revenue transactions or assertions give rise to such risks.</p> <p>The Group's revenue streams are characterised by high volumes of transactional data which is generated in an automated environment across the Group's subsidiaries in Zimbabwe and the regional markets. There are also different prices for various products, and these were subject to frequent changes during the year in response to the fluctuating operating environment. Included in the revenue streams is finance income related to hire purchase agreements.</p>	<p>To address this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding and tested the design and implementation of relevant controls over revenue recognition; • Obtained an understanding of the appropriateness of the Directors' revenue recognition policies, particularly regarding sales near year end; • Assessed the appropriateness of the revenue recognition criteria for compliance with the requirements of IFRS 15; • Performed cut-off procedures for sales transactions recorded close to year-end, to ensure that these were recorded after the risks and rewards associated with ownership had been transferred to the customers; • Performed detailed tests on a sample of credit notes recorded after year-end and assessed validity of the transactions.

<p>The income is collected in advance and amortised over the term of the agreement.</p> <p>Management remuneration is partly based on profitability of the Group, therefore there is a risk that sales may be deliberately overstated, motivated by pressure management may feel to achieve certain results.</p> <p>As a result, we identified revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> • Wrote scripts which enabled us to recompute finance income and unearned finance income on hire purchase agreements. • Reviewed the financial statements for compliance with disclosure requirements applicable to revenue.
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Other information

The directors are responsible for the other information. The other information comprises the information in the document titled “Axia Corporation Limited Annual Report for the year ended 30 June 2024” which includes the Directors’ Report which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the 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 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 have obtained prior to the date of the auditors’ report, we conclude that there is a material misstatement of the other information, we are required to report that fact. Given the nature of the matters set out in the Qualified Opinion section above, we have determined that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group’s ability to continue operating 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.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 management.
- 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 auditors' 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 financial statements, including the disclosures, and whether the 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 the Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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.

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)

Except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified opinion section of our report, the consolidated financial statements are not properly drawn up in accordance with the requirements of Section 193(10) (a) of the Companies and Other Business Entities Act (Chapter 24:31).

The audit engagement partner on the audit resulting in this independent auditor's report is Davison Madhigi (PAAB Practicing Number 0610)

A handwritten signature in blue ink that reads "BDO Zimbabwe". The signature is stylized, with "BDO" in a more compact, blocky script and "Zimbabwe" in a flowing cursive script.

.....
BDO Zimbabwe
Chartered Accountants

26 September 2024

Group Statement of Profit or Loss and other Comprehensive Income

For The Year Ended 30 June 2024

	Notes	30 June 2024 USD	30 June 2023 USD
Revenue	8	193 849 387	203 749 965
Cost of sales		(136 746 354)	(147 053 667)
Gross profit		57 103 033	56 696 298
other income	9	4 554 392	3 811 103
operating expenses	10	(41 243 562)	(39 350 088)
net impairment loss on trade and other receivables	10	(768 421)	(312 677)
Operating profit before depreciation and fair value adjustments		19 645 442	20 844 636
financial gains/(losses)	11	1 124 996	(832 115)
depreciation		(7 458 283)	(5 571 963)
property, plant and equipment	16	(3 301 638)	(2 751 848)
right of use assets	17	(4 156 645)	(2 820 115)
fair value adjustments on financial assets	20	53 377	(211 382)
Profit before interest, equity accounted earnings and tax		13 365 532	14 229 176
interest income		43 481	40 783
interest expense	12	(4 474 490)	(3 261 348)
equity accounted earnings	18.1	261 317	178 160
Profit before tax		9 195 840	11 186 771
income tax expense	13	(3 131 932)	(5 003 263)
Profit for the year		6 063 908	6 183 508
Other comprehensive (loss)/ income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations		(2 276 868)	(875 564)
revaluation of property, plant and equipment		-	5 209 654
tax on fair value adjustments of property, plant and equipment		-	(1 476 357)
Other comprehensive (loss)/ income for the year, net of tax		(2 276 868)	2 857 733
Total comprehensive income for the year		3 787 040	9 041 241
Profit for the year attributable to:			
equity holders of the parent		3 426 711	3 759 927
non-controlling interests		2 637 197	2 423 581
		6 063 908	6 183 508
Total comprehensive income for the year attributable to:			
equity holders of the parent		2 288 277	5 190 963
non-controlling interests		1 498 763	3 850 278
		3 787 040	9 041 241
Earnings per share (cents)			
Basic earnings per share	6	0.62	0.68
Headline earnings per share	6	0.60	0.67
Diluted basic earnings per share	6	0.62	0.68
Diluted headline earnings per share	6	0.60	0.67

Group Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 USD	30 June 2023 USD
ASSETS			
Non-current assets			
property, plant and equipment	16	27 110 923	28 949 225
right of use assets	17	12 559 601	12 915 358
investments in associates and joint ventures	18	2 965 182	1 849 953
deferred tax assets	27	295 034	224 443
		42 930 740	43 938 979
Current assets			
financial assets at fair value through profit or loss	20	400 279	505 782
inventories	21	44 799 015	38 654 485
trade and other receivables	22	30 726 730	32 238 750
cash and cash equivalents		8 697 147	2 839 285
		84 623 171	74 238 302
Total assets		127 553 911	118 177 281
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital		55 600	55 600
share premium		3 620 572	3 620 572
non-distributable reserves	24	(3 776 289)	(2 637 855)
distributable reserves	25	35 685 488	33 142 229
Attributable to equity holders of the parent		35 585 371	34 180 546
non-controlling interests		25 273 187	27 551 277
Total shareholders' equity		60 858 558	61 731 823
Non-current liabilities			
deferred tax liabilities	27	1 779 443	2 417 510
lease liabilities	17	8 755 360	9 086 201
		10 534 803	11 503 711
Current liabilities			
interest-bearing borrowings	28	20 447 000	12 879 341
lease liabilities	17	4 165 864	3 747 809
trade and other payables	29	28 861 457	26 021 679
provisions	30	698 123	519 808
current tax liabilities		1 988 106	1 773 110
		56 160 550	44 941 747
Total liabilities		66 695 353	56 445 458
Total equity and liabilities		127 553 911	118 177 281

The above Group statement of financial position should be read in conjunction with the accompanying notes.



LEM NGWERUME
Chairman
26 September 2024



R M RAMBANAPASI
Chief Executive Officer
26 September 2024

Group Statement of Changes In Equity

For The Year Ended 30 June 2024

	Ordinary Share Capital USD	NDR Share premium USD	Non- Distributable Reserves * USD	Distributable Reserves USD	Total USD	Non- controlling Interests USD	Total USD
Balance at 30 June 2022	55 600	3 620 572	(4 068 891)	31 349 454	30 956 735	25 554 340	56 511 075
Profit for the year	-	-	-	3 759 927	3 759 927	2 423 581	6 183 508
Other comprehensive loss	-	-	1 431 036	-	1 431 036	1 426 697	2 857 733
Total comprehensive income	-	-	1 431 036	3 759 927	5 190 963	3 850 278	9 041 241
Dividends declared (note 7)	-	-	-	(1 967 152)	(1 967 152)	(1 933 341)	(3 900 493)
Transactions with owners in their capacity as owners	-	-	-	-	-	80 000	80 000
Balance at 30 June 2023	55 600	3 620 572	(2 637 855)	33 142 229	34 180 546	27 551 277	61 731 823
Profit for the year	-	-	-	3 426 711	3 426 711	2 637 197	6 063 908
Other comprehensive income	-	-	(1 138 434)	-	(1 138 434)	(1 138 434)	(2 276 868)
Total comprehensive income	-	-	(1 138 434)	3 426 711	2 288 277	1 498 763	3 787 040
Dividends declared (note 7)	-	-	-	(1 631 815)	(1 631 815)	(1 228 490)	(2 860 305)
Transactions with owners in their capacity as owners	-	-	-	748 363	748 363	(2 548 363)	(1 800 000)
Balance at 30 June 2024	55 600	3 620 572	(3 776 289)	35 685 488	35 585 371	25 273 187	60 858 558

*-Non distributable reserves is comprised of foreign currency translation reserves and revaluation reserves.

Group Statement of Cash flows

For The Year Ended 30 June 2024

	Notes	2024 USD	2023 USD
Cash generated from operations	14.1	15 348 217	15 932 723
interest income		43 481	40 783
interest expense	12	(4 474 490)	(3 261 348)
tax paid		(2 991 253)	(5 485 350)
Total cash generated from operating activities		7 925 955	7 226 808
Investing activities	14.2	(4 297 864)	(6 616 644)
Net cash (outflow)/ inflow before financing activities		3 628 091	610 164
Financing activities		2 229 771	(3 493 915)
dividends paid by holding company		(1 824 149)	(1 715 124)
dividends paid by subsidiaries to non-controlling interests		(1 086 300)	(1 120 296)
cash payments for the principal portion of the lease liabilities		(3 769 637)	(3 180 017)
proceeds from interest-bearing borrowings	14.3	27 699 713	13 756 927
repayment of interest-bearing borrowings	14.3	(18 789 856)	(11 235 405)
Increase/(decrease) in cash and cash equivalents		5 857 862	(2 883 751)
Cash and cash equivalents at the beginning of the year		2 839 285	5 723 036
Cash and cash equivalents at the end of the year		8 697 147	2 839 285

Notes to the Financial Statements

For The Year Ended 30 June 2024

1 Corporate Information

The consolidated financial statements of Axia Corporation Limited for the year ended 30 June 2024 were authorized for issue in accordance with a resolution of the Directors on 26 September 2024. Axia Corporation Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange ("VFEX"). The Group operates within the specialty retail and distribution industries selling products such as homeware furniture, electrical appliances and automotive spares and accessories as well as the distribution of many locally and internationally branded FMCG products into the general retail and wholesale sectors whilst offering logistics, transport, marketing, merchandising, storage and maintenance services thereon. The registered office is 1st Floor, Edward Building, Corner Nelson Mandela/First Street, Harare and the physical address of the Corporate office is 6 Kenilworth Road, Newlands, Harare.

2 Statement of compliance

The Group's 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 Victoria Falls Stock Exchange listing requirements. The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

2.1 Going concern

The Directors have satisfied themselves that the Group and Company are in a sound financial position and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the consolidated and separate financial statements.

2.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards, the requirements of the Companies and Other Business Entities Act (Chapter 24:31), VFEX Listing rules and relevant statutory instruments. The financial records were prepared based on statutory records that are maintained under the historical cost convention except for revaluation of property plant and equipment. The Group reassessed its functional currency determination in compliance with the requirements of IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and concluded that, effective from 1 July 2022, the functional currency of Axia Corporation Limited changed from the ZWL to the US dollar. The consolidated financial statements are presented in United States of America Dollars ("US\$") and all values are rounded to the nearest dollar, except where otherwise indicated. The principal accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS except for the non-compliance with IAS 21, 'The Effects of Change in Foreign Exchange Rates' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' in the corresponding figures and comparative financial statements, and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies except for the revaluation model applied for Property, Plant and Equipment as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it 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 its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Notes to the Financial Statements

For The Year Ended 30 June 2024

3 Basis of consolidation (Cont'd)

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss and;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate

4 Changes in accounting policies and disclosures

4.1 Adoption of new and revised standards that are relevant to the Group

Several amendments and interpretations apply for the first time in the financial year ended 30 June 2024, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

New standards, amendments and interpretations mandatory effective for periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024 and has not been early adopted by the Group and not expected to have any material impact on the Group.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

4 Changes in accounting policies and disclosures (Cont'd)

4.1 Adoption of new and revised standards that are relevant to the Group (Cont'd)

The amendment did not have any material impact on the Group.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendment did not have any material impact on the Group.

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The above amendments did not have a material impact on the Group.

4.2 New and revised standards in issue but not yet effective that are relevant to the Group

The Group has not applied these standards and amendments for the first-time, which are effective for annual periods beginning on or after 1 January 2024. These new amendments and interpretations issued by the IASB, will not have a material effect on the Group's financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four- step materiality process' described in IFRS Practice Statement 2.

The Group does not see this standard having an impact on its financial statements when it becomes effective.

Definition of Accounting Estimates (Amendments to IAS 8)

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.

The Group does not see this standard having an impact on its financial statements when it becomes effective.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

4 Changes in accounting policies and disclosures (Cont'd)

4.2 New and revised standards in issue but not yet effective that are relevant to the Group (Cont'd)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

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.

The Group does not see this standard having an impact on its financial statements when it becomes effective

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The Group is still assessing the full impact this standard on its financial statements when it becomes effective.

5 Summary of significant accounting policies

Revenue recognition

The Group recognises revenue according to the following 5 – step model:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates, returned products and other customer claims. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer on delivery of the goods. 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). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Sale of goods includes sale of furniture, household appliances, automotive spares and accessories, electronics and fast-moving consumer products such as perishable and non-perishable food and beverages.

Sales-related warranties associated with furniture, electronics and automotive spares cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period for reasons such as damaged or near expiry products delivered. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, the Group recognises a contract liability processed against revenue.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Volume rebates

The Group (particularly in the distribution business) provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer and are accounted by netting-off against the related revenue.

Interest income

Revenue is recognised as interest accrues using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is when the respective investee company shareholders have approved the dividends.

Employee Benefits

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions are recognised during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit costs

Retirement benefits are provided for Group employees through the Inncor Africa Pension Fund, the National Social Security Authority, the National Employment of the Motor Industry Pension Fund, Nico Life Insurance Company Limited (Malawi) and National Pension Scheme Authority (Zambia). The Group's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules. Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

All eligible employees contribute to the National Social Security Authority (Zimbabwe) defined contribution pension scheme, or the equivalent in foreign subsidiaries. The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994, is determined by the systematic recognition of legislated contributions.

Share based payments

The Group issues share options to certain employees. The options are measured at fair value at the date of grant. The fair value determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest and the corresponding equity is disclosed in a share option reserve which forms part of equity.

The fair value is determined using the binomial option pricing model. The value transferred to the share option reserve is amortised to equity as the related share options are exercised or forfeited.

Equity Settled Transactions

Equity settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys substantive rights to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Leases (cont'd)

The Group as a lessee applies a single recognition and measurement approach for all leases except for short term and low value leases where the Group has elected to make use of the recognition exemptions provided for in IFRS 16. For other leases which do not meet the exemption criteria, the Group recognises lease liabilities together with the corresponding right of use assets which represents the right to use underlying assets.

Right of use assets

The Group recognises the right of use assets at commencement date of the lease. These assets are measured at cost, less accumulated depreciation, impairment losses and any adjustment for any remeasurement of lease liabilities. The right of use cost includes amount of lease liabilities recognised present valued, initial direct costs incurred, lease payments made before or after commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset. These assets are also subject to impairment which is assessed in a similar way to property, plant and equipment explained under, 'Impairment of non-financial assets'.

Lease liabilities

At lease commencement date, the Group recognises lease liabilities measured at the present value of contractual lease payments paid over the lease term. The lease payments include in substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts payable under a residual value guarantee. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group makes use of the incremental borrowing rate to discount future lease payments at lease commencement date as implicit interest rate is not readily determinable. The Group's borrowing rate which was used is 13% for local leases and 18% for regional leases. After the commencement date, the lease liability amount is increased to reflect cumulation of interest and abated for lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification i.e. a change in contractual lease term, a change in lease payments or a change in the option to purchase the underlying asset.

Foreign currency translation

The Group's financial statements are presented in United States of America Dollar, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date.

These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. The tax charges and credits attributable to exchange differences on those borrowings are also recognised in other comprehensive income. Non-monetary items that are measured in terms of the historical cost basis in a foreign currency are translated using the exchange rates ruling at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the dates when the fair value was determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Foreign operations

Assets and liabilities of subsidiary companies denominated in foreign currencies are translated into United States Dollars(USD) at rates of exchange ruling at reporting date and their statements of profit or loss and other comprehensive income results are translated at the monthly average rate of exchange for the period. The average rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. Where there are drastic movements between the opening and closing rates of exchange, the statement of profit or loss and comprehensive income results is translated on a month on-month basis using the average rate of exchange for each month. Differences on exchange arising from translation of assets and liabilities at the rate of exchange ruling at reporting date and translation of statement of comprehensive income items at average rates, are recognised in other comprehensive income. Upon divestment from a foreign operation, translation differences related to that entity are taken to profit or loss.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed, and the amount recognised for non-controlling interest. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as bargain purchase gain. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such acquisition does not meet the definition of a business combination in accordance with IFRS 3 'Business Combinations'. The Group's policy is to treat such an acquisition as a group restructuring, using the common control method, as follows:

- The assets, liabilities and reserves of the acquired entity/entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, that would otherwise be required by IFRS 3.
- No new goodwill is recognised as a result of the restructuring. The only goodwill recognised is the existing goodwill in the business as reflected in the consolidated financial statements of the selling entity; and
- The statement of profit or loss and comprehensive income reflects the results of the Group from the effective date of such transaction.

Property, plant and equipment

Property, plant and equipment is recognized at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. A revaluation surplus is credited to other reserves in shareholders' equity.

The various rates of depreciation are listed below:

- Freehold property - 2%
- Leasehold improvements - the lesser of period of lease or 10 years
- Fittings and equipment - 10% - 25%
- Vehicles - 12.5% - 25%

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)

The carrying values of plant and equipment are reviewed for impairment annually, or earlier where indications are that the carrying value may be irrecoverable. When the carrying amount exceeds the estimated recoverable amount, assets are written down to the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed by the Group, and prospectively adjusted if necessary, on an annual basis. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

Intangible assets

(i) Goodwill

Goodwill is measured as described in the note above on business combinations.

(ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iii) Amortisation methods and periods

The group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

- IT development and software 3–5 years

Impairment of non-financial assets

The Group assesses at each reporting date, or earlier where indications that impairment exists, whether an asset may be impaired. This entails estimating the asset's recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. Where the asset's carrying amount exceeds its recoverable amount, the asset is considered impaired and its carrying amount is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

For non-financial assets including goodwill, an assessment is made at each reporting date as to whether previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the recoverable amount is estimated in order to reverse the previously recognised impairment losses. A previously recognised impairment loss is reversed only to the extent that there has been a change in the estimates used in determining the asset's recoverable amount since the last impairment loss was recognised. If that is the case the asset's carrying amount is increased to its recoverable amount. However, the increased carrying value of the asset is limited to the carrying value determinable, net of depreciation, had the impairment not occurred. Such reversal is taken to profit or loss.

After the reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Investments in associates and joint ventures

The Group's investments in associates and joint ventures are accounted for using the equity method of accounting. Associates are entities in which the Group exercises significant influence and which are neither subsidiaries nor jointly controlled operations. Joint ventures are joint arrangements whereby the parties that have joint control have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with IFRS 5, 'Non-current Assets held for Sale and Discontinued Operations'.

Under the equity method, an investment in an associate or a joint venture are initially carried in the statement of financial position at cost. Subsequently, the investments in associates or joint ventures are carried at cost plus post-acquisition changes in the Group's share of the reserves of the associate or joint venture, less dividends received from the associate or joint venture. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment.

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associates or joint ventures attributable to the Group.

Where there have been changes recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associate.

The financial statements of an associate or joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate or investment in joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence, and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group continues to use the equity method when an investment in associate becomes an investment in joint venture or when an investment in joint venture becomes an investment in associate. There is no remeasurement to fair value upon such changes in ownership interests.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Investments in associates and joint ventures (cont'd)

When the Group reduces its ownership interest in an associate or joint venture, but the Group continues to use the equity method, the Group reclassifies to profit or loss the portion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on disposal of the related assets and liabilities.

Investments in subsidiaries (held in the separate books of the company)

Subsidiaries are companies which the holding Company controls. Control is achieved where the Company has power over more than one half of the voting rights or the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are initially carried in the statement of financial position at cost. Where an indication of impairment exists, the recoverable amount of investment is assessed. Where the carrying amount of the investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

Classification of financial assets (Cont'd)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "interest income" line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

(ii) *Equity instruments designated as at FVTOCI (cont'd)*

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

Dividends are included in the 'financial income' line item disclosed under note 11 in profit or loss.

(iii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated the derivative financial asset (note 22) as a debt instrument at FVTPL.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'financial income' line item disclosed under note 11 and "fair value adjustments on listed equities" line disclosed under note 20.

Foreign exchange gains or losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'financial income' line item disclosed under note 11; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'financial income' line item disclosed under note 11.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

(ii) Equity instruments designated as at FVTOCI (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime Expected Credit Losses ("ECL") for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(i) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more default criterion is more appropriate.

(ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower.
- a breach of contract, such as a default or past due event (see (i) above).
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial assets (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised when the proceeds are received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial liabilities (cont'd)

Financial liabilities at FVTPL (cont'd)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'interest paid' line item (note 13) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 20.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'financial income' line item in profit or loss (note 11) for financial liabilities that are not part of a designated hedging relationship.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial liabilities(cont'd)

Foreign exchange gains and losses(cont'd)

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. In general, cost is established on a weighted average basis. Cost of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for financial services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Financial liabilities(cont'd)

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any certain reimbursements. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to those provisions. Where discounting is used, the increase in the provision due to passage of time is recognised in profit or loss as a borrowing cost.

Provision for warranty claims

In respect of provision for warranty claims, the Group warrants its television products and certain component parts of electronic appliances as well as some automotive spares. The provision is made on the basis of previous experience of the incidence of such claims.

Leave pay liability

Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Contingent liabilities

Contingent liabilities, which include certain financial guarantees, litigation and other letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or in other comprehensive income and not in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Taxes(cont'd)

Deferred income tax(cont'd)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax except where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of Value Added Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Executive Directors.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

5 Summary of significant accounting policies (Cont'd)

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no-longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Key estimates, uncertainties and judgements

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year:

(i) Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out on property, plant and equipment policy above and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to note 27 for more information on the evidence supporting recognition of deferred tax assets.

(iii) Provision for obsolete stock

The provision for obsolescence is based on assessment of quality of stock through sampling. Inventory that no longer meets minimum quality standards as a result of damage or exceeding standard shelf life is classified as obsolete. Inventory relating to discontinued products is also classified as obsolete. Refer to note 21 for more information on the carrying amount of inventory and the provision for obsolete stock.

(iv) Allowance for Expected Credit Losses

The expected credit losses of financial assets are estimated in a way that reflects the following:

- An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.
- The time value of money.
- Reasonable and supportable information about past events, current conditions and forecasts of economic conditions that is available without undue cost or effort at the reporting date.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

6 Earnings per share

6.1 Basic earnings basis

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

6.2 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.

6.3 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.

The following reflects the income and share data used in the basic, headline and diluted earnings per share computations:

	2024 USD	2023 USD
6.4 Number of shares in issue		
Number of ordinary shares in issue per basic and headline earnings per share	556 000 308	556 000 308
Effect of share options	-	-
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	556 000 308	556 000 308
6.5 Reconciliation of basic earnings to headline earnings:		
Profit for the year attributable to equity holders of the parent	3 426 711	3 759 927
Adjustment for capital items (gross of tax):		
Profit on disposal of equipment and motor vehicles	(169 675)	(94 928)
Tax effect on adjustments	43 692	23 468
Non-controlling interests' share of adjustments	62 979	35 723
Headline earnings attributable to equity holders of the parent	3 363 707	3 724 190
Basic earnings per share (cents)	0.62	0.68
Headline earnings per share (cents)	0.60	0.67
Diluted basic earnings per share (cents)	0.62	0.68
Diluted headline earnings per share (cents)	0.60	0.67

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

7 Dividends

The Board declared an interim dividend of USD 0.0018 (0.18 US cents) per share in respect of all ordinary shares of the Company. The Board also declared an interim dividend totalling USD 50 000 to the Axia Employee Trust (Private) Limited.

	2024 USD	2023 USD
7.1 Dividends declared and paid on ordinary shares		
Final dividend declared relating to previous financial year	556 015	873 715
Interim dividend declared	1 000 800	1 000 580
Axia employee share ownership trust (Class "A" ordinary share dividends)	75 000	92 857
Final dividend declared relating to previous financial year	25 000	42 857
Interim dividend declared	50 000	50 000
	1 631 815	1 967 152

The Board has decided not to declare a final dividend for the financial year ended 30 June 2024 as a result of the expansion projects where the Group is reinvesting most of its free funds into new business opportunities.

7.2 Dividends declared by subsidiaries to non-controlling interests

Declared and paid

TV Sales & Home (Private) Limited	800 000	827 567
Distribution Group Africa (Private) Limited	4 800	292 729
Total dividends declared and paid by subsidiaries to non-controlling interests	804 800	1 120 296

Declared but not paid at year end

TV Sales & Home (Private) Limited	150 076	-
Distribution Group Africa (Private) Limited	-	657 695
Geribrans Services (Private) Limited t/a Transerv	273 614	35 350
Innsco Distribution Africa Limited	-	120 000
	423 690	813 045

Total dividends for the year declared by subsidiaries to non-controlling interests	1 228 490	1 933 341
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Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

	Notes	2024 USD	2023 USD
8 Revenue			
Sale of goods		189 574 452	200 954 131
Interest on instalment credit sales		4 274 935	2 795 834
		193 849 387	203 749 965

Sale of goods includes sale of furniture, household appliances and electronics and fast-moving consumer products such as perishable and non-perishable food and beverages.

The Group has disaggregated revenue by operating segments as this is the information regularly reviewed by the Board, which is the Chief Operating Decision Maker (CODM) in order to evaluate the financial performance of the entity. Refer to note 32 for more information.

9 Other income

Sundry income and sales	808 501	817 935
Scrap and repairs	588 550	352 606
NFR management fees	144 000	342 366
Rebates	2 054 290	1 248 557
Merchandising	959 051	1 049 639
	4 554 392	3 811 103

Included in sundry income is the sale of non-core business items such as sale of raw materials, scrap and commissions.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

10 Operating expenses	2024 USD	2023 USD
Staff costs	19 646 250	19 212 503
Audit fees and expenses	323 605	369 823
Cleaning	210 562	166 608
Network charges	201 797	212 142
Sales Commissions	810 846	906 412
Debtors Clearing	776 363	362 594
Rebates and warranty fees	110 536	104 298
Distribution costs	3 242 284	3 251 262
Repairs and maintenance	1 400 194	1 437 151
Electricity, water and rates	1 451 341	891 324
Delivery vehicle costs	426 228	279 570
Legal fees	79 007	77 107
Listing fees	88 696	111 547
Bank charges (including IMTT)	2 404 580	2 984 796
Security	1 023 646	618 351
Telephone and postage	151 984	173 651
Fuel	1 526 421	1 264 568
Printing & Stationery	193 156	396 156
Advertising and marketing	823 393	651 607
Directors fees	193 342	239 280
Operating lease charges	405 945	679 509
Consultancy fees	781 656	660 254
Insurance and licenses	910 460	874 139
Travelling and accommodation	437 124	449 237
Inventories written off and obsolescence charges	2 061 099	1 913 970
Bad debts written off and allowance for credit losses	768 421	312 677
Other*	1 548 047	1 062 229
	41 996 983	39 662 765
* Other operating expenses comprise of, computer expenses and financial reporting expenses etc.		
Operating expenses are disclosed per income statement :		
-Operating expenses	41 243 562	39 350 088
-net impairment loss on trade and other receivables	768 421	312 677
Total operating expenses	41 996 983	39 662 765
10.2 Included in operating expenses are share based payment expenses and key management's emoluments comprising of:		
10.2.1 Short term employee benefits		
Executive directors and key management remuneration*	3 831 369	4 403 661
	3 831 369	4 403 661
* Key management are the Company's executives and senior management of the Group's subsidiary companies.		
10.2.2 Non-executive directors fees		
Independent, non-executive directors - fees	171 147	174 480
Non-independent, non-executive directors - fees	22 195	18 700
	193 342	193 180

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

	Notes	2024 USD	2023 USD
11 Financial gains/(losses)			
Net exchange gains/(losses)		955 321	(927 026)
Profit on disposal of equipment		169 675	94 911
		1 124 996	(832 115)
12 Interest expense			
Bank overdrafts and interest-bearing borrowings		3 265 419	2 416 229
Lease liabilities		1 209 071	845 119
		4 474 490	3 261 348
13 Tax expense			
13.1 Income tax expense			
Current income tax charge		3 574 742	3 897 910
Withholding tax		47 184	41 755
Deferred tax	27.1	(489 994)	1 063 598
		3 131 932	5 003 263
		2024	2023
		%	%
13.2 Tax rate reconciliation			
Statutory rate of taxation, inclusive of AIDS levy		25.75	24.72
Adjusted for:			
Tax effect of equity accounted earnings		(0.73)	(0.39)
Regional rates		1.28	2.41
Effects of changes in tax rates		2.76	-
Fines and penalties		0.67	-
IMTT		2.59	6.60
Other non-taxable/non-deductible items*		1.74	11.40
Effective tax rate		34.06	44.73

*Other non-taxable and non-deductible items include, donations and other non-deductible expenses.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

	Notes	2024 USD	2023 USD
14 Cash flow information			
14.1 Cash generated from operations			
Profit before interest and tax		13 365 532	14 229 176
Depreciation of property, plant and equipment and right of use assets		7 458 283	5 571 963
Fair value adjustments on financial assets at fair value through profit or loss	20	(53 377)	211 382
Inventories written-off and obsolescence charges		2 061 099	1 913 970
Allowance for credit losses		768 421	312 677
Increase in provision for leave pay		429 289	593 890
Net unrealised translation losses on foreign entities		-	(875 564)
Profit on disposal of fixed assets		(169 675)	(94 911)
(Increase)/decrease in inventories		(8 803 740)	590 642
Increase in trade and other receivables		(1 501 586)	(8 715 983)
Increase in trade and other payables		2 026 200	3 230 042
Decrease in provisions and other liabilities		(232 229)	(1 034 561)
		15 348 217	15 932 723
14.2 Investing activities			
Expenditure on property, plant and equipment		(3 218 995)	(6 287 912)
To maintain operations		(1 327 300)	(773 338)
To expand operations		(1 891 695)	(5 514 574)
Proceeds on disposal of equipment		18 101	94 911
Proceeds from disposal of financial assets at fair value through profit and loss		296 880	-
Purchase of investment in financial asset		(138 000)	(343 643)
Net cash outflow on investment in Subsidiary	15	(1 255 850)	(80 000)
		(4 297 864)	(6 616 644)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

14 Cash flow information(cont'd)

14.3 Cashflow arising from interest- bearing borrowings (disclosed in financing activities)

		Cash flows		Non cash movements		
	2023 USD	Proceeds from borrowings	Repayments of borrowings	Foreign exchange movements	Other non- cash movements	2024 USD
Short term financing	12 879 341	27 699 713	(18 789 856)	(1 342 198)	-	20 447 000
Total liabilities from financing activities	12 879 341	27 699 713	(18 789 856)	(1 342 198)	-	20 447 000
	2022 USD					2023 USD
Short term financing	9 689 942	13 756 927	(11 235 405)	558 797	109 080	12 879 341
Total liabilities from financing activities	9 689 942	13 756 927	(11 235 405)	558 797	109 080	12 879 341

15 Net cashflows arising from additional acquisition of subsidiary

On 1 July 2023, Axia Corporation Limited increased its shareholding in Geribrán Services (Private) Limited t/a Transerv from 50.51% to 87.75% for a purchase consideration of USD 1 800 000.

The net assets acquired in the transaction above are as follows:

Net cash flow on additional acquisition of Subsidiary	2024 USD
Assets	
Property, plant and equipment	(1 479 233)
Right of use assets	(2 843 866)
Inventories	(8 387 091)
Trade and other receivables	(1 666 504)
Cash and cash equivalents	(163 078)
Deferred tax assets	(50 042)
Trade and other payables	3 468 982
Lease liability	2 848 304
Interest bearing debt	1 243 474
Provisions	172 495
Current tax assets	26 026
Net assets on date of increase in shareholding	(6 830 533)
Non controlling interests before additional acquisition	(3 380 236)
Minority interest after additional acquisition	831 873
Fair value of additional net assets acquired	(2 548 363)
Consideration transferred	1 800 000
Cash and cash equivalents paid	1 255 850
Net settlement	544 150
Change in ownership recognised directly in equity	(748 363)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

16.1 Property, plant and equipment

	Freehold property	Leasehold improvements	Fittings & Equipment	Motor vehicles	Total
	USD	USD	USD	USD	USD
Cost					
At 30 June 2022	8 695 113	788 942	8 830 696	7 228 573	25 543 323
Additions	4 573 364	13 895	1 046 010	654 642	6 287 912
Revaluation	3 645 958	-	(22 802)	1 586 498	5 209 654
Transfer to other classes of assets	-	-	-	(3 296)	(3 296)
Disposals	-	-	-	(36 671)	(36 671)
Exchange difference on translation of foreign entity	9 345	5 609	15 952	125 080	155 986
At 30 June 2023	16 923 780	808 446	9 869 856	9 554 826	37 156 908
Additions	4 010	527 610	1 965 524	721 851	3 218 995
Disposals	-	-	(56 117)	(14 005)	(70 122)
Transfer on acquisition of joint venture	-	-	(276 626)	(1 375 673)	(1 652 299)
Transfer from other classes of assets	401 346	-	-	-	401 346
Exchange difference on translation of foreign entity	(750 874)	(50 682)	(147 520)	(288 108)	(1 237 184)
At 30 June 2024	16 578 262	1 285 374	11 355 117	8 598 891	37 817 644
Accumulated depreciation and impairment losses					
At 30 June 2022	293 232	184 963	2 541 859	2 551 404	5 571 459
Charge for the year	52 149	123 706	930 115	1 645 878	2 751 848
Disposals	-	-	-	(36 671)	(36 671)
Exchange difference on translation of foreign entity	(3 125)	(320)	(16 342)	(59 166)	(78 953)
At 30 June 2023	342 257	308 349	3 455 632	4 101 444	8 207 683
Charge for the year	77 145	133 287	1 291 746	1 799 460	3 301 638
Disposals	-	-	(39 675)	(14 005)	(53 680)
Transfer on acquisition of joint venture	-	-	(158 727)	(509 931)	(668 658)
Exchange difference on translation of foreign entity	(10 392)	(8 920)	(15 038)	(45 911)	(80 262)
At 30 June 2024	409 010	432 716	4 533 938	5 331 057	10 706 721
Net carrying amount					
At 30 June 2024	16 169 252	852 658	6 821 179	3 267 834	27 110 923
At 30 June 2023	16 581 523	500 097	6 414 224	5 453 381	28 949 225

Certain properties are encumbered as indicated in note 16.4

16.2 Reconciliation on gain on disposal of property, plant and equipment

	2024 USD	2023 USD
Proceeds on Disposal of property plant and equipment	1 169 757	94 911
Carrying amount on disposal	(1 000 082)	-
Cost	(1 722 421)	(36 671)
Accumulated depreciation and impairment losses	722 338	36 671
Profit on disposal of property, plant and equipment	169 675	94 911

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

16 Property, plant and equipment(cont'd)

16.3 Reconciliation of opening and closing carrying amounts

	2024 USD	2023 USD
Net carrying amount at the beginning of the year	28 949 225	19 971 864
Cost	37 156 908	25 543 323
Accumulated depreciation and impairment losses	(8 207 683)	(5 571 459)
Movement for the year:		
Additions at cost	3 218 995	6 287 912
Revaluation	-	5 209 654
Depreciation charge for the year	(3 301 638)	(2 751 848)
Transfers from other classes of assets	401 346	(3 295)
Disposal	(16 441)	-
Transfer to joint venture	(983 641)	-
Exchange movements	(1 156 923)	234 938
Net carrying amount at the end of the year	27 110 923	28 949 225
Cost	37 817 644	37 156 908
Accumulated depreciation and impairment losses	(10 706 721)	(8 207 683)
16.4 Security		
Net book value of a property pledged as security for borrowings	2 410 455	453 776
Details of the borrowings are shown in note 28.		

16.5 Impairment loss

The Group has made an impairment assessment as at year end on the condition of the assets and their ability to continue to produce economic benefits for the group and no impairment indicator was observed and no loss was recognised or provided for.

16.6 Revaluation, depreciation methods and useful lives

Property, plant and equipment are recorded at fair value based on periodic, but at least five years, valuations by external independent valuers, less subsequent depreciation. A revaluation surplus is credited to non distributable reserves (note 24). Refer to note 5 for depreciation rates.

16.7 Carrying amounts that would have been recognised if property, plant and equipment were stated at cost

If the property, plant and equipment were stated on historical cost basis, the amounts would be as follows:

	2024 USD	2023 USD
Freehold property		
Cost	13 563 955	13 158 599
Accumulated depreciation	(387 140)	(387 140)
Net book amount	13 176 815	12 771 459
Leasehold improvements		
Cost	1 336 055	808 446
Accumulated depreciation	(432 716)	(308 349)
Net book amount	903 339	500 096
Fittings and equipment		
Cost	11 653 324	10 020 542
Accumulated depreciation	(4 565 317)	(3 465 954)
Net book amount	7 088 007	6 554 588
Motor vehicles		
Cost	7 351 130	8 018 957
Accumulated depreciation	(5 436 134)	(4 105 529)
Net book amount	1 914 996	3 913 428

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

16 Property, plant and equipment(cont'd)

16.8 Recognised fair value measurements

(i) Valuation techniques used to determine level 2 and level 3 fair values

The Group obtains independent valuations for its property, plant and equipment at least every three years. At the end of each reporting period, the directors update their assessment of the fair value of each property, plant and equipment, taking into account the most recent independent valuations. The Directors determine an asset's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including :

- current prices in an active market for assets of a different nature or recent prices of similar assets in less active markets, adjusted to reflect those differences
- cost of building or rent purchase costs for similar assets or lease improvements or shop fittings adjusted for wear and tear

(ii) Valuation process

The Group engages external, independent and qualified valuers to determine the fair value of the Group's property, plant and equipment at least every three years. The previous valuation was undertaken in the financial year 30 June 2023 hence no valuation of property, plant and equipment was done in the 2024 financial year.

17 Leases

This note provides information for leases where the Group is a lessee.

	2024 USD	2023 USD
(i) Amounts recognised in the statement of financial position		
Right of use assets		
Buildings	12 559 601	12 915 358
Lease liabilities		
Current	4 165 864	3 747 809
Non-current	8 755 360	9 086 201
	12 921 224	12 834 010
(ii) Reconciliation right of use assets		
Carrying amount at the beginning of the year	12 915 358	2 690 745
Additions	186 304	4 655 477
Adjustments for lease re-measurements	3 731 345	8 430 198
Depreciation	(4 156 645)	(2 820 115)
Movement in foreign currency translation reserve	(116 761)	(40 947)
Carrying amount at the end of the year	12 559 601	12 915 358
(iii) Reconciliation of lease liability		
Carrying amount at the beginning of the year	12 834 010	2 866 459
Additions	186 304	4 655 477
Adjustments for lease re-measurements	3 731 345	8 430 198
Interest charged on lease liability	1 209 071	845 119
Payments	(4 978 706)	(4 025 136)
Movement in foreign currency translation reserve	(60 800)	61 893
Carrying amount at the end of the year	12 921 224	12 834 010

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

17 Leases (cont'd)

	2024 USD	2023 USD
(iv) Amounts recognised in the statement of profit or loss		
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right of use assets		
Buildings	4 156 645	2 820 115
Interest expense (included in finance cost)	1 209 071	845 119
Expense relating to short term leases (included in operating expenses)	405 945	679 509
Total cash outflow for leases in 2024 was USD 3 769 635 (2023-USD 3 180 017)		

18 Investments in associates and joint ventures

	2024 USD	2023 USD
18.1 Reconciliation of movements in associates and joint ventures		
Opening balance	1 849 953	1 907 095
Transfer from property, plant and equipment	853 912	-
Equity accounted earnings	261 317	178 160
Reclassification to other receivables	-	(235 302)
Balance at the end of the year	2 965 182	1 849 953
Investments in associates and joint ventures comprise of:		
	2024 USD	2023 USD
Prodistribution (Private) Limited	815 728	-
National Foods Logistics (Private) Limited	2 149 454	1 849 953
	2 965 182	1 849 953

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

18 Investments in associates and joint ventures (cont'd)

18.2 The Group has the following investments in associates and joint ventures:

18.2.1 Taeuca Investments (Pvt) Ltd t/a Gain Hardware

The Group, through its holding company, together with its partners at Gain Cash and Carry established a hardware outlet trading as Gain Hardware ("Gain") effective 1 April 2021. Gain was a partnership owned 50%: 50% between Axia and Gain Cash and Carry. Gain is involved in the provision of hardware supplies to the wholesale and retail market. The Group exercises joint control in Gain and has rights to the net assets of the arrangement. As such the joint arrangement is classified as a joint venture in accordance with International Financial Reporting Standards. The Group has equity accounted the results of the Gain joint venture. Effective 1 April 2023, the Group disposed off its shareholding in Taeuca and ceased to be a party to the joint venture. At the 2023 financial year end our share of the net assets was reclassified to other debtors.

	2024 USD	2023 USD
Reconciliation of the investment in joint venture;		
Balance at the beginning of the year	-	391 874
Equity accounted losses	-	(156 573)
Reclassification to other receivables	-	(235 301)
Balance at the end of the year	-	-

18.2.3 National Foods Logistics (Private) Limited

The Group, through its subsidiary Distribution Group Africa (Private) Limited had a 50% interest in National Foods Logistics (Private)Limited ("Natlog"), a logistic and distribution company. The Group exercises joint control in Natlog, as such the investment was classified as a Joint Venture in accordance with International Financial Reporting Standards. The Group equity accounted the results of Natlog Joint Venture.

	Notes	2024 USD	2023 USD
Reconciliation of the investment in joint venture;			
Balance at the beginning of the year		1 849 953	1 515 221
Equity accounted earnings		299 501	334 732
Balance at the end of the year		2 149 454	1 849 953

18.2.4 Prodistribution (Private) Limited

The Group, through its subsidiary Distribution Group Africa (Private) Limited acquired a 50% interest in Prodistribution (Private) Limited ("Prodist"), a logistic and distribution company. The Group exercises joint control in Prodist, as such the investment was classified as an investment in joint venture in accordance with International Financial Reporting Standards. The joint venture started operating on 1 May 2024 and is jointly owned between Distribution Group Africa (Pvt) Ltd and ProGroup. The Group shall equity account the financial results of the associate.

	2024 USD	2023 USD
Reconciliation of the investment in joint venture;		
Balance at the beginning of the year	-	-
*Acquisition of interest in joint venture through transfer of property, plant and equipment	853 912	-
Equity accounted losses	(38 184)	-
Balance at the end of the year	815 728	-

* The Group's assets whose carrying amount at USD 983 641 were valued at a current value at USD 1 151 844. USD 853 912 was the capital contribution in the Investment in the Joint Venture while USD 297 932 was recognised as a receivable and included in note 22.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

18 Investments in associates and joint ventures (cont'd)

18.3 Summarised financial information of associates and joint ventures (Cont'd)

	Revenue USD	Profit/ (loss) after tax USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current liabilities USD
National Foods Logistics (Private) Limited						
30 June 2024	11 624 000	599 002	3 783 000	1 420 000	195 266	694 000
30 June 2023	11 471 089	669 463	3 642 557	1 362 199	76 316	1 219 716
Prodistribution (Private) Limited						
30 June 2024	1 170 578	(76 368)	2 700 161	1 105 375	660 000	1 379 446
30 June 2023	-	-	-	-	-	-

	Depreciation USD	Interest income USD	Interest expense USD	Taxation (credit)/ charge USD	Cash and cash equivalents USD
National Foods Logistics (Private) Limited					
30 June 2024	825 558	-	51,487	(23 308)	44 663
30 June 2023	141 435	9	114 056	219 834	2 698 054
Prodistribution (Private) Limited					
30 June 2024	343 861	4,435	51,469	43 919	62 736
30 June 2023	-	-	-	-	-

18.4 Reconciliation of the carrying amount of associates

	National Foods Logistics (Private) Limited USD	Prodistribution (Private) Limited USD	Total USD
Total shareholders equity	4 313 734	1 766 090	6 079 824
Net assets attributable to shareholders of the associate	4 313 734	1 766 090	6 079 824
DGA's effective share (%)	50.00%	50.00%	50.00%
DGA's effective share (USD)	2 156 867	883 045	3 039 912
Other adjustments	(7 413)	(67 317)	(74 730)
Carrying amount at the end of the year	2 149 454	815 728	2 965 182

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

19 Description of Group Investments in Subsidiary, Associate and Joint Venture companies

Listed below are the Group's effective ordinary shareholding in the various business units and excludes dormant companies:

	2024	2023
Speciality Retail		
TV Sales & Home (Private) Limited	66.67%	66.67%
Maton Trading (Private) Limited#	40.00%	40.00%
Geribran Services (Private) Limited t/a Transerv#	87.75%	50.51%
Freeestyle Investments (Private) Limited #	66.67%	66.67%
Legend Lounge (Private) Limited	66.67%	66.67%
Touch Distributors (Private) Limited	66.67%	66.67%
Distribution		
Distribution Group Africa (Private) Limited	50.01%	50.01%
Innscore Distribution (Private) Limited #	50.01%	50.01%
Comox Trading (Private) Limited #	50.01%	50.01%
Eagle Agencies (Private) Limited #	50.01%	50.01%
Tevason Investments (Private) Limited t/a FreshPro #	50.01%	50.01%
Vital Logistics Zimbabwe (Private) Limited #	50.01%	50.01%
Innscore Distribution Africa Limited	50.00%	50.00%
Innscore Distribution (Malawi) Limited #	50.00%	50.00%
Photo Marketing (Malawi) Limited t/a Comox #	50.00%	50.00%
Innscore Distribution (Zambia) Limited #	50.00%	50.00%
Comox Trading (Zambia) Limited #	50.00%	50.00%
Mukwa Distribution (Zambia) Limited #	50.00%	50.00%
Hat On Investments (Private) Limited #	50.01%	50.01%
Shipserv (Private) Limited #	40.01%	40.01%
Firm Action (Private) Limited#	50.01%	50.00%
National Foods Logistics (Private) Limited*	50.00%	50.00%
Prodistribution (Private) Limited*	50.00%	-
Corporate Services		
Axia Operations (Private) Limited	100.00%	100.00%
Excalibur Mauritius Limited	100.00%	100.00%
Moregrow Mauritius Limited	-	50.00%

* Associates or Joint Venture

Subsidiary of subsidiary

^ Some group subsidiary companies, also have subsidiaries which include non-controlling interests. The Group only consolidates its direct subsidiary, which would have consolidated its related subsidiaries.

19.1 Country of incorporation

All Group companies are incorporated in Zimbabwe, except for the following operating companies:

Company	Country of incorporation
Excalibur Mauritius Limited	Mauritius
Moregrow Mauritius Limited	Mauritius
Innscore Distribution Africa Limited	Mauritius
Innscore Distribution (Malawi) Limited	Malawi
Photo Marketing (Malawi) Limited	Malawi
Innscore Distribution (Zambia) Limited	Zambia
Comox Trading (Zambia) Limited	Zambia
Mukwa Distribution (Zambia) Limited	Zambia

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

20 Financial Assets at fair value through profit or loss

	2024 USD	2023 USD
Financial assets comprise of;		
Listed equities	263 302	374 080
Derivative financial asset	136 977	131 702
Total	400 279	505 782
Reconciled as follows:		
Balance at the beginning of the year	505 782	373 521
Acquisitions of financial asset	138 000	343 643
Disposal of financial asset	(296 880)	-
Fair value adjustments and movements on listed equities and derivative financial asset	53 377	(211 382)
Balance at the end of the year	400 279	505 782

Axia Operations (Private) Limited, by way of guarantee, underwrote to Innscor Africa Limited ("IAL") an amount of USD 653 820 which represented the payment made by IAL to the Zimbabwe Revenue Authority for withholding tax arising from the unbundling of its Speciality Retail and Distribution businesses through a dividend in specie of Axia Corporation Limited shares in May 2016. In respect of this withholding tax IAL retained 12 886 241 Axia Corporation Limited shares which were registered in its name. During the year ended 30 June 2018, IAL disposed of 7 000 000 shares and Axia repaid the USD 653 820 underwritten to IAL.

The financial asset which emanates from this transaction is calculated at the fair value of the remaining Axia Corporation Limited shares taking into account relevant transaction costs, less any dividends received by IAL on the shares. The resultant uplift in the value of this financial asset is included in the statement of profit or loss. At 30 June 2024, the financial asset was valued at USD 136 977 [2023: USD 131 702].

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value through profit or loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2024				
Listed equities	263 302	-	-	263 302
Derivative financial asset	-	136 977	-	136 977
	263 302	136 977	-	400 279
30 June 2023				
Listed equities	374 080	-	-	374 080
Derivative financial asset	-	131 702	-	131 702
	374 080	131 702	-	505 782

There were no transfers between levels during the year.

Valuation techniques used to determine level 2 values

	Valuation technique	Significant inputs
Derivative financial asset	Market approach	Share price Share disposal costs

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

21 Inventories

	2024 USD	2023 USD
Consumable stores	220 083	110 975
Raw materials	2 202 450	1 354 539
Finished products	37 127 451	36 103 907
Goods in transit	6 121 611	2 681 466
Obsolescence provision	(872 580)	(1 596 402)
	44 799 015	38 654 485
Below is a reconciliation of the obsolescence provision:		
Opening balance on 1 July 2023	1 596 402	1 756 976
*Movement in provision for obsolete inventory	(723 822)	(160 574)
Closing balance on 30 June 2024	872 580	1 596 402

*Movement in provision for obsolete inventory include inventory write offs charged to statement of profit or loss amounting to USD 2 061 099 (2023: USD 1 913 970). Refer to note 10.

	2024 USD	2023 USD
22 Trade and other receivables		
Trade receivables	13 260 933	14 415 333
Instalment sales receivables	9 796 735	9 410 206
Prepayments	5 761 568	7 815 873
Rental deposits	84 547	35 852
VAT withholding tax receivable	1 885 183	675 274
Other receivables	987 633	167 660
	31 776 599	32 520 198
Loss allowance	(1 049 869)	(281 448)
	30 726 730	32 238 750

Included in other receivables are marketing claims from distribution principals, prepaid customs duties , other investments and staff loans.

The following table shows the movement in Lifetime Expected Credit Losses ("ECL") that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	Collectively assessed USD	Individually assessed USD	Total USD
Balance on 30 June 2022	85 788	174 324	260 112
movement in provision during the year*	21 336	-	21 336
Balance on 30 June 2023	107 124	174 324	281 448
movement in provision during the year*	768 421	-	768 421
Balance on 30 June 2024	875 545	174 324	1 049 869

Movement in provision for credit losses include actual write offs and increase in provision amounting to USD 768,421 (2023:USD 312,677) which are disclosed in note 10.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

22 Trade and other receivables (cont'd)

Credit terms vary per business unit. Interest is charged on overdue accounts at varying rates depending on the business and on the credit terms. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. No security or collateral is held as credit is held when advancing credit facilities.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables (which are collectively assessed) based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

30 June 2024	Trade receivables - days past due						Total
	Not Past due	30 days	60 days	90 days	120 days	120 days plus	
Expected credit loss rate	0.1% - 2.1%	0.1% - 4.2%	0.1% - 8.5%	0.1% - 8.5%	0.1% - 8.5%	100%	
Gross carrying amount-trade receivables plus other receivables	9 796 735	12 022 650	240 453	122 347	1 131 924	731 192	24 045 301
Lifetime ECL							(1 049 869)
							22 995 432

30 June 2023	Trade receivables - days past due						Total
	Not Past due	30 days	60 days	90 days	120 days	120 days plus	
Expected credit loss rate	0.1% - 2.1%	0.1% - 4.2%	0.1% - 8.5%	0.1% - 8.5%	0.1% - 8.5%	100%	
Gross carrying amount-trade receivables plus other receivables	9 410 206	12 131 646	242 633	123 456	1 142 186	1 213 165	24 263 292
Lifetime ECL							(281 448)
							23 981 844

The estimated credit loss rates were adjusted for forward looking information such as the impacts of:

- Inflation
- Increase in interest rates
- increase in customer default risk due to liquidity challenges
- customer credit record and credit proofing

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

22 Trade and other receivables (cont'd)

Note 35 on credit risk of trade receivables explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

	2024 USD	2023 USD
Net impairment losses on trade and other receivable recognised in profit or loss		
During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:		
Impairment loss	-	-
Movement in loss allowance for trade receivables	768 421	312 677
	768 421	312 677

23 Ordinary share capital

23.1 Authorised

999 999 000 ordinary shares of US\$ 0.0001 each
1 000 Non-Voting Class "A" ordinary shares of US\$ 0.0001 each*

23.2 Issued and fully paid

556 000 308 (2023: 556 000 308) ordinary shares of US\$ 0.0001 each
*Class "A" shares are non-voting ordinary shares that will be allocated to the Axia Corporation Employee Share Trust.

	2024	2023
Opening balance	556 000 308	556 000 308
Issue of shares through exercising of share options	-	-
Closing balance	556 000 308	556 000 308

23.3 Directors' shareholdings

At 30 June 2024, the Directors held directly and indirectly the following number of shares:

	2024	2023
Z. Koudounaris	114 612 912	114 612 912
T.C. Mazingi	861 802	861 802
T.N. Sibanda	1 104 900	1 104 900
R.M. Rambanapasi	114 985	114 985
L. E. M. Ngwerume	45 406	45 406
S. Mambanda	-	-
	116 740 005	116 740 005

24 Non-distributable reserves

	Revaluation reserve	Foreign currency translation reserve	Total
Balance at 30 June 2022	-	(4 068 891)	(4 068 891)
Exchange differences arising on translation of foreign subsidiaries	-	(437 782)	(437 782)
Revaluation of property, plant and equipment	1 868 818	-	1 868 818
Balance at 30 June 2023	1 868 818	(4 506 673)	(2 637 855)
Exchange differences arising on translation of foreign subsidiaries	-	(1 138 434)	(1 138 434)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

24 Non-distributable reserves (Cont'd)

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

Revaluation surplus— property, plant and equipment

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings. See accounting policy note 5 for details.

25 Distributable reserves

	2024 USD	2023 USD
Balance at the beginning of the year	33 142 229	31 349 454
Retained for the year	3 426 711	3 759 927
Dividends paid (note 7.1)	(1 631 815)	(1 967 152)
Transactions with owners in their capacity as owners	748 363	-
Balance on 30 June	35 685 488	33 142 229
Retained in:		
Holding company	1 393 957	(757 397)
Subsidiary companies	34 030 214	33 721 466
Associate companies and joint ventures	261 317	178 160
	35 685 488	33 142 229

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

26 Non-controlling interests in significant subsidiaries

The Group has the following subsidiaries that have significant non-controlling interests:

	Distribution Group Africa (Private) Limited		Innscor Distribution Africa Limited	
	2024	2023	2024	2023
Principal place of business	Zimbabwe	Zimbabwe	Zambia & Malawi	Zambia & Malawi
Proportion of ownership held by non-controlling interests	49.99%	49.99%	50%	50%
	USD	USD	USD	USD
Profit allocated to non-controlling interests	(146 857)	(762 944)	1 101 474	1 400 911
Accumulated non-controlling interests in subsidiaries	6 790 074	7 834 523	4 499 822	4 536 733
Statement of profit or loss				
Revenue	47 464 850	62 033 897	42 696 193	43 187 333
Operating profit (EBITDA)	1 956 703	1 788 691	3 730 941	4 553 251
Statement of financial position				
Current assets	22 009 554	15 622 756	15 690 413	15 355 704
Non-current assets	12 857 475	14 294 809	3 441 696	4 471 318
Current liabilities	17 019 812	10 578 736	9 565 488	10 065 163
Non-current liabilities	4 567 965	5 700 661	566 977	688 394

	TV Sales & Home (Private) Limited		Geribrans Services (Private) Limited	
	2024	2023	2024	2023
Principal place of business	Zimbabwe	Zimbabwe	Zimbabwe	Zimbabwe
Proportion of ownership held by non-controlling interests	33.33%	33.33%	12.25%	49.49%
	USD	USD	USD	USD
Profit allocated to non-controlling interests	1 652 511	2 346 267	79 482	292 353
Accumulated non-controlling interests in subsidiaries	13 317 718	12 608 147	3 197 560	3 399 322
Statement of profit or loss				
Revenue	70 226 297	68 713 174	33 236 570	29 815 561
Operating profit (EBITDA)	11 383 137	12 452 337	3 414 121	2 728 821
Statement of financial position				
Current assets	36 111 719	32 077 380	10 935 371	10 214 381
Non-current assets	22 323 729	20 731 797	4 191 518	4 373 141
Current liabilities	19 266 212	15 446 384	7 316 980	4 870 513
Non-current liabilities	6 373 082	6 014 161	2 559 373	2 848 304

Dividends paid to non-controlling interests have been disclosed under note 7.2

The above summarised financial information of these subsidiaries is based on amounts before inter-company eliminations.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

	2024 USD	2023 USD
27 Net deferred tax liabilities/(assets)		
27.1 Reconciliation		
Opening balance	2 193 067	(272 352)
Charge to profit or loss (note 13.1)	(489 994)	1 063 598
Deferred tax on revaluation surplus	-	1 476 357
Exchange differences arising on translation of foreign subsidiaries	(218,664)	(74 536)
Closing balance	1 484 409	2 193 067
27.2 Analysis of net deferred tax liabilities/(assets)		
Accelerated depreciation for tax purposes	2 247 074	2 636 971
Tax losses	(504 377)	(261 656)
Derivative financial asset	35 272	32 557
Instalment credit receivables	468 004	449 540
Allowance for credit losses	(259 843)	(47 784)
Provision for obsolete inventories	(224 689)	(344 232)
Provision for leave pay, incentives and warranties	(277 032)	(272 329)
	1 484 409	2 193 067
The net deferred tax liabilities/(assets) are made up as follows:		
Deferred tax assets	(295 034)	(224 443)
Deferred tax liabilities	1 779 443	2 417 510
	1 484 409	2 193 067

The Group recognises deferred tax assets arising from tax losses where there is a reasonable expectation that sufficient taxable profit will be available in future through various initiatives by the Directors to utilise these losses.

28 Interest-bearing borrowings

	Interest rates	tenure	2024 USD	2023 USD
Short-term financing				
Secured				
Regional Operations	14%	up to 365 days	2 017 270	2 847 165
Unsecured				
Regional Operations	27% to 30%	up to 365 days	3 045 934	2 032 495
Unsecured				
Zimbabwe Operations	9% to 17%	up to 365 days	11 104 028	6 848 475
Overdrafts	25% to 27%	On demand	4 279 768	1 151 206
Total short-term financing			20 447 000	12 879 341
Total interest-bearing borrowings			20 447 000	12 879 341

As at 30 June 2024, the Board of Directors had authorised aggregate borrowing limits of USD 37.331 million (2023 - USD 13.686 million) USD denominated facilities with interest costs of 9% to 17% while ZWG borrowings range from 25% to 27%.

Short-term borrowings form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions. The facilities expire at different dates and are reviewed and renewed when they mature. Secured facilities in the region are secured by a cession of a property worth USD 2 041 455 (2023: USD 453 776).

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

28 Interest-bearing borrowings (Cont'd)

The Group does not have any covenants on its borrowing facilities.

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to the market rates or the borrowings are of a short term nature.

Details of the Groups exposure to the risks arising from borrowings are set out in note 34.

Borrowing powers

In terms of the Articles of Association, the borrowing powers of the company and its subsidiaries (excluding inter-company borrowings) are limited to twice the aggregate of the nominal amount of the share capital of the company plus the total free reserves of the company and its subsidiaries. The level of borrowings throughout the year was adequately covered in this respect.

29 Trade and other payables

	2024 USD	2023 USD
Trade payables	20 885 056	20 236 509
Accruals	6 785 631	3 682 474
Customer deposits	1 018 012	1 989 989
Other payables	172 758	112 707
	28 861 457	26 021 679

Trade payables are non-interest bearing and are normally settled within 30 - 60 days.

Other payables are non-interest bearing and have varying settlement terms.

30 Provisions and other liabilities

	2024 USD	2023 USD
Leave pay	698 123	376 968
Performance contract liabilities-IFRS 15	-	142 840
	698 123	519 808

Reconciliation of provisions	Leave pay USD	Performance contract liabilities -IFRS 15 USD	Total USD
Balance on 30 June 2022	251 926	708 551	960 477
Charge for the year	593 889	69 079	662 968
Less paid / utilised	(468 847)	(634 790)	(1 103 637)
Balance on 30 June 2023	376 968	142 840	519 808
Charge for the year	429 289	-	429 289
Foreign exchange movements	(18 745)	-	(18 744)
Less paid / utilised	(89 389)	(142 840)	(232 229)
Balance on 30 June 2024	698 123	-	698 123

Contract liabilities

Contract liabilities arise from the Group's policy of revenue recognition. In the Group's distribution business, certain contracts provide a customer with a right to make claims or return the goods within a specified period for reasons such as damaged or near expiry products delivered. The Group estimates the value of such claims, processed against revenue.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

31 Capital expenditure commitments

	2024 USD	2023 USD
Authorised and contracted	-	250 000
Authorised but not yet contracted	5 119 219	5 291 602
	5 119 219	5 541 602

The capital expenditure will be financed from the Group's own resources and existing borrowing facilities

32 Segmental analysis

Management has determined the Group's operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently with that in the reported consolidated financial statements.

32.1 Business Segments

The reporting structure is summarised as follows:

Speciality Retail

The main operations in this reporting silo are TV Sales & Home ("TVSH") and Transerv. TVSH is the leading furniture and electronic appliance retailer with sites located countrywide."

Transerv retails automotive spares and accessories through retail stores and fitments centers to service the needs of its customers.

Distribution

Distribution Group Africa is a large distribution and logistics concern with operations in Zimbabwe, Zambia and Malawi. Its core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled/frozen warehousing, logistics, marketing, sales and merchandising services.

Other Segments

This segment reports the Group's head office support functions, namely company secretarial services, legal, treasury, internal audit and tax services.

Geographical Segments

The Group is also organised into parcels of businesses incorporated in Zimbabwe, and those incorporated in countries outside Zimbabwe. See note 19.1 for companies incorporated outside of Zimbabwe.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

32.1 Business Segments (cont'd)

	Speciality Retail USD	Distribution USD	Other Segments USD	Intersegment adjustments USD	Total USD
Revenue					
30 June 2024	103 462 867	90 161 043	225 477	-	193 849 387
30 June 2023	98 528 736	105 221 229	-	-	203 749 965
Operating profit / (loss) before depreciation and fair value adjustments					
30 June 2024	14 797 258	5 687 643	(731 566)	(107 893)	19 645 442
30 June 2023	15 181 158	6 341 942	(557 919)	(120 546)	20 844 636
Depreciation and amortisation					
30 June 2024	(5 166 293)	(2 261 931)	(30 059)	-	(7 458 283)
30 June 2023	(3 575 522)	(1 968 900)	(27 541)	-	(5 571 963)
Equity accounted earnings / (losses)					
30 June 2024	-	261 317	-	-	261 317
30 June 2023	-	334 731	(156 571)	-	178 160
Net interest expense					
30 June 2024	(2 528 568)	(1 915 583)	13 142	-	(4 431 009)
30 June 2023	(1 542 027)	(1 840 427)	161 889	-	(3 220 565)
Segment assets					
30 June 2024	73 562 337	53 999 138	41 354 234	(41 361 798)	127 553 911
30 June 2023	67 396 699	49 744 587	38 843 769	(37 807 774)	118 177 281
Segment liabilities					
30 June 2024	35 515 647	31 720 242	3 566 391	(4 106 927)	66 695 353
30 June 2023	29 179 362	27 032 954	3 052 517	(2 819 375)	56 445 458
Capital expenditure					
30 June 2024	2 699 908	433 882	85 205	-	3 218 995
30 June 2023	5 728 643	556 068	3 201	-	6 287 912

32.2 Geographical information

	Revenue USD	Operating Profit ("EBITDA") USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current USD
Zimbabwe Operations						
30 June 2024	151 153 194	15 914 501	39 489 044	68 932 758	9 967 826	46 595 062
30 June 2023	160 562 632	16 291 385	39 467 661	58 882 598	10 815 317	34 876 584
Regional Operations						
30 June 2024	42 696 193	3 730 941	3 441 696	15 690 413	566 977	9 565 488
30 June 2023	43 187 333	4 553 251	4 471 318	15 355 704	688 394	10 065 163

(EBITDA) - Earnings Before Interest Tax Depreciation and Amortisation

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

33 Pension funds

Innscor Africa Pension Fund

This is a self-administered, defined contribution fund. The Fund has been operational since 2000. Membership is compulsory for employees of the Group who are not members of other occupational pension funds. Contributions are at the rate of 14% of pensionable emoluments less N SSA of which members pay 7%. Following Axia Corporation Limited's (Axia) unbundling from Innscor Africa Limited, Axia's pensions remained part of the Innscor Africa Pension Fund.

National Employment of Motor Industry Pension Fund

This is a defined contribution fund which covers employees in specified occupations of the motor industry. The majority of employees at Transerv are members of this fund. The minimum contributions are 5% each for members and employer. Members have an option to elect to contribute up to a maximum of 10%.

National Social Security Authority Scheme (NSSA)

The scheme was established, and is administered, in terms of statutory Instrument 393 of 1993. Introduced in 1994, the Pension and Other Benefits Scheme is a defined contribution plan based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time.

National Pension Scheme Authority (NAPSA) – Zambia

The scheme was established and is administered, in terms of the Government of Zambia Act of 1996 and enacted effective 12th February 2000. This came after the formation of the Zambia National Provident Fund which has been in existence since 1966 with a mandate to act as the main vehicle for providing retirement and social security benefits to workers in the country. The benefits are based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time.

NICO Life (Group Pension Scheme) – Malawi

NICO Life was established in line with the Pensions Act of 2010 of Malawi whereby both the employer and employee contribute. This is a Defined Contribution Arrangement with employees contributing 5% and employers contributing 10% of pensionable earnings.

Pension costs recognised as an expense for the year are as follows:

	2024 USD	2023 USD
Zimbabwe Operations		
Innscor Africa Pension Fund	264 632	102 383
National Social Security Authority Scheme & Workers' Compensation Insurance Fund	243 621	183 211
	508 253	285 594
Regional operations		
Workers Compensation Insurance Fund (Zambia)	5 771	5 028
National Pension Scheme Authority (Zambia)	28 590	36 684
NICO Life (Malawi)	8 892	16 792
	43 253	58 504
Total Pension costs	551 506	344 098

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

34 Related parties

34.1 List of related parties

Related Party	Nature of Service	Nature of relationship
Instinct Risk Advisory (Pvt) Ltd	Internal auditors	Common control
Innskor Africa Limited	Tax consultancy	Common control
Providence Human Capital (Pvt) Ltd	Human resources management	Common control
Prodistribution (Pvt) Ltd	Management fees	Joint venture
National Foods Logistics (Pvt) Ltd	Management fees	Joint venture

34.2 Related party transactions

Related party activities consist of transactions between Axia Corporation Limited's consolidated entities, its associates and joint ventures. Balances and transactions between the Company and its subsidiaries, its associates and joint ventures, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group companies and other related parties are disclosed below.

Transactions with related parties are carried out at terms equivalent to those that prevail in an arms length transaction.

The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Related party transactions are summarised as follows:

Name of related party	sales USD	service charge USD	rent received USD	interest received USD	trade & other receivables USD	trade & other payables USD
Instinct Risk Advisory						
30 June 2024	-	150 952	-	-	-	-
30 June 2023	-	133 908	-	-	-	-

Instinct provides internal audit services to the Group and all its entities.

Innskor Africa Limited

30 June 2024	-	34 073	-	-	-	-
30 June 2023	-	32 351	-	-	-	-

Innskor Africa Limited provides tax consultancy support services to the Group and its related companies

34.2 Compensation of key personnel to the Group

	2024 USD	2023 USD
Short - term employee benefits (note 10.2.1)	3 831 169	4 403 661

34.3 Transactions with Directors

The Group has leased properties from various companies in which some of the Directors have either a financial or custodial interest. The leases are undertaken at arm's length basis. The Group also pays consultancy fees to a non-executive Director from time to time.

	2024 USD	2023 USD
Lease payments	108 267	346 260
Consultancy fees to Director	169 597	223 716

34.4 Other related party payables

Amount payable to Axia Corporation Employee Share Trust (Private) Limited*	44 070	51 658
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*Dividends paid to the Axia Corporation Employee Share Trust (Private) Limited were held in trust by Axia Corporation Limited and earning interest amount equivalent to the Group's average cost of borrowing.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

35 Financial risk management objectives and policies

The Group's principal financial instruments comprise financial assets, trade and other receivables, cash and cash equivalents, interest-bearing borrowings and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations or to achieve a return on surplus short-term funds. The Group has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates. The Group's policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts, commercial paper, foreign loans and where appropriate long term loans. Borrowings at fixed rates however is not feasible given current inflationary environment.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on short-term loans and overdrafts. There is a material impact on the Group's equity.

	2024 USD	2023 USD
Effect on profit before tax		
Increase of 25% (2023: 25%)	(816 355)	(604 057)
Decrease of 25% (2023 : 25%)	816 355	604 057

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. As a result of significant investment operations in countries outside Zimbabwe, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates. The Group also has transactional currency exposures. Such exposure arises from the sale or purchase, by an operating unit, in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases, securing forward contracts to take advantage of exchange rate movements and/or retaining stock until the foreign currency to settle the related liability has been secured.

Exposure to exchange rate fluctuations and foreign denominated loans is monitored by Group Management and subsidiaries manage short term exposures within approved parameters. The ZWG-denominated bank loans and foreign creditors are expected to be repaid with receipts from ZWG dollar-denominated sales. For Zimbabwean entities the impact is worsened by the hyper-inflationary economic situation persisting in Zimbabwe and the Group hedges by maintaining a net monetary liability position in ZWG.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

30 June 2024

Currency	Liabilities	Assets	Net position
ZAR	(10 582 558)	39 532 933	28 950 375
USD equivalent	(572 649)	2 139 228	1 566 579
ZWG	(50 255 816)	115 186 277	64 930 461
USD equivalent	(3 449 267)	7 397 963	3 948 696

30 June 2023

Currency	Liabilities	Assets	Net position
ZAR	(51 921 302)	41 833 807	(10 067 028)
USD equivalent	(2 773 440)	2 234 604	(538 836)
ZWL	(19 497 949 351)	11 705 280 542	(7 792 668 809)
USD equivalent	(2 785 421)	1 672 183	(1 113 238)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

35 Financial risk management objectives and policies (Cont'd)

The following table details the Group's sensitivity to a 25% increase in the ZWG against the United States of America Dollar, and South African Rand. The 25% represents management's assessment of reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit where the ZWG strengthens or weakens in a favourable manner against the net exposure.

	Change in rate	Effect on profit before tax USD	Effect on equity USD
30 June 2024			
South African Rand	+25%	(313 316)	(219 321)
	-25%	313 316	219 321
Zimbabwe Gold	+25%	(383 537)	(288 726)
	-25%	383 537	288 726
30 June 2023			
South African Rand	+25%	107 767	75 437
	-25%	(107 767)	(75 437)
Zimbabwean Dollar	+25%	222 648	167 609
	-25%	(222 648)	(167 609)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is not significant. Refer to note 22 for detailed disclosure on the ECL analysis.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer.

Where it sees fit, the Group can from time to time ask for collateral security from customers. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be properties, listed equities or other assets.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents and financial assets at fair value through profit or loss, the Group's Executive Committee approves all counter-parties, sets and monitors exposure limits and terms of engagement.

The maximum exposure arising from default equals the carrying amount of the financial assets as disclosed in the statement of financial position less the market value of any security held.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through a well managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

35 Financial risk management objectives and policies (cont'd)

The table below summarises the maturity profile of the Group's financial assets and liabilities:

	Within 3 months USD	Between 4 -12 months USD	More than 12 months USD	Total USD
30 June 2024				
Liabilities				
Interest-bearing borrowings	20 447 000	-	-	20 447 000
Trade and other payables	26 585 137	-	-	26 585 137
Total	47 032 137	-	-	47 032 137
Assets				
Cash and cash equivalents	8 697 147	-	-	8 697 147
Trade and other receivables excluding prepayments	18 186 372	4 809 060	-	22 995 432
Financial assets	400 279	-	-	400 279
Total	27 283 798	4 809 060	-	32 092 858
30 June 2023				
Liabilities				
Interest-bearing borrowings	12 879 341	-	-	12 879 341
Trade and other payables	26 021 679	-	-	26 021 679
Contract liabilities	142 840	-	-	142 840
Total	39 043 860	-	-	39 043 860
Assets				
Cash and cash equivalents	2 839 285	-	-	2 839 285
Trade and other receivables excluding prepayments	19 194 560	4 798 640	-	23 993 200
Financial assets	505 782	-	-	505 782
Total	22 539 627	4 798 640	-	27 338 267

36 Fair value of financial instruments

The estimated net fair values of all financial instruments, including instalment debtors, approximate the carrying amounts shown in the financial statements as at the reporting date (30 June 2024).

37 Capital management

The primary objective of the Group's capital management is to ensure that all its companies maintain healthy capital ratios in order to support the business and maximise shareholder value.

The Group manages its capital (total equity and debt) and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares as well as reduce or increase debt levels. No changes were made to the objectives, policies or processes during the year ended 30 June 2024. The Group manages capital using debt to equity ratios, which is calculated as total borrowings divided by the sum of total equity and borrowings.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2024

37 Capital management (cont'd)

	2024 USD	2023 USD
Total borrowings	20 447 000	12 879 341
Cash and cash equivalents	(8 697 147)	(2 839 285)
Net borrowings	11 749 853	10 040 056
Equity	60 858 558	61 731 823
Gross Debt to equity ratio	34%	21%
Net debt to equity ratio	19%	16%

38 Contingent liabilities

There were no contingent liabilities as at 30 June 2024.

39 Events after reporting date

There have been no significant events after the reporting date.

40 Approval of financial statements

The financial statements were approved by the Board of Directors on 26 September 2024.

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Company Financial Reports



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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF AXIA CORPORATION LIMITED

Qualified Opinion

We have audited the financial statements of **AXIA CORPORATION LIMITED**, which comprise the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **AXIA CORPORATION LIMITED** as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Corresponding figures and comparative financial statements

The Company's functional currency before the change to United States dollar was ZWL, which was a currency of a hyperinflationary economy. In terms of International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency by applying the closing rate on the inflation adjusted statement of financial position on the date of the change.

The Company did not adopt as its opening balances for the comparative financial year, balances derived in terms of IAS 21 and IAS 29, as described above, instead the Company converted its historical balances and transactions using the monthly average exchange rates and spots rates.

The Company's functional currency changed from ZWL to USD on 1 July 2022, but the Company continued to record transactions in ZWL for the period 1 July 2022 to 31 May 2023. The transactions were translated to the functional currency at monthly average rates. Due to the volatility of exchange rates between the United States dollar and the Zimbabwean dollar for the period, 1 March to 31 May 2023 where the ZWL depreciated by approximately 133%, a monthly average exchange rate could not be considered to approximate the actual rate of exchange on the day of a transaction. The financial impact of the noncompliance with IAS 21 could not be determined but it was considered to be material to the financial statements.

The non-compliance with IAS 21 and IAS 29 resulted in misstatement of the comparative statement of profit or loss and other comprehensive income, which resulted in modification of our opinion. Our opinion on the current financial statements is modified because of the effects of this matter on the comparability of the current and prior year financial statements.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of financial statements. Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no key audit matters to communicate in our report.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as directors determine is necessary to enable the preparation of the financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements, directors are responsible for assessing the 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 directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the 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 International Auditing Standards (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 the financial statements.

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

- Identify and assess risks of material misstatements of the 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 the internal controls.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 entity'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. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 directors 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, related safeguards.

Report on other legal and regulatory matters

In our opinion, due to the impact of the matter discussed in the Basis for Qualified Opinion section of our report, the financial statements of the Company are not properly drawn up in accordance with the requirements of Section 193(1)(a) of the Companies and Other Business Entities Act (Chapter 24:31).

The audit engagement partner on the audit resulting in this independent auditors' report is Davison Madhigi (PAAB Practicing Number 0610)



.....
BDO Zimbabwe
Chartered Accountants
Registered Public Auditors

Kudenga House
3 Baines Avenue
Harare

26 September 2024

Company statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2024

	Notes	30 June 2024 USD	30 June 2023 USD
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
other income		8 350	187
operating expenses	C1	(511 139)	(485 483)
Operating loss before depreciation and amortisation		(502 789)	(485 296)
financial income	C2	4 338 002	2 323 450
Profit before interest and tax		3 835 213	1 838 154
interest income	C3	15 126	39 969
interest expense	C4	(19 984)	(5 814)
Profit before tax		3 830 355	1 872 309
tax expense	C5	(47 184)	(41 755)
Profit for the year		3 783 171	1 830 554
Other comprehensive income			
other comprehensive income for the year		-	-
Total comprehensive income for the year		3 783 171	1 830 554
Earnings per share (cents)			
Basic earnings per share	C6	0.68	0.33
Headline earnings per share	C6	0.68	0.33
Diluted basic earnings per share	C6	0.68	0.33
Diluted headline earnings per share	C6	0.68	0.33

* Accounting policy notes of the company are the same as group accounting policies. Refer to accounting policy notes on pages 96 to 111.

Company statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 USD	30 June 2023 USD
ASSETS			
Non-current assets			
investments in subsidiaries and joint ventures	C7	33 480 295	30 672 401
		33 480 295	30 672 401
Current assets			
trade and other receivables	C8	604 946	1 021 380
cash and cash equivalents		27 486	281
		632 432	1 021 661
Total assets		34 112 727	31 694 062
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	23	55 600	55 600
share premium		3 620 572	3 620 572
non-distributable reserves		27 700 642	27 700 642
distributable reserves		1 393 959	(757 397)
Total equity		32 770 773	30 619 417
Current liabilities			
other payables and accruals	C9	1 341 954	1 074 645
interest-bearing borrowings			
		1 341 954	1 074 645
Total equity and liabilities		34 112 727	31 694 062



R M RAMBANAPASI
Chief Executive Officer
26 September 2024



S MAMBANDA
Finance Director
26 September 2024

Company Statement of Changes in Equity

For The Year Ended 30 June 2024

	Ordinary Share Capital USD	Share premium reserve USD	Non- Distributable Reserves USD	Distributable Reserves USD	Total USD
Balance at 30 June 2022	55 600	3 620 572	27 700 642	(620 799)	30 756 015
Profit for the year	-	-	-	1 830 554	1 830 554
Dividends paid	-	-	-	(1 967 152)	(1 967 152)
Balance at 30 June 2023	55 600	3 620 572	27 700 642	(757 397)	30 619 417
Profit for the year	-	-	-	3 783 171	3 783 171
Dividends paid	-	-	-	(1 631 815)	(1 631 815)
Balance at 30 June 2024	55 600	3 620 572	27 700 642	1 393 959	32 770 773

Company Statement of Cash flows

For The Year Ended 30 June 2024

	Notes	30 June 2024 USD	30 June 2023 USD
Cash generated from operations	C10.1	4 791 289	1 679 481
interest income		15 126	39 969
interest expense		(19 984)	(5 814)
tax paid		(47 184)	(41 756)
Total cash generated from operating activities		4 739 246	1 671 880
Investing activities		(2 887 892)	-
Net cash flow before financing activities		1 851 354	1 671 880
Financing activities			
dividends paid by holding company		(1 824 149)	(1 715 125)
Net increase/(decrease) in cash and cash equivalents		27 205	(43 245)
Cash and cash equivalents at the beginning of the year		281	43 526
Cash and cash equivalents at the end of the year		27 486	281

Notes to the Company Financial Statements

For The Year Ended 30 June 2024

	2024 USD	2023 USD
C1) OPERATING EXPENSES		
Directors fees	193 342	193 180
Audit fees and expenses	21 084	17 781
Financial reporting costs	13 551	28 737
Listing fees	88 697	100 997
Periodicals and publications	36 273	38 377
Bank charges	1 204	8 187
Intermediated money transfer tax	13 989	19 880
Consulting and legal fees	370	14 514
Travelling and accommodation	436	20 974
Share register maintenance fees	44 518	33 262
Gifts and donations	13 650	9 594
Impairment of investment in subsidiary	80 000	-
Other overheads	4 025	-
	511 139	485 483
C2) FINANCIAL INCOME		
Financial income comprises of dividend income received from subsidiary companies. This income is eliminated in full on consolidation of the Company accounts into the Group.		
C3) INTEREST RECEIVED		
Interest on loans advanced to Group companies	15 126	39 969
C4) INTEREST PAID		
Interest on amounts payable to other creditors	(19 984)	(5 814)
C5) TAX EXPENSE		
Withholding taxes paid	(47 184)	(41 755)
	2024 USD	2023 USD
C6) EARNINGS PER SHARE		
Number of shares in issue		
Number of ordinary shares in issue per basic and headline earnings per share	556 000 308	556 000 308
Effect of share options	-	-
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	556 000 308	556 000 308
Reconciliation of basic earnings to headline earnings:		
Profit for the year attributable to equity holders of the parent	3 783 171	1 830 554
Headline earnings attributable to equity holders of the parent	3 783 171	1 830 554
Basic earnings per share (cents)	0.68	0.33
Headline earnings per share (cents)	0.68	0.33
Diluted basic earnings per share (cents)	0.68	0.33
Diluted headline earnings per share (cents)	0.68	0.33

Notes to the Company Financial Statements

For The Year Ended 30 June 2024

C7) INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

66.67% equity shares in TV Sales & Home (Private) Limited
87.75% equity share in Geribran Services (Private) Limited t/a Transerv
75% equity shares in Moregrow Enterprises (Private) Limited
50.01% equity shares in Distribution Group Africa (Private) Limited
100% equity shares in Axia Operations (Private) Limited
100% equity shares in Excalibur Mauritius Limited

C8) TRADE AND OTHER RECEIVABLES

	2024 USD	2023 USD
Amounts due from group companies		
Distribution Group Africa (Private) Limited	393 033	664 950
TV Sales & Home (Private) Limited	91 245	220 022
Geribran Services (Private) limited t/a Transerv (Private) Limited	5 668	21 408
Excalibur Mauritius Limited	115 000	115 000
Total amounts due from group companies	604 946	1 021 380

Amounts due from group companies are at arm's length terms with no fixed repayment dates. However, these receivables are usually settled within a period of 3 to 6 months. Outstanding balances attract interest at rates similar or above to the company's cost of borrowing.

C9) OTHER PAYABLES AND ACCRUALS

Dividends payable	119 721	312 055
Other payables and accruals	127 921	94 114
	247 642	406 169
Amounts payable to group companies		
Axia Operations (Private) Limited	1 043 090	67 953
Excalibur Mauritius Limited	-	423 983
Geribran Services (Private) limited t/a Transerv (Private) Limited	51 222	176 540
	1 094 312	668 476
Total other payables and accruals	1 341 954	1 074 645

C10) CASHFLOW INFORMATION

C10.1 Cash generated from operations

Profit before interest and tax	3 835 213	1 838 154
Impairment of investment in subsidiary	80 000	-
Decrease/(increase) in trade and other receivables	416 433	(555 303)
Increase/(decrease) in other payables and accruals	33 807	(44 083)
Increase in amounts payable to group companies	425 836	440 713
	4 791 289	1 679 481

Notes to the Company Financial Statements

For The Year Ended 30 June 2024

C11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise financial assets, sundry receivables, cash and cash equivalents, interest-bearing borrowings and sundry payables. The main purpose of these financial instruments is to raise finance for the Company's operations or to achieve a return on surplus short-term funds. The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Company's exposure to the risk for changes in market interest rates relates primarily to variable short-term loan and overdraft rates. The Company's policy is to manage its interest cost by limiting exposure to short-term loans and overdrafts and where borrowings are required, to borrow at favourable and fixed rates of interest. The company had no exposure to interest rate risk as it had no borrowings.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. Due to the nature of the operations of the Company, loans receivables of the Company which are subject to credit risk are receivable from its subsidiary companies. This therefore reduces the Credit risk to very minimal levels since the companies in question are controlled by the same people. The maximum exposure arising from default equals the carrying amount of the financial assets as disclosed in the statement of financial position less the market value of any security held.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the company held a deficit of (USD709 522) (2023: (USD52 984)).

The company's management of liquidity risk improved from the prior year gap through rigorous management processes of clearing the interest-bearing borrowings coupled with improved collections from group companies.

30 June 2023	Within 3 months USD	Between 4 -12 months USD	More than 12 months USD	Total USD
Liabilities				
Trade and other payables	(1 074 645)	-	-	(1 074 645)
Total	(1 074 645)	-	-	(1 074 645)
Assets				
Cash and cash equivalents	281	-	-	281
Trade and other receivables excluding prepayments	1 021 380	-	-	1 021 380
Total	1 021 661	-	-	1 021 661
Net liquidity deficit	(52 984)	-	-	(52 984)
30 June 2024				
Liabilities				
Trade and other payables	(1 341 954)	-	-	(1 341 954)
Total	(1 341 954)	-	-	(1 341 954)
Assets				
Cash and cash equivalents	27 486	-	-	27 486
Trade and other receivables excluding prepayments	604 946	-	-	604 946
Total	632 432	-	-	632 432
Net liquidity deficit	(709 522)	-	-	(709 522)

Notes to the Company Financial Statements

For The Year Ended 30 June 2024

C12 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements as at the reporting date (30 June 2024).

C13 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure the company maintains healthy capital ratios in order to support the business and maximise shareholder value. The Company manages its capital (total equity and debt) and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Company may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares as well as reduce or increase debt levels. No changes were made to the objectives, policies or processes during the year ended 30 June 2024.

The Company manages capital using debt to equity ratios, which is calculated as total borrowings divided by the sum of total equity and borrowings.

	2024 ZWL	2023 ZWL
Total borrowings	-	-
Cash and cash equivalents	(27 486)	(281)
Net Cash and cash equivalents	(27 486)	(281)
Equity	32 770 773	30 619 417
Gross Debt to equity ratio	0%	0%
Net debt to equity ratio	0%	0%

C14 CONTINGENT LIABILITIES

The Company did not have contingent liabilities as at year end.

C15 EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date.

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Annexures

Shareholders' Analysis and Calendar

ANALYSIS BY INDUSTRY AS AT : 30-JUNE-2024

INDUSTRY	SHARES	SHARES %	NUMBER OF SHAREHOLDERS	SHAREHOLDERS %
LOCAL COMPANIES	350 164 305	62.98	532	11.32
PENSION FUNDS	89 637 290	16.12	236	5.02
LOCAL NOMINEE	78 494 762	14.12	202	4.30
LOCAL INDIVIDUAL RESIDENT	17 848 465	3.21	3 318	70.63
FUND MANAGERS	6 337 172	1.14	20	0.43
TRUSTS	4 196 021	0.75	26	0.55
CHARITABLE	2 814 542	0.51	23	0.49
FOREIGN NOMINEE	1 677 689	0.30	07	0.15
INSURANCE COMPANIES	1 659 005	0.30	29	0.62
OTHER INVESTMENTS & TRUST	1 470 003	0.26	113	2.41
NEW NON RESIDENT	743 564	0.13	113	2.41
BANKS	674 341	0.12	02	0.04
FOREIGN COMPANIES	166 095	0.03	05	0.11
DECEASED ESTATES	82 979	0.01	64	1.36
GOVERNMENT / QUASI	20 000	0.00	01	0.02
FOREIGN INDIVIDUAL RESIDENT	14 075	0.00	07	0.15
TOTALS	556 000 308	100.00	4 698	100.00

ANALYSIS BY VOLUME AS AT : 30-JUNE-2024

RANGE	SHARES	SHARES %	NUMBER OF SHAREHOLDERS	SHAREHOLDERS %
1-5000	2 523 556	0.45	3,741	79.63
5001-10000	1 525 408	0.27	208	4.43
10001-25000	3 294 256	0.59	201	4.28
25001-50000	4 897 954	0.88	136	2.89
50001-100000	8 116 022	1.46	114	2.43
100001-200000	11 913 060	2.14	83	1.77
200001-500000	32 186 512	5.79	101	2.15
500001-1000000	32 597 859	5.86	45	0.96
1000001 AND ABOVE	458 945 681	82.54	69	1.47
TOTALS	556 000 308	100.00	4 698	100.00

TOP 20 : SCHEDULE AS AT : 30-JUNE-2024

RANK	NAMES	COUNTRY	INDUSTRY	SHARES	PERCENTAGE
1	ZMD INVESTMENTS (PVT) LTD	ZIM	LC	107 468 922	19.33
2	H M BARBOUR (PVT) LTD	ZIM	LC	100 024 000	17.99
3	STANBIC NOMINEES (PVT) LTD	ZIM	LN	58 273 345	10.48
4	OLD MUTUAL LIFE ASS CO ZIM LTD	ZIM	LC	57 844 958	10.40
5	SARCOR INVESTMENTS (PVT) LTD	ZIM	LC	22 484 058	4.04
6	MINING INDUSTRY PENSION FUND	ZIM	PF	12 812 831	2.30
7	MEGA MARKET (PVT) LTD	ZIM	LC	8 916 208	1.60
8	MUSIC VENTURES (PVT) LTD	ZIM	LC	7 465 382	1.34
9	CITY AND GENERAL HOLDINGS P/L	ZIM	LC	6 822 598	1.23
10	ELECTROLUX (PVT) LTD	ZIM	LC	5 212 939	0.94
SELECTED SHARES				387 325 241	69.66
NON - SELECTED SHARES				168 675 067	30.34
ISSUED SHARES				556 000 308	100.00

Shareholders' Calendar

Nineth Annual General Meeting	26 November 2024
Financial Year End	30 June

REPORTING AND MEETING DATES

3 Months to 30 September 2024	November 2024
6 Months to 31 December 2024	March 2025
9 Months to 31 March 2025	May 2025
12 Months to 30 June 2025	September 2025
Annual Report Published	November 2025
Tenth Annual General Meeting	November 2025

Notice to Members

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of members will be held on 26 November 2024 at 08h15 at the Royal Harare Golf Club Building, Harare, for the purpose of transacting the following business: -

ORDINARY BUSINESS

1. To receive and consider the financial statements for the year ended 30 June 2024 together with the report of the Directors and Auditors thereon.
2. To re-elect the retiring Director, Mr. Luke Ngwerume who retires by rotation and being eligible offers himself for re-election. Luke is an MBA graduate from the University of Cape Town Business School. He is retired Group CEO of Old Mutual. He comes from an investment background and he is a seasoned business leader in Zimbabwe.
3. To re-elect the retiring Director, Mr. Z. Koudounaris who retires by rotation and being eligible offers himself for re-election. Born in Zimbabwe, Zinona Koudounaris ("Zed") completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree majoring Business and Computer Science. Zed is a founder shareholder of Innscor Africa Limited ("Innscor"). He was the driving force behind the initial creation and success of Innscor's core Quick Service Restaurant brands now Simbisa Brands Limited.

Zed has held a number of positions within Innscor including Chief Executive Officer upon Innscor's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for Axia Corporation Limited and providing guidance to its management team. Zed currently sits on the Boards of Directors of Axia Corporation Limited, Innscor Africa Limited and Simbisa Brands Limited.

4. To approve Director's fees for the year ended 30 June 2024.

NOTE

The full report on Director's Remuneration shall be available for inspection at the registered address of the Company.

5. To approve the remuneration of the Auditors for the year ended 30 June 2024 and to re-appoint BDO Chartered Accountants of Harare as Auditors of the Company until the conclusion of the next Annual General Meeting. This is BDO's third year as independent auditors of the Company.

SPECIAL BUSINESS

6. Approval of Share Buy-Back

To approve as a special resolution, with or without amendments:

That the members authorize in advance, in terms of section 128 of the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange (VFEX) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that: -

- i) The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
- ii) Acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten per centum) of the Company's issued ordinary share capital; and
- iii) The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the VFEX, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and
- iv) A press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition; and
- v) If during the subsistence of this resolution the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect."

NOTE: -

In terms of this resolution, the Directors are seeking authority to allow the use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies and Other Business Entities Act and the regulations of the VFEX. The Directors will only exercise the authority if they believe that to do so would be in the best interest of the shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.

Notice to Members (Cont'd)

7. Loans to Executive Directors

To approve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

ANY OTHER BUSINESS

8. To transact any other business competent to be dealt with at the Annual General Meeting.

PROXIES

In terms of the Companies and Other Business Entities Act, 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 or her stead. No Director or Officer of the company may be appointed as a proxy for a Member. A proxy need not be a member of the Company.

Proxy forms must be forwarded to reach the Company's registered office not less than 48 (forty-eight) hours before the commencement of the meeting.

By order of the Board



AXIA CORPORATION LIMITED

Prometheus Corporate Services (Private) Limited Company Secretary

Harare

31 October 2024

Proxy Form

I/We _____ of _____

being a member of the above Company and entitled to vote, hereby appoint _____

of _____ or failing him, _____

of _____

as my/our Proxy to vote for me/us on my/our behalf at the Nineth Annual General Meeting of Axia Corporation Limited to be held on Tuesday, 26 November 2024 at 8:15 hours and at any adjournment thereof for the following purposes:-

	ITEM ON THE AGENDA FOR THE AGM	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1.	To receive and consider the financial statements for the year ended 30 June 2024 together with the report of the Directors and Auditors thereon..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect the retiring Director, Mr. Luke Ngwerume who retires by rotation and being eligible offers himself for re-election. Luke is an MBA graduate from the University of Cape Town Business School. He is retired Group CEO of Old Mutual. He comes from an investment background and he is a seasoned business leader in Zimbabwe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect the retiring Director, Mr. Z. Koudounaris who retires by rotation and being eligible offers himself for re-election. Born in Zimbabwe, Zinona Koudounaris ("Zed") completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree majoring Business and Computer Science. Zed is a founder shareholder of Innscor Africa Limited ("Innscor"). He was the driving force behind the initial creation and success of Innscor's core Quick Service Restaurant brands now Simbisa Brands Limited. Zed has held a number of positions within Innscor including Chief Executive Officer upon Innscor's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for Axia Corporation Limited and providing guidance to its management team. Zed currently sits on the Boards of Directors of Axia Corporation Limited, Innscor Africa Limited and Simbisa Brands Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To approve Director's fees for the year ended 30 June 2024. NOTE: - The full report on Director's Remuneration shall be available for inspection at the registered address of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To approve the remuneration of the Auditors for the year ended 30 June 2024 and to re-appoint BDO Chartered Accountants of Harare as Auditors of the Company until the conclusion of the next Annual General Meeting. This is BDO's third year as independent auditors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy Form (Cont'd)

	ITEM ON THE AGENDA FOR THE AGM	FOR	AGAINST	ABSTAIN
	SPECIAL BUSINESS			
6.	<p>Approval of Share Buy-Back</p> <p>To approve as a special resolution, with or without amendments: "That the members authorize in advance, in terms of section 128 of the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange (VFEX) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that: -</p> <p>i) The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and</p> <p>ii) Acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten per centum) of the Company's issued ordinary share capital; and</p> <p>iii) The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the VFEX, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and</p> <p>iv) A press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition; and</p> <p>v) If during the subsistence of this resolution the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect."</p> <p>NOTE: -</p> <p>In terms of this resolution, the Directors are seeking authority to allow the use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies and Other Business Entities Act and the regulations of the VFEX. The Directors will only exercise the authority if they believe that to do so would be in the best interest of the shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	<p>Loans to Executive Directors</p> <p>To approve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	<p>Any other business</p> <p>To transact any other business competent to be dealt with at the Annual General Meeting.</p>			

Proxy Form (cont'd)

Signed at _____ this _____ Day of _____ 2024.

Signature of Member _____

NOTES

1. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

2. This proxy form must be signed, dated and returned so as to reach the Company no later than forty-eight hours before the Meeting.

NOTE 1: In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more proxies to attend, vote and speak in his or her stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

NOTE 2: ELECTRONIC ANNUAL REPORT

The Company's 2024 Annual Report will be made available on the Company's website <http://www.axiacorpltd.com/> Electronic copies of the Annual Report will also be emailed to those shareholders whose e-mail addresses are on record.



The Company Secretary
Axia Corporation Limited

6 Kenilworth Road
Newlands
Harare
Zimbabwe

Change of Address Form

The attention of shareholders is drawn to the necessity of keeping the transfer secretaries advised of any change in name and/or address.

Shareholder's name in full _____

New address _____

Shareholder's signature _____



The Company Secretary
Axia Corporation Limited
6 Kenilworth Road
Newlands
Harare
Zimbabwe

GRI Content Index

STATEMENT OF USE	AXIA Corporation Limited has reported the information cited in this GRI content index for the period 01 July 2023 and 30 June 2024 with reference to the GRI Standards.
GRI USED	
GRI STANDARD	DISCLOSURE
GRI 102: General Disclosures 2021	2-1 Organisational details
	2-2 Entities included in the organisation's sustainability reporting
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information
	2-5 External assurance
	2-6 Activities, value chain and other business relationships
	2-7 Employees
	2-8 Workers who are not employees
	2-9 Governance structure and composition
	2-10 Nomination and selection of the highest governance body
	2-11 Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts
	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-19 Remuneration policies
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio
	2-22 Statement on sustainable development strategy
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-25 Processes to remediate negative impacts
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations
	2-28 Membership associations
	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements
	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics
	201-1 Direct economic value generated and distributed
GRI 3: Material Topics 2021	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics

GRI Content Index (cont'd)

STATEMENT OF USE	AXIA Corporation Limited has reported the information cited in this GRI content index for the period 01 July 2023 and 30 June 2024 with reference to the GRI Standards.
GRI USED	
GRI STANDARD	DISCLOSURE
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed
	201-2 Financial implications and other risks and opportunities due to climate change
	201-3 Defined benefit plan obligations and other retirement plans
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
	203-2 Significant indirect economic impacts
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers
GRI 207: Tax 2019	207-1 Approach to tax
	207-2 Tax governance, control, and risk management
	207-3 Stakeholder engagement and management of concerns related to tax
	207-4 Country-by-country reporting
GRI 301: Materials 2016	301-1 Materials used by weight or volume
	301-2 Recycled input materials used
	301-3 Reclaimed products and their packaging materials
GRI 302: Energy 2016	302-1 Energy consumption within the organisation
	302-2 Energy consumption outside of the organisation
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity
	304-3 Habitats protected or restored
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-4 GHG emissions intensity
	305-5 Reduction of GHG emissions
	305-6 Emissions of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

GRI Content Index (cont'd)

STATEMENT OF USE	AXIA Corporation Limited has reported the information cited in this GRI content index for the period 01 July 2023 and 30 June 2024 with reference to the GRI Standards.
GRI USED	
GRI STANDARD	DISCLOSURE
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities

Corporate Information

DOMICILE

The Company is incorporated and domiciled in Zimbabwe.

CORE BUSINESS

Speciality Retail and Distribution.

REGISTERED OFFICE

Edward Building,
1st Street/Nelson Mandela Avenue,
Harare, Zimbabwe

POSTAL ADDRESS

6 Kenilworth Road
Newlands
Harare, Zimbabwe

CONTACT DETAILS

Telephone: +263 (24) 2776998/2776273

Email: finance@axiaops.com

COMPANY SECRETARY

Prometheus Corporate Services (Private) Limited
5 Dromore Road Highlands
Harare, Zimbabwe

LEGAL ADVISORS

Gill, Godlonton & Gerrans
42 Sandringham Drive, Alexandra Park
Harare, Zimbabwe

INDEPENDENT AUDITORS

BDO Zimbabwe Chartered Accountants
Kudenga House 3 Baines Avenue
Harare, Zimbabwe

PRINCIPAL BANKERS

CABS
FBC Bank Limited
Stanbic Bank Zimbabwe Limited
Ecobank Zimbabwe Limited
First Capital Bank Limited
Standard Chartered Bank Zimbabwe Limited
People's Own Savings Bank Limited
NMB Bank Limited

REGISTRARS AND TRANSFER SECRETARIES

Corpserve Transfer Secretaries
(Private) Limited,
2nd floor, ZB Centre,
1st Street/Kwame Nkrumah Avenue,
Harare, Zimbabwe
Email: <https://escrowagm.com/eagmZim/Login.aspx>

SUSTAINABILITY ADVISORS

Institute for Sustainability Africa,
65 Whitwell Road Borrowdale West
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Email: admin@insafrica.org.zw

