CHOPPIES ENTERPRISES LIMITED

Consolidated and Separate Annual Financial Statements
for the year ended 30 June 2020

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Retail sales - supermarket
Directors	Carol Jean Harward (Appointed 4 September 2019) Farouk Essop Ismail Ramachandran Ottapathu Tom Pritchard (Appointed 4 September 2019) Uttum Corea (Appointed 9 September 2019) Dorcas Ana Kgosietsile (Resigned 4 September 2019) Heinrich Mathiam Stander (Resigned 4 September 2019) His Excellency Festus Gontebenye Mogae (Resigned 4 September 2019) Ronald Tamale (Resigned 4 September 2019) Wilfred Victor Mpai (Resigned 4 September 2019)
Registered office	Plot 50371 Fairgrounds Office Park Gaborone Botswana
Business address	Plot 169 Gaborone International Commercial Park Gaborone Botswana
Postal address	Private Bag 00278 Gaborone Botswana
Bankers	Absa Bank South Africa Limited Absa Bank Kenya Plc Absa Bank Mozambique SA Absa Bank of Tanzania Limited Absa Bank Zambia Plc Absa Bank of Botswana Limited Absa Bank of Zimbabwe Limited Bank of Baroda (Botswana) Limited Bank Gaborone Limited Capital Bank Botswana Limited Central African Building Society (“CABS”) Limited Diamond Trust Bank Limited FBC Bank Limited First National Bank (South Africa) Limited First National Bank Botswana Limited Nedbank South Africa Limited Stanbic Bank Botswana Limited Standard Bank Limited; Standard Bank South Africa Limited Standard Chartered Bank Botswana Limited Standard Chartered Bank Kenya Limited Standard Chartered Bank Limited Steward Bank Limited ZB Bank Limited
Auditors	Mazars (Appointed on 17 February 2020)

General Information

	Certified Auditors Plot 139 Gaborone International Finance Park Gaborone Botswana
Secretary	DPS Consulting Services (Proprietary) Limited (Appointed 29 November 2019) Corporate Services (Proprietary) Limited (Resigned 29 November 2019)
Presentation and functional currency	Botswana Pula

Contents

The reports and statements set out below comprise the consolidated and separate annual financial statements of Choppies Enterprises Limited:

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Choppies Enterprises Limited, comprising the statements of financial position as at 30 June 2020 and the statements of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year ended 30 June 2020, the accounting policies and the notes to the financial statements, in accordance with International Financial Reporting Standards ("IFRS").

The directors are also responsible for such internal controls they deem necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. In addition, the directors are responsible for the preparation and presentation of the other information accompanying the financial statements.

The directors have assessed the ability of the company and its subsidiaries to continue as going concerns (refer to note 43) and the impact of Covid-19 pandemic on its business and have no reason to believe these businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the International Financial Reporting Standards ("IFRS").

Approval of the consolidated and separate financial statements
Having considered the qualified audit opinion of the auditors as set out on pages 5 to 12, for the year 30 June 2020, the Board of Directors approved the consolidated and separate financial statements of Choppies Enterprises Limited, as identified in the first paragraph, on 23 September 2020 and these are signed on their behalf by:

Ramachandran Ottapathu - CEO	**Farouk Essop Ismail - Director**

MAZARS

Independent Auditor's Report

To the Shareholders of Choppies Enterprises Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated and separate annual financial statements of Choppies Enterprises Limited and its subsidiaries ("Choppies Group") set out on pages 13 to 99 which comprise the consolidated and separate statement of financial position as at 30 June 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated and separate financial performance and consolidated and separate cash flows of the Choppies Group for the year ended 30 June 2019. Because of the significance of the matters described in the Basis for Qualified Opinion paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated and separate financial performance and consolidated and separate cash flows for the year ended 30 June 2019.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Choppies Group as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

We were not appointed as auditors of the Choppies Group in the 2018 year. The predecessor auditor expressed a disclaimer of opinion. The disclaimer of opinion was based on the inability by the predecessor auditor to formulate an opinion on the consolidated and separate financial statements.

Comparatives presented in these financial statements are those figures reported in the previous year's financial statements. In the audit report dated 24 July 2020, a disclaimer of opinion was issued on the financial performance and cash flows and a qualified opinion was issued on the financial position of those financial statements. We were unable to obtain sufficient appropriate audit evidence through alternative means to satisfy ourselves as to the reliability of the accumulated surplus balance included in the statement of financial position as at 30 June 2019, or whether adjustments might have been necessary in respect of the movements in the statement of profit or loss and other comprehensive income, the net cash flows from operating activities reported in the statement of cash flows and the changes in equity reported in the statement of changes in equity for the year then ended.

In addition, we were appointed as auditors of the Choppies Group on 17 February 2020, and we were thus unable to observe the counting of physical inventories in certain locations, and we were unable to satisfy ourselves by alternative means concerning the existence and completeness of inventory quantities in certain locations held at 30 June 2019.

As a result of this matter and since opening inventories enter into the determination of the financial performance and cash flows of the Choppies Group, we were unable to determine whether any adjustments might have been necessary in respect of cost of sales reported in the consolidated statement of comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows for the year ended 30 June 2020.

CERTIFIED AUDITORS

PLOT 139 GABORONE INTERNATIONAL FINANCE PARK GABORONE BOTSWANA • PO BOX 401805 GABORONE BOTSWANA
TEL: +267 395 7466 • FAX: +267 395 7477 • gbe.info@mazars.co.bw • www.mazars.co.bw

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual 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) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified opinion.

Material Uncertainty Related to Going Concern

Management prepared these consolidated and separate financial statements on the basis that the Group and the Company is a going concern. Management included their assessment, and the associated uncertainties they have identified, in basis of preparation. We draw attention to Note 43 on the financial statements, which indicates that the Group incurred a net loss of BWP 371 million (2019: BWP 429 million) during the year ended 30 June 2020, had accumulated losses of BWP 1 billion (2019: BWP 676 million), and as at that date, Group's total liabilities exceeded its total assets by BWP 467 million (2019: BWP 80 million) and the total current liabilities exceed its total current assets by BWP 777 million (2019: BWP 494 million). As stated in Note 43 of the financial statements, these events or conditions, along with other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

Key Audit Matters

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

MATTER #01	**ACCOUNTING FOR SUPPLIER REBATE INCOME**
Description of Key Audit Matter	The Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from those suppliers. As such, the Group recognises other income or a reduction in cost of sales as a result of amounts receivable from suppliers. We regarded the recognition of supplier rebates to be a matter of most significance to the audit as there is a risk that rebates may be materially misstated due to the significant magnitude thereof, the varying terms with the suppliers and also the judgements made in accruing for rebates as at year-end in relation to the nature and level of fulfilment of the Group's obligation under the supplier agreements. Such agreements typically allow for various adjustments to the original selling price of goods subsequent to delivery of the goods, including (but not limited to) trade rebates, volume discounts (often measured using purchases over an extended period of time), early settlement discounts, advertising and other allowances (collectively, "rebate income"). The disclosure associated with supplier rebates is set out in the financial statements on the following note: • Note 1.30 – Rebates from suppliers

How we addressed the Key Audit Matter	We assessed the systems used to calculate rebates as well as the controls implemented by management over the accuracy of the calculation of rebates. We have tested the inputs used in calculating the supplier rebates by performing, among other, the following procedures for a sample of rebates: • We reviewed the major supplier agreements to understand their terms; • We assessed management's conclusion as to whether or not the rebate relates to a specific and genuine service, and consequently the treatment of the rebate in relation to the measurement of the cost of inventory at year end, through comparison to prior year treatment and evaluation of the types and terms of rebates received with reference to contractual terms; • We recalculated and assessed the rebate amounts recognised and the period in which they were recognised. This was based on the review of contractual performance obligations on a sample of contracts with suppliers to assess the conditions required for supplier rebates to be recognised and whether or not these had been met; • We assessed the recognition and classification of the rebates and other income and related costs in terms of the requirements of IAS 2, Inventories. • We have assessed and evaluated the presentation and disclosure of the above matter, as set out in the note 1.30 of the financial statements (Rebates from suppliers).

MATTER #02	**ACCURACY AND COMPLETENESS OF RELATED PARTY TRANSACTIONS**
Description of Key Audit Matter	The Group has undertaken transactions with numerous related parties. These include sales of goods to related parties, as well as purchase of goods from related parties. We have identified accuracy and completeness of the related party transactions as a key audit matter due to the significance of related party transactions; the risk that transactions are entered into on a non-arm's length basis, and the risk that such transactions remain undisclosed. The disclosure associated with related parties is set out in the financial statements on the following notes: • Note 1.27 – Financial Instruments (IFRS 9) – Amounts due from related parties • Note 38 – Related Parties
How we addressed the Key Audit Matter	Our procedures relating to related party relationships, transactions and balances included, amongst others: • Inquired from management and those charged with governance, and performed other risk assessment procedures considered appropriate, to obtain

an understanding of the controls, if any, established to identify, account for, and disclose related party relationships and transactions in the financial statements;

• We maintained alertness for related party information when reviewing records and other supporting documents during the fieldwork phase of the audit;

• We reviewed an extensive list of business documents and compiled a list of related parties and related party transactions independently;

• Where management asserted that the transactions are in fact at arm's length, assessed this assertion by:

- Comparing the terms of the related party transactions to those of an identical or similar transaction with one or more non-related parties;

- Comparing the terms of the transaction to known market terms for broadly similar transactions on an open market;

- Considering the appropriateness of management's process for supporting the assertion;

- Verifying the source of the internal or external data supporting the assertion, and testing the data to determine their accuracy, completeness and relevance; and

- Evaluating the reasonableness of any significant assumptions on which the assertion is based.

.

We have assessed and evaluated the presentation and disclosure of the above matter, as set out in the note 1.27 (Financial Instruments (IFRS 9) – Amounts due from related parties) and note 38 (Related Parties) of the financial statements.

MATTER #03	**IMPACT OF THE OUTBREAK OF COVID-19 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**
Description of Key Audit Matter	In December 2019, a novel strain of coronavirus (COVID 19) was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The potential impact of COVID-19 is causing widespread disruption to normal patterns of business activity across the world. Governments of various countries the group is operating in declared a "State of Emergency" where most non-essential businesses were closed to curb the spread of COVID 19 and in some instances, re-opened. As a result of this, numerous sectors of the economy are suffering damage and the long-term economic and business consequences remain unknown. Impacts such as sales and production disruptions, supply-chain interruptions, negative impacts on customers, volatility in the equity and debt markets, reduced revenue and cash flows, cash out flow through donations to the State COVID 19 fund and other economic consequences have been observed. Whilst the situation is still ongoing, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that adopting the going concern basis of preparation is appropriate.

	The disclosure associated with COVID-19 is set out in the financial statements on the following notes: • Note 43 – Going concern Due to the impact of COVID-19 and the uncertainty surrounding the final impact of COVID-19 on the group, it was judged to be a key audit matter.
How we addressed the Key Audit Matter	As part of the audit work performed, we have evaluated the impact COVID-19 has had on the Group's business operations, as well as its ability to continue as a going concern in the foreseeable future. Our audit procedures included the following: • We obtained an understanding of the impact of COVID-19 on the Choppies Group including any current and potential future disruption to operations, forced closures by government and impact on demand, through discussions with the client, the review of budget forecasts for the next 12 months as well as staying abreast of notable events announced by the media and the government. • We evaluated Choppies' relationship with its banks and whether the Group had any difficulty renewing or extending its available facilities by inspecting correspondence between Choppies and its financial services provider and reviewing the existing debt structure and facilities currently available. • We evaluated further mitigating actions that management has adopted and could extend further to maintain sufficient levels of liquidity such as making use of relief options made available to the group companies by their respective governments. • We examined management's assessment, which included, inter alia the following: - Made enquiries of management to understand the period of assessment considered by them on how COVID-19; - Evaluated the key assumptions in the assessment prepared by management and assessed the reasonableness of the assumptions used given the information existing at the date of the audit procedures; - Examined the cash flow forecasts and evaluated whether management's conclusion regarding going concern is appropriate; and - Finally, evaluated the adequacy and appropriateness of management's disclosure in respect of COVID-19 implications, disclosures within principal risks and uncertainties and going concern. We have assessed and evaluated the presentation and disclosure of the above matter, as set out in note 43 (Going concern) of the financial statements.

MATTER #04	**INITIAL APPLICATION OF IFRS 16 – LEASES ACCOUNTING STANDARD**
Description of Key Audit Matter	As of June 30, 2020, right-of-use assets in the amount of P772 million (note 13) and lease liabilities in the amount of P753 million (note 32) were recognized in Choppies Enterprises Limited's Consolidated Financial Statements. Right-of-use assets accounts for 42% of total assets with an associated lease liability approximating 33% of total liabilities and thus have a material impact on the company's net assets and financial position.

The initial application of IFRS 16 – Leases accounting standard led to material effects on the opening balance for the fiscal year and their development as of the year-end date. The Choppies group applies the new standard in accordance with the modified retrospective method

The calculation of the lease term and the incremental borrowing rates used as discount rates can be discretionary and based on estimates. In addition, extensive data from the leases must be recorded to calculate the initial effects of IFRS 16 and the development of lease liabilities and right-of-use assets in accordance with the standard. This data is the basis for the measurement and recognition of the lease liabilities and right-of-use assets.

There is risk that the lease liabilities and right-of-use assets are not recognised in full in the consolidated statement of financial position. Furthermore, there is risk than the lease liabilities and right-of-use assets have not been measured correctly.

Due to the significance of the estimates and judgements involved which could result in a material misstatement this has been deemed a key audit matter.

How we addressed the Key Audit Matter

We critically evaluated the implementation process for the new IFRS accounting standard. Our evaluation included the following procedures:

- We analysed the accounting instructions underlying the implementation for completeness and conformity with IFRS 16;
- We performed detailed testing on a sample basis, which was chosen in part on a representative and in part on a risk-oriented basis, and reviewed the accuracy and completeness of the lease contracts and that the correct inputs have been applied;
- To the extent that discretionary decisions were made regarding the lease term, we reviewed whether, in light of the market conditions and risks in the industry, the underlying assumptions are plausible and consistent with other assumptions made in the Consolidated Financial Statements;
- We reproduced the Choppies group's calculations of the carrying amounts of the lease liabilities and right-of-use assets. To this end, we evaluated the measurement and recognition of lease liabilities and right-of-use assets for selected leases, chosen in part on a representative and in part on a risk-oriented basis. The risk-based assessment included an evaluation of proper measurement in the case of changes to or reassessments of the underlying contract;

We assessed the appropriateness of the Group's disclosures of the impact of the new standard and the retrospective application in the notes to the Consolidated Financial Statements (Note 2 on Accounting policies and Note 13 on Property, Plant and Equipment).

Other information

The directors are responsible for other information. The other information comprises the Group's annual report and does not include the consolidated and separate annual financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated and Separate Annual Financial Statements

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

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

Auditor's responsibility for the audit of the consolidated and separate annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated annual 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the latter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mazars

Mazars
Certified Auditors
Practicing member: Shashikumar Velambath
Membership number: 19980076

Date: 24 SEPTEMBER 2020
Gaborone

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Pula thousand	Note	2020	2019*	2020	2019
Continuing operations					
Revenue	4	5 420 596	5 358 993	-	-
Cost of sales	5	(4 167 850)	(4 142 713)	-	-
Gross profit		**1 252 746**	**1 216 280**	**-**	**-**
Other operating income	6	52 617	57 501	-	-
Loss on disposal of plant and equipment/business	7	(656)	(855)	(107 885)	-
Impairment (losses)/reversal	8	(11 280)	(19 925)	14 103	(226 534)
Administrative Expenses	8	(901 870)	(924 434)	-	(806)
Selling and distribution expenses	8	(63 200)	(72 430)	-	-
Other operating expenses	8	(140 741)	(163 400)	(8 481)	-
Net monetary gain/(loss) on translating Zimbabwean entities		20 366	(354)	-	-
Operating profit/(loss)	8	**207 982**	**92 383**	**(102 263)**	**(227 340)**
Finance income	9	110	257	-	-
Finance costs	10	(103 087)	(63 059)	-	-
Profit/(loss) before taxation		**105 005**	**29 581**	**(102 263)**	**(227 340)**
Taxation	11	(6 076)	(22 597)	-	-
Profit/(loss) from continuing operations		**98 929**	**6 984**	**(102 263)**	**(227 340)**
Discontinued operations					
Loss from discontinued operations	25	(469 563)	(435 676)	-	-
Loss for the year		**(370 634)**	**(428 692)**	**(102 263)**	**(227 340)**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations in hyperinflationary economies	28	87 528	71 392	-	-
Exchange differences on translating foreign operations	29	(103 801)	(299 111)	-	-
Other comprehensive loss for the year net of taxation		**(16 273)**	**(227 719)**	**-**	**-**
Total comprehensive loss for the year		**(386 907)**	**(656 411)**	**(102 263)**	**(227 340)**
Loss attributable to:					
Owners of the parent		(330 359)	(393 662)	(102 263)	(227 340)
Non-controlling interest	15	(40 275)	(35 030)	-	-
		(370 634)	**(428 692)**	**(102 263)**	**(227 340)**
Loss attributable to:					
Owners of the parent:					
From continuing operations		105 052	12 081	(102 263)	(227 340)
From discontinued operations		(435 411)	(405 743)	-	-
		(330 359)	**(393 662)**	**(102 263)**	**(227 340)**
Non-controlling interest:					
From continuing operations		(6 123)	(5 097)	-	-
From discontinued operations		(34 152)	(29 933)	-	-
	15	**(40 275)**	**(35 030)**	**-**	**-**

*Income statement for 2019 regrouped to comply with the presentation requirement of IFRS 5 with regard to discontinuing operations.

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Pula thousand	Note(s)	2020	2019	2020	2019
Total comprehensive loss attributable to:					
Owners of the parent		(344 394)	(623 118)	(102 263)	(227 340)
Non-controlling interest		(42 513)	(33 293)	-	-
		(386 907)	**(656 411)**	**(102 263)**	**(227 340)**
Earnings per share					
Basic earnings per share					
Basic (loss) earnings per share (thebe) - continuing operations	12	8.06	0.93		
Basic (loss) earnings per share (thebe) - discontinuing operations	12	(33.40)	(31.13)		
		(25.34)	**(30.20)**		
Diluted earnings per share					
Diluted (loss) earnings per share (thebe) - continuing operations	12	8.06	0.93	-	-
Diluted (loss) earnings per share (thebe) - discontinuing operations	12	(33.40)	(31.13)	-	-
		(25.34)	**(30.20)**	**-**	**-**

Statements of Financial Position as at 30 June 2020

		Group		Company	
Figures in Pula thousand	Note	2020	2019	2020	2019
Non-Current Assets					
Property, plant and equipment	13	1 218 626	1 056 020	-	-
Goodwill and intangible asset	14	65 735	86 414	-	-
Investments in subsidiaries	15	-	-	104 073	104 075
Investments in new projects	17	10 270	27 018	-	-
		1 294 631	**1 169 452**	**104 073**	**104 075**
Current Assets					
Inventories	19	305 476	574 069	-	-
Amounts due from related entities	18	5 414	14 956	233 695	269 413
Other financial assets	20	3	3	-	-
Advances and deposits	21	39 092	82 502	-	-
Trade and other receivables	22	63 645	96 449	2 433	-
Current tax receivable		9 887	16 676	-	-
Restricted cash	23	12 845	26 300	-	-
Cash and cash equivalents	24	60 727	206 715	465	474
		497 089	**1 017 670**	**236 593**	**269 887**
Assets of disposal groups	25	49 081	-	-	-
Total Assets		**1 840 801**	**2 187 122**	**340 666**	**373 962**
Equity and Liabilities					
Stated capital	26	906 196	906 196	906 196	906 196
Treasury shares	27	(29 616)	(29 616)	-	-
Hyper inflationary reserve	28	158 920	71 392	-	-
Foreign currency translation reserve	29	(389 555)	(294 849)	-	-
Foreign currency translation reserve - discontinued operations	29	(6 857)	-	-	-
Retained loss		(1 006 538)	(676 179)	(634 982)	(532 719)
Equity Attributable to Equity Holders of Parent		(367 450)	(23 056)	271 214	373 477
Non-controlling interest	15	(99 604)	(57 091)	-	-
		(467 054)	**(80 147)**	**271 214**	**373 477**
Non-Current Liabilities					
Long term borrowings	31	355 665	572 754	-	-
Lease liabilities	32	599 869	31 688	-	-
Straight lining lease obligation	34	-	119 110	-	-
Deferred taxation liabilities	16	29 062	32 262	-	-
		984 596	**755 814**	**-**	**-**
Current Liabilities					
Trade and other payables	35	571 225	1 055 225	65 001	485
Amounts due to related entities	18	82 794	118 002	-	-
Current portion of long-term borrowings	31	192 289	46 117	-	-
Lease liabilities	32	153 116	22 265	-	-
Current portion of straight lining lease obligation	34	-	16 303	-	-
Current tax payable		7 248	5 388	4 451	-
Bank overdraft	24	148 788	248 155	-	-
		1 155 460	**1 511 455**	**69 452**	**485**
Liabilities of disposal groups	25	167 799	-	-	-
Total Liabilities		**2 307 855**	**2 267 269**	**69 452**	**485**
Total Equity and Liabilities		**1 840 801**	**2 187 122**	**340 666**	**373 962**

Statements of Changes in Equity

Figures in Pula thousand	Stated capital	Foreign currency translation reserve	Hyperinflationary translation reserve	Treasury shares	Retained loss	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group								
Balance at 01 July 2018	**906 196**	**5 999**	**-**	**(29 616)**	**(280 257)**	**602 322**	**(26 058)**	**576 264**
Loss for the year	-	-	-	-	(393 662)	(393 662)	(35 030)	(428 692)
Other comprehensive (loss)/income	-	(300 848)	71 392	-	-	(229 456)	1 737	(227 719)
Total comprehensive Loss for the year	**-**	**(300 848)**	**71 392**	**-**	**(393 662)**	**(623 118)**	**(33 293)**	**(656 411)**
Changes in ownership interest - control not lost	-	-	-	-	(2 260)	(2 260)	2 260	-
Total distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(2 260)**	**(2 260)**	**2 260**	**-**
Balance at 30 June 2019	**906 196**	**(294 849)**	**71 392**	**(29 616)**	**(676 179)**	**(23 056)**	**(57 091)**	**(80 147)**
Group								
Balance at 01 July 2019	**906 196**	**(294 849)**	**71 392**	**(29 616)**	**(676 179)**	**(23 056)**	**(57 091)**	**(80 147)**
Loss for the year	-	-	-	-	(330 359)	(330 359)	(40 275)	(370 634)
Other comprehensive (loss)/income	-	(101 563)	87 528	-	-	(14 035)	(2 238)	(16 273)
Total comprehensive Loss for the year	**-**	**(101 563)**	**87 528**	**-**	**(330 359)**	**(344 394)**	**(42 513)**	**(386 907)**
Balance at 30 June 2020	**906 196**	**(396 412)**	**158 920**	**(29 616)**	**(1 006 538)**	**(367 450)**	**(99 604)**	**(467 054)**
Note	26	29	28					

Statements of Changes in Equity

Figures in Pula thousand	Stated capital	Retained loss	Total equity
Company			
Balance at 01 July 2018	**906 196**	**(305 379)**	**600 817**
Loss for the year	-	(227 340)	(227 340)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(227 340)**	**(227 340)**
Balance at 01 July 2019	**906 196**	**(532 719)**	**373 477**
Loss for the year	-	(102 263)	(102 263)
Other comprehensive loss	-	-	-
Total comprehensive Loss for the year	**-**	**(102 263)**	**(102 263)**
Balance at 30 June 2020	**906 196**	**(634 982)**	**271 214**

Statements of Cash Flows

		Group		Company	
Figures in Pula thousand	Note	2020	2019	2020	2019
Cash flows from operating activities					
Profit (loss) before taxation		105 005	29 581	(102 263)	(227 340)
Adjustments for:					
Depreciation, write-off and amortisation		253 592	113 566	-	-
Losses/(gains) on disposals plant and equipment		656	855	-	-
Finance income		(110)	(257)	-	-
Finance costs		103 087	63 059	-	-
Movement in investments in new projects expensed during the year	17	302	1 775	-	-
Impairment losses net of reversals		11 280	19 925	(14 103)	226 534
Movements in straight lining lease obligation		-	29 784	-	-
Movement in deposits		-	(2 272)	-	-
Purchase consideration		-	-	52 851	-
Restricted cash movements		13 455	15 075	-	-
Other financial assets		-	2 187	-	-
Changes in working capital:					
Movement in inventories		55 922	382 435	-	-
Movement in trade and other receivables		1 692	98 149	(2 433)	-
Movement in advances and deposits		33 709	(2 829)	-	-
Movement in amount due from related entities		8 487	11 145	54 272	(3 681)
Movement in trade and other payables		44 219	(257 064)	64 516	283
Movement in amount due to related entities		(13 521)	75 326	-	4 201
Cash generated from operations		**617 775**	**580 440**	**52 840**	**(3)**
Interest received	9	110	257	-	-
Taxation paid		1 263	(29 316)	-	-
Cash flows of discontinued operations	25	(457 255)	(268 981)	-	-
Net cash generated from operating activities		**161 893**	**282 400**	**52 840**	**(3)**
Cash flows from investing activities					
Purchase of property, plant and equipment	13	(48 329)	(151 498)	-	-
Proceeds on disposal of property, plant and equipment		78 086	70 501	-	-
Purchase of intangible assets	14	(565)	-	-	-
Cash consideration paid	37	(52 849)	-	(52 849)	-
Sale of business	37	30 128	-	-	-
Investment in new projects		(10 468)	(39 542)	-	-
Discontinued operations	25	26 465	-	-	-
Net cash used in investing activities		**22 468**	**(120 539)**	**(52 849)**	**-**

Statements of Cash Flows

		Group		Company	
Figures in Pula thousand	Note	2020	2019	2020	2019
Cash flows from financing activities					
Financing obtained from third parties		100 000	35 155	-	-
Capital payments of long-term liabilities		(103 156)	(139 373)	-	-
Lease payments		(162 910)	(38 442)	-	-
Discontinued operations	25	18 087	(17 051)	-	-
Interest paid	10	(103 087)	(63 059)	-	-
Net cash (used in)/generated from financing activities		**(251 066)**	**(222 770)**	**-**	**-**
Net movement in cash and cash equivalents		**(66 705)**	**(60 909)**	**(9)**	**(3)**
Cash and cash equivalents at beginning of the year		(41 440)	14 928	474	477
Cash balances from discontinued operations		6 102	-	-	-
Effect of translation of foreign entities		13 982	4 541	-	-
Cash and cash equivalents at end of the year	24	**(88 061)**	**(41 440)**	**465**	**474**

*Statement of cash flows for 2019 regrouped to comply with the presentation requirement of IFRS 5 with regard to discontinuing operations.

Accounting policies

Corporate information

Choppies Enterprises Limited (CEL, the company or the Company) is a public limited company incorporated and domiciled in the Republic of Botswana and listed on the Botswana Stock Exchange. The company has a secondary listing on the Johannesburg Stock Exchange and is currently suspended. The company registration number is BW00001142508. The consolidated financial statements comprise the company and its subsidiaries (collectively referred to as “the Group”).

The business of the Group is concentrated in the retail supermarket industry.

1. Accounting policies

The consolidated and separate financial statements (“the financial statements”) are prepared in accordance with the International Financial Reporting Standards (“IFRS”) and the Johannesburg Stock Exchange requirements and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The financial statements were approved by the Board of Directors on 23 September 2020.

1.1 Basis of preparation

The Group and company financial statements are presented in Botswana Pula, which is also the functional currency of the company. All amounts have been rounded to nearest thousands, except where otherwise stated.

Certain individual companies in the Group have different functional currencies and are translated on consolidation.

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value and Zimbabwean operations translated on a current cost basis as required by IAS 29 "Financial Reporting in a Hyperinflationary Economies". The financial statements incorporate the following accounting policies which are consistent with those applied in the previous year, except for the changes set out in note 2.

Judgements made by board in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in significant judgements and sources of estimation uncertainty in note 1.34.

1.2 Consolidation

Basis of consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Transaction costs are expressed as incurred except if it refers to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment (refer to note 8 & 14).

Goodwill
All goodwill is acquired through business combinations and initially measured at fair value of the consideration transferred. The goodwill consists of the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to the individual cash-generating units and is tested annually for impairment. An impairment loss is recognised if the present value of the estimated future cash flows arising from the identified units is exceeded by the carrying amount of the assets and liabilities of the unit including goodwill or the fair value less the cost of disposal of the cash-generating unit exceeds the carrying amount of goodwill. An impairment loss is recognised in profit or loss in the year in which it is identified. An impairment loss in respect of goodwill is not reversed.

Investments in subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiaries are measured at cost less accumulated impairment losses in the company financial statements.

Accounting policies

1. Accounting policies (continued)

1.2 Consolidation (continued)

Transactions eliminated on consolidation
Intragroup balances, and income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest ("NCI")
NCIs are disclosed separately in the Group statement of financial position and statement of profit or loss and other comprehensive income. NCIs are viewed as equity participants of the Group and all transactions with NCIs are therefore accounted for as equity transactions and included in the Group statement of changes in equity.

NCIs are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in Group's interests in subsidiaries
Changes in the Group's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions.

1.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

1.4 Property, plant and equipment

Property, plant and equipment items are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of property, plant and equipment. The items of property, plant and equipment (except freehold land) are depreciated by applying the following useful lives:

Item	Average useful life
Buildings	14 years
Plant and machinery	
• Bakery equipment	4 - 20 years
• Butchery and takeaway equipment	5 - 17 years
• Refrigeration equipment	7 - 14 years
• Cold-room and compressors, generators	7 - 20 years
• Electrical and fittings	6 - 14 years
• Others	6 - 7 years
Office equipment, furniture and fixtures	
• Shelving	7 - 14 years
• Check out tills	6 - 14 years
• Drop safes	20 - 29 years
• Others	10 years

Accounting policies

1. Accounting policies (continued)

1.4 Property, plant and equipment (continued)

Motor vehicles	4 - 10 years
IT equipment	3 - 10 years
Leasehold improvements	Over the lease term
Aircraft	20 years

Freehold land is not depreciated as it is considered to have an indefinite useful life.

The residual value of each part of property, plant and equipment, if not insignificant, is reassessed annually. The expected useful lives are determined by a combination of comparison to industry, assessment of operational plans and strategies, actual experience and taking cognisance of advice from external experts.

Each part of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Gains and losses on disposal are determined by comparing proceeds with the carrying amounts and are recognised in profit or loss.

Repairs and maintenance costs are recognised in profit or loss during the financial period in which these costs are incurred. The cost of a major renovation is included in the carrying amount of the related asset when it is probable that future economic benefits will flow to the Group. Major renovations are depreciated over the period until the next major renovation is required, which may be shorter than the remaining life of the related asset.

Subsequent expenditures are capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1.5 Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms. Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with IFRS 15 Revenue from contracts with customers.

With reference to Note 36, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

1.6 Investments in new projects

Investments in new projects relates to capital expenditure incurred with regard to new stores to be opened in the following financial year. Investments in new projects is stated at cost. The amounts are transferred to respective asset classes when the assets are available for their intended use. Depreciation commences when the assets are ready for their intended use.

1.7 Impairment of assets

Non-financial assets
The carrying values of non-financial assets (except for deferred tax assets and inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

1. Accounting policies (continued)

1.7 Impairment of assets (continued)

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to disposal. In assessing 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 the time value of money and the risks specific to the asset.

For non-financial assets, such as goodwill, which have indefinite useful lives and are not subject to depreciation or amortisation, or that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment losses recognised in the prior periods are assessed at each reporting date for any indication that these losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment was recognised.

Accounting policies

1. Accounting policies (continued)

1.8 Leased assets

As described in Note 2, the Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

Accounting policy applicable from 1 January 2019
The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets (P 5 000) using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Accounting policies

1. Accounting policies (continued)

1.9 Leases (IFRS 16) - Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15, using relative standalone selling prices for the different components.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 6).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.10 Leases (Comparatives under IAS 17)

Finance leases – lessee

Leases are classified as finance leases where substantially all the risk and rewards associated with ownership of the asset are transferred from the lessor to the Group as a lessee.

Assets acquired in terms of finance leases are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Finance lease assets are carried at the initial recognised amounts less accumulated depreciation and impairment losses.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance lease liabilities are classified as non-current liabilities, with the exception of the portion with a maturity date less than 12 months from the reporting date which is classified as a current liability.

Finance lease assets are depreciated over the useful life of the asset.

Accounting policies

1. Accounting policies (continued)

1.10 Leases (Comparatives under IAS 17) (continued)

Operating leases – lessee

Leases where the lessor retains risk and rewards of ownership of the underlying asset are classified as operating leases. The Group acts as a lessee. Payments made under an operating lease are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised in profit or loss as an integral part of the total lease expense.

Operating lease liabilities are classified as non-current liabilities with the exception of the portion with a maturity date of less than 12 months from the reporting date which is disclosed as a current liability.

Any contingent rent are recognised as and when it is determined and recognised in profit or loss.

1.11 Inventories

Inventories comprise merchandise for resale and consumables. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

The cost of inventories is based on the weighted average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, including distribution costs, and is stated net of relevant purchase incentives. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.12 Tax and deferred taxation

Deferred tax assets and liabilities

Deferred taxation is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

> temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
> temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; or
> taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred taxation is recognised in profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income, or a business combination. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improve. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Accounting policies

1. Accounting policies (continued)

1.12 Tax and deferred taxation (continued)

Tax expenses

Taxation comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income. Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, after taking account of income and expenditure which is not subject to taxation, and any adjustment to tax payable/refundable in respect of previous years.

Dividends withholding tax

Dividends withholding tax is a tax on shareholders and is applicable on all dividends declared. Withholding tax applicable in Botswana for both residents and non-residents is 7.5%. Dividends payable to non-exempt shareholders registered on the Johannesburg Stock Exchange are subject to 20% withholding tax in accordance with the South African Income Tax Act 58 of 1962, unless varied in accordance with any relevant Double Tax Agreement.

1.13 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Employee entitlements to annual leave, bonuses, medical aid and housing benefits are recognised when they accrue to employees and an accrual is recognised for the estimated liability as a result of services rendered by employees up to the reporting date.

Severance benefits

Employees who are not members of an approved pension scheme or entitled to gratuities per their employee contracts, are entitled to severance benefits as regulated by the Botswana Labour Laws. An accrual is recognised for the estimated liability for services rendered by the employees up to reporting date, this is related to other long term employee benefits.

Gratuities

The Group operates a gratuity scheme for expatriates in terms of employment contracts and a gratuity is not considered to be a retirement benefit plan as the benefits are payable on completion of employment contract period of continuous employment or on termination of employment at the option of the employee. The expected gratuity liability is provided in full by way of accrual.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to approved defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which the related services were rendered.

1.14 Share incentive scheme

Share incentive scheme
The Group introduced an employee share incentive scheme. The shares are held in a trust, Choppies Group Share Incentive Trust until they are granted to employees. The shares are held in and remain under the control of the trust until such shares are vested to employees.

On the grant date, fair value of the equity-settled share-incentive scheme arrangements granted to employees is recognised as an expense, with a corresponding increase in equity (by reducing from the value of Treasury shares) over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

1.15 Revenue

Revenue arises mainly from the sale of goods. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or good to a customer, generally upon customer collecting the goods.

Accounting policies

1. Accounting policies (continued)

1.15 Revenue (continued)

To determine whether to recognise revenue, the Group follows a 5-step process:
- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the company's products and goods, for example for the sale of consumer goods. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers. The Group does not consider the financing component since the transfer of goods and related payments are not more than 12 months apart.

1.16 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.17 Interest income

Interest income is recognised as it accrues in profit or loss using the effective interest method.

1.18 Interest costs

Interest cost is recognised in profit or loss in the period in which these expenses are incurred using the effective interest method.

1.19 Earnings and headline earnings per share

The Group presents basic and diluted earnings per share (“EPS”) and headline earnings per share (“HEPS”) information for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss after taxation attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Headline earnings are calculated in accordance with Circular 1/2019 issued by the South African Institute of Chartered Accountants as required by the Johannesburg Stock Exchange Listings Requirements.

1.20 Dividend per share

Dividends per share are calculated based on the dividends declared during the year compared to the number of ordinary shares in issue at the time of declaration.

1.21 Stated capital, hyper-inflation reserve, foreign currency translation reserve and retained (loss) profit

Stated capital
Ordinary shares (with no par value) are classified as stated capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as financial liabilities.

Other components of equity include the following:
- Foreign currency translation reserve - comprises foreign currency translation differences arising from the translation of financial statements of the Group’s foreign entities into Botswana Pula.
- Retained (loss) profit - includes all current and prior period retained (loss) profits.
- Treasury shares - refer to accounting policy 1.22
- Hyperinflationary reserve - this is the effect of all components of shareholders equity that are restated by applying a general price index from the beginning period or dates on which those items arose.

Accounting policies

1. Accounting policies (continued)

1.22 Treasury shares

The Group operates a share incentive scheme classified as treasury shares and are presented as a deduction from equity. Dividend income on treasury shares are eliminated on consolidation.

1.23 Dividend income

Dividend income is recognised when the Group's right to receive payment is established. This is on the "last day to trade" for listed shares, and on the "date of declaration" for unlisted shares.

1.24 Dividends distributed to shareholders

Dividends are recorded in the period in which they have been declared and are recognised directly in equity. Dividends declared after the reporting date are not recognised as a liability in the statements of financial position.

1.25 Operating segments

The Group discloses segmental financial information which is being used internally by the entity's chief executive officer ("CEO") in order to assess performance and allocate resources. Operating segments are individual components of an entity that engage in business activities from which it may earn revenues and incur expenses, and whose operating results are regularly reviewed by the entity's CEO and for which discrete financial information is available. Operating segments, per geographical regions, are aggregated for reporting purposes. The aggregated business in each region have similar economic charatistics. They engaged in similar activities of retail trade.

1.26 Translation of foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Botswana Pula at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities designated in foreign currencies are subsequently translated to Pula at the foreign exchange rate ruling at the reporting date. Non-monetary assets and liabilities are consistently translated at rates of exchange ruling at acquisition dates. Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, which are not entities operating in hyperinflationary economy, including goodwill and fair value adjustments arising on acquisition, are translated at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at the weighted average rate of exchange for the year, except to the extent that the translation differences are allocated to NCI. Profits or losses arising on the translation of assets and liabilities of foreign entities are recognised in other comprehensive income and presented within equity and shown separately in a foreign currency translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Translation of foreign operations in hyperinflationary economies

The fiscal and monetary policy pronouncements made in October 2018 led to the Directors' reassessment of the functional currency of the Group's Zimbabwe operations and a justification to conclude that, under IAS 21 Effects of Changes in Foreign Exchange Rates, there was a change in the functional currency from the United States Dollar to the Zimbabwe Dollar.

The results of Zimbabwe operations is translated at the closing rate on 30 June 2020 as per IAS 21 paragraph 42(a).

1.27 Financial instruments (IFRS 9)

Recognition and derecognition

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a Group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Risk management presents the financial instruments held by the Group based on their specific classifications.

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 marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Amounts due from related entities at amortised cost

Classification

Amounts due from related entities (note 18) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these amounts due from related parties give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these amounts.

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Recognition and measurement

Amounts due from related parties are recognised when the Group becomes a party to the contractual provisions of the amounts due. Amounts due from related parties are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the amounts due from related parties initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

A loss allowance is recognised for all amounts due from related entities, in accordance with IFRS 9 Financial Instruments by applying the simplified approach, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

Significant increase in credit risk

In assessing whether the credit risk on amounts due from related parties has increased significantly since initial recognition, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on amounts due from related parties is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan installment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. amounts due from related parties written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries/reversals made are recognised in profit or loss in impairment (note 8).

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Measurement and recognition of expected credit losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Amounts due from related parties are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each Group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice-versa.

An ECL gain or loss is recognised for all amounts due from related parties in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The ECL loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 8).

Credit risk

Details of credit risk related to amounts due from related parties are included in the specific notes (Refer to note 18).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in impairment.

Trade and other receivables

Classification

Trade and other receivables, excluding, where applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss under investment income (note 9).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in selling and distribution expenses (note 8).

Details of foreign currency risk exposure and the management thereof are provided in the risk management (note 40).

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 22.

An ECL gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance (note 8).

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries are recognised in profit or loss in impairment (note 8).

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Credit risk

Details of credit risk are included in the trade and other receivables note (note 22) and the risk management (note 40).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 20. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income. To date this election has not been made.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss. Details of the valuation policies and processes are presented in note 20.

Fair value gains or losses recognised on investments at fair value through profit or loss.

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in other income (note 6).

Impairment

Investments in equity instruments are not subject to impairment provisions.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings and amounts due to related entities

Classification

Amounts due to related entities (note 18) and borrowings (note 31) are classified as financial liabilities subsequently measured at amortised cost.

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Recognition and measurement

Borrowings and amounts due to related entities are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 10.)

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 40 for details of risk exposure and management thereof.

Amounts denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the amount is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the selling and distribution expenses (note 8).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the risk management (note 40).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 35), excluding VAT payable and amounts received in advance, are classified as financial liabilities and subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

If trade and other payables contain a material financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group to liquidity risk. Refer to risk management (note 40).

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the closing rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the selling and distribution expenses (note 8)

Details of foreign currency risk exposure and the management thereof are provided in the risk management (note 40).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost which is deemed to approximate fair value.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts, which are repayable on demand and form any integral part of the company’s cash management, are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

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 party. 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.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting policies

1. Accounting policies (continued)

1.27 Financial instruments (continued)

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.28 Agency fees and commissions

Commission from rendering of agency services is recognised as the services are provided in accordance with the terms of the agency agreement and is included in other income.

1.29 Share incentive scheme

The Group operates a share incentive scheme classified as treasury shares and are presented as a deduction from equity. Dividend income on treasury shares are eliminated on consolidation.

1.30 Rebates from suppliers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from those suppliers. Most of the income received from suppliers relates to adjustments to a core cost price of a product, and as such is considered part of the purchase price for that product. Sometimes receipt of the income is conditional on the Group performing specified actions or satisfying certain performance conditions associated with the purchase of the product. These include achieving agreed purchases or sales volume targets and providing promotional or marketing materials and activities or promotional product positioning.

Rebates from suppliers is recognised when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract. The income is recognised as a credit within cost of sales. Where the income earned relates to inventories which are held by the Group at period ends, the income is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories.

Amounts due relating to rebates from suppliers are recognised within trade and other receivables, except in cases where the Group currently has a legally enforceable right of set-off and intends to offset amounts due from suppliers against amounts owed to those suppliers, in which case only the net amount receivable or payable is recognised. Accrued rebates are recognised within accrued income when rebates earned have not been invoiced at reporting date.

1.31 Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation (see also Note 25).

Accounting policies

1. Accounting policies (continued)

1.32 Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations (see also Note 25).

1.33 Determination of functional currency in Zimbabwe

To ease the pressure of a notable foreign currency shortage in that country, the Reserve Bank of Zimbabwe issued a monetary policy document on 1 October 2018 requiring banks to separate bank accounts into a foreign currency United States Dollar (USD) bank account and a local currency USD bank account. The local currency USD bank account is made up of Real Time Gross Settlement ("RTGS") and bond notes and does not trade on a 1:1 basis to the USD.

The shortage of foreign currency creates uncertainty on the amount and timing of amounts that can be repatriated from Zimbabwe. IAS 21, 'Foreign currency transactions' ("IAS 21") requires the use of a spot rate. The global foreign currency USD rate does not meet the conditions of a spot rate in IAS 21. Accordingly, with effect from 1 October 2018, the Group applied an unadjusted parallel legal mechanism to translate the results and financial position of its Zimbabwean subsidiary. On 20 February 2019, the Reserve Bank of Zimbabwe ("RBZ ") Governor announced a new Monetary Policy Statement whose highlights were denomination of RTGS system balances, bond notes and coins collectively as RTGS $. RTGS become part of multi-currency system. RTGS $ to be used by all entities (including government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions. The Monetary Policy Statement was followed by the publication of Statutory Instrument ("S.I.") 33 of 2019 on 22 February 2019, which gave effect to the introduction of the RTGS $ as a legal tender and prescribed that "for accounting and other purposes "certain assets and liabilities on the effective date would be deemed to be RTGS $ at a rate of 1:1 to US$ and would become opening RTGS $ values from effective date. In particular, the promulgation of RTGS $ as currency in the opinion of the directors, it was a response to the market perceptions which had come to regard RTGS balances and transactions as representing an underlying defacto currency. The Monetary Policy Statement also established an interbank foreign exchange market were the exchange rate would be determined by market forces. The interbank market opened trading at a rate of USD $ 1 to RTGS $ 2.5. The company already adopted hyper-inflation accounting in the previous year, for the year ended 30 June 2019. During the 2020 financial year a currency auction system was implemented by the RBZ. This did not impact the functional currency assessment of the Zimbabwean operations.

Accounting for hyperinflationary subsidiary

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the reporting date and the corresponding figures for the previous periods be stated in the same terms to the latest reporting date. The restatement has been calculated by means of conversion factors derived from month on month consumer price index (CPI) prepared by the Zimbabwe Statistical Agency. The indices and conversion factors used to restate the financial statements as at 30 June 2020 are as follows;

Date	Indices	Conversion factor
30 June 2020	1445.21	1.00
30 June 2019	172.61	1.00

The main procedures applied for the above mentioned restatement are as follows;

Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.

Accounting policies

1. Accounting policies (continued)
Plant and equipment

The original cost of plant and equipment is restated from the date of purchase of each item to the reporting date using the applicable general price index. The depreciation charge for the current period is calculated on the basis of the restated plant and equipment. Opening accumulated depreciation is also calculated on the basis of the restated plant and equipment.

Additions to plant and equipment are restated using the relevant conversion factors from the date of the transaction to the reporting date. For disposals, the original date of purchase and the historical cost is determined and the restated balance is deducted from the plant and equipment. There are is no plant and equipment purchased prior to 2009.

The restated plant and equipment are assessed for impairment in accordance with IAS 36.

Inventories

Inventories are restated based on the ageing of the items using the increase in the general price index for the period from purchase dates to the reporting date.

All items in the statement of other comprehensive income are restated by applying the relevant monthly conversion factors.

Shareholders' Equity

All components of shareholders equity are restated by applying a general price index from the beginning period or dates on which those items arose. Current year restated net income is added to the balance of restated opening retained earnings.

Comparative financial statements are restated by applying the general price index in terms of the measuring unit at the reporting date.

The effect of inflation on the net monetary position is included in the statement of other comprehensive income as a monetary gain or loss on the monetary position

All items in the statement of cash flow are expressed in terms of the measuring unit current at the reporting date.

1.34 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS requires the company, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Impairment of trade receivables

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (refer to not 22).

Allowance for slow moving, damaged and obsolete inventory

The Group assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 41.

Accounting policies

1. Accounting policies (continued)

1.34 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, the company determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

The Group assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of buildings, plant and equipment, office equipment, furniture and fixtures, motor vehicles, IT equipment, leasehold improvements and aircraft are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful lives of property, plant and equipment is assessed annually based on a combination of comparison to industry, assessment of operational plans and strategies, actual experience and taking cognizance of advice from external experts.

Change in estimate - aircraft
The useful life of aircraft estimated in December 2015 was 4 years. In the current period management have revised their estimate to 20 years based on flying hours. The effect of this revision has decreased the depreciation charges for the current and future periods by P 4 553 879

This impacted deferred tax charge of P 1 001 853 for the current year.

Determination of a functional currency of a foreign subsidiary

Entities in Zimbabwe have been operating in a multi-currency regime since its adoption by the Zimbabwean Government in February 2009. The United States Dollar was predominantly used in the economy and was designated as the functional and presentation currency of businesses in Zimbabwe. Due to severe foreign currency constrains experienced in Zimbabwean economy, some entities have left foreign obligations unsettled for long periods of time. This position therefore led to the constrained exchangeability between the Real Time Gross Settlement (RTGS) FCA and the United States Dollar (USD) FCA for some entities. A lack of or constrained exchangeability arises if an entity is unable to readily exchange a currency for another currency through the legal exchange mechanism within a reasonably short period of time.

This led to the creation of a three (3) tier pricing structure within the Zimbabwe Economy where one product was being charged at different prices namely United States Dollar Cash, electronic payment, mobile money or bond notes. The pricing structure indicated that the majority of transactions in the economy were now largely being conducted in electronic money and bond notes at a premium to the United States Dollar with effect from October 2018.

During the year 2018, the following pronouncements were made by the Zimbabwean Authorities;

- In February 2018, the Reserve Bank of Zimbabwe instructed Banks to ring fence foreign currency deposits by foreign exchange earners;
- In October 2018, banks were instructed to separate and create distinct (separate) bank accounts for depositors, namely; RTGS FCA and Nostro FCA accounts effective 15 October 2018. The exchange rate remained fixed at 1:1 and the balances in the two types of accounts continued to be referred to as the United States Dollar (US$).
- The requirement by the Zimbabwe Revenue Authority (ZIMRA) through public Notice Number 45 of 2018 that businesses should remit taxes in the specific currencies in which they collected them without conversion to RTGS, bond notes, local point of sale and mobile money.

These pronouncements led to a market consensus amongst market participants that the economic reality was different. In light with the industry consensus on the matter and industry discussion that followed led to directors to change the functional currency of our business in Zimbabwe to the RTGS dollar with effect from 1 October 2018. The vast majority of our revenue was received and settled in RTGS and Bond notes.

Accounting policies

1. Accounting policies (continued)

1.34 Significant judgements and sources of estimation uncertainty (continued)

On 20 February 2019, the Reserve Bank of Zimbabwe announced in a monetary policy statement that the RTGS would be recognised as a currency and Exchange Control Directive (RU 28 of 2019) formalized trading of the RTGS balances with other currencies. The Reserve Bank of Zimbabwe further issued Statutory Instrument 142 of 2019 on 24 June 2019 resulting in the renaming of the RTGS Dollar to the Zimbabwe Dollar (ZWL$) and the Zimbabwe Dollar became the only legal tender in Zimbabwe. With this change being made prior to year-end, we have referenced the currency for the Zimbabwe operations as Zimbabwe Dollar (ZW$).

Restricted cash

Restricted cash deposits include an amount of P12.4 million (2016: 26.3 million) relating to the Zimbabwe operations. This is due to exchange control regulations as well as a shortage of physical currency. The rate used for conversion was the quoted ZWL bank rate (2018: USD bank rate). Refer to note 23. The company did not have the necessary clearance from the Reserve Bank of Zimbabwe to externalise funds at 30 June 2019.

Business combinations

The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquiree's future profitability.

Notes to the Consolidated and Separate Financial Statements

2. Changes in accounting policy

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 July 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Group's consolidated and separate annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated.

Leases where group is lessee

Leases previously classified as operating leases

The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application.
- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The Group applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

As an exception to the above, no adjustments were made on initial application of IFRS 16 for leases previously classified as operating leases:

- for which the underlying asset is of low value. From the date of initial application, these leases are accounted for in accordance with paragraph 6 of IFRS 16 by recognising the lease payments on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 01 July 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

Impact on financial statements

On transition to IFRS 16, the recognised an additional P850 963 777 of right-of-use assets (after adjusting straighline lease obligation of P 75 564 295) and P908 702 217 of lease liabilities.

Notes to the Consolidated and Separate Financial Statements

2. Changes in accounting policy (continued)

When measuring lease liabilities, Group discounted lease payments using its incremental borrowing rate at 01 July 2019. The weighted average rate applied is 8.50%.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16 (P'000)

	01 July 2019
Operating lease commitment at 30 June 2019 as previously disclosed	1 585 718
Discounted using the incremental borrowing rate at 01 July 2019	(686 712)
Add finance lease liabilities recognised as at 30 June 2019	53 953
Operating lease commitment derecognised due discontinued operations	(18 532)
Lease liabilities recognised at 01 July 2019	**934 427**

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Prepayment Features with Negative Compensation - Amendment to IFRS 9	01 January 2019	The impact of the amendments is not material.
• Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	The impact of the amendments is not material.
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	The impact of the amendments is not material.
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	The impact of the amendments is not material.
• Uncertainty over Income Tax Treatments	01 January 2019	The impact of the amendments is not material.
• IFRS 16 Leases	01 January 2019	The impact of the standard is set out in note 2 Changes in accounting policy.

3.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Annual Improvements to IFRS Standards 2018–2020 (IFRS 9 Financial Instruments)	01 January 2022	Unlikely there will be a material impact
• Annual Improvements to IFRS Standards 2018–2020 (IFRS 16 Leases)	01 January 2022	Unlikely there will be a material impact
• Annual Improvements to IFRS Standards 2018–2020 (IFRS 1 First-time Adoption of International Financial Reporting Standards)	01 January 2022	Unlikely there will be a material impact
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not specified	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• Covid - 19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020	Unlikely there will be a material impact

Notes to the Consolidated and Separate Financial Statements

3. New Standards and Interpretations (continued)

• Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	01 January 2020	Unlikely there will be a material impact
• Definition of a business - Amendments to IFRS 3	01 January 2020	Unlikely there will be a material impact
• Presentation of Financial Statements: Disclosure initiative	01 January 2020	Unlikely there will be a material impact
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	Unlikely there will be a material impact

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

4. Revenue

Revenue from contracts with customers				
Sale of goods	5 420 596	5 358 993	-	-
	5 420 596	**5 358 993**	**-**	**-**

Disaggregation of revenue from contracts with customers by country				
Botswana	4 260 179	4 147 283	-	-
Namibia	142 128	119 701	-	-
Zambia	604 147	583 516	-	-
Zimbabwe	414 142	508 493	-	-
	5 420 596	**5 358 993**	**-**	**-**

5. Cost of sales

Sale of goods	4 167 850	4 142 713	-	-

6. Other operating income

Commissions received on financial services	29 513	28 261	-	-
Rental income (including ATMs)	4 523	4 429	-	-
Transportation income	13 651	18 861	-	-
Miscellaneous income	4 930	5 950	-	-
	52 617	**57 501**	**-**	**-**

*This represent the amount payable to Kind Investment in relation to the disposal of South African subsidiaries.

Notes (4 to 11) to the Income statement for 2019 have been regrouped to comply with the presentation requirement of IFRS 5 with regard to discontinuing operations.

7. Other operating gains (losses)

Gains/(losses) on disposals				
Property, plant and equipment	(656)	(855)	-	-
Investments in subsidiaries (loss on disposal of South Africa)*	-	-	(107 885)	-
	(656)	**(855)**	**(107 885)**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

8. Operating loss

Operating profit/(loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	572	-	-	-
Audit fees - prior year	10 716	7 025	-	-
	11 288	**7 025**	**-**	**-**
Consulting and professional service fees	13 394	10 879	7 929	465
Legal and forensic fees	5 785	5 989	-	-
Legal fee relating to South Africa restructuring and disposal	2 961	-	-	-
	22 140	**16 868**	**7 929**	**465**
Employee costs				
Salaries, wages, bonuses and other benefits	374 068	370 996	8	49
Defined contribution expense	10 909	10 604	-	-
Total employee costs	**384 977**	**381 600**	**8**	**49**
Leases				
Operating lease charges				
Premises	-	207 800	-	-
Variable lease payments				
Premises	7 981	-	-	-
Total operating lease charges	**7 981**	**207 800**	**-**	**-**
Depreciation, write-off and amortisation				
Write-off of goodwill	-	2 368	-	-
Depreciation of property, plant and equipment	93 458	106 742	-	-
Depreciation of right of use asset	157 891	-	-	-
Amortisation of intangible assets	2 243	4 456	-	-
	253 592	**113 566**	**-**	**-**
Impairment losses				
Property, plant and equipment (Refer to note 13)	-	3 884	-	-
Impairment of goodwill (Refer to note 14)	9 868	-	-	-
Impairment of intangible asset Oracle project (Refer to note 17)	-	13 759	-	-
Impairment of advance to suppliers	-	4 366	-	-
Investment in subsidiaries (Refer to note 15)	-	-	2	178 889
Impairment of amounts due from related parties (South Africa note 38)	-	-	-	47 645
Reversal of impairment of intercompany loan	-	-	(14 105)	-
Payless Supermarkets (Pty) Ltd (included in trade receivables note 22)	3 208	17 730	-	-
Movement in expected credit loss allowance	(1 796)	(19 814)	-	-
	11 280	**19 925**	**(14 103)**	**226 534**
Donations				
Donations paid	6 239	4 332	-	-

Notes to the Consolidated and Separate Financial Statements

8. Operating loss (continued)

Expenses by nature

Expenses are analysed by nature as follows:

Figures in Pula thousand	Group 2020	Group 2019	Company 2020	Company 2019
Administration expenses				
Auditor's remuneration	11 288	7 025	-	-
Bank charges	42 932	42 232	-	-
Computer expenses	23 852	23 947	-	-
Depreciation of right of use asset	157 891	-	-	-
Electricity charges	88 479	83 372	-	-
Employee costs	384 977	381 600	-	-
Insurance, license and permits	14 568	14 686	-	-
Motor vehicle expenses	29 526	30 944	-	-
Operating lease charges	7 981	207 800	-	-
Professional charges	22 140	16 868	-	-
Security expenses	28 657	27 766	-	-
Effects of hyper-inflation accounting on administrative expenses	44 313	25 977	-	-
Other administrative expenses	45 266	62 217	-	-
	901 870	**924 434**	**-**	**-**
Selling and distribution expenses				
Advertising and sales promotion	13 361	21 632	-	-
Foreign exchange differences	45 783	36 908	-	-
Other selling and distribution expenses	3 840	13 848	-	-
Effects of hyper-inflation accounting on selling and distribution expenses	216	42	-	-
	63 200	**72 430**	**-**	**-**
Other expenses				
Depreciation and amortisation	95 701	113 566	-	-
Repairs and maintenance	41 544	47 217	-	-
Effects of hyper-inflation accounting on other expenses	3 496	2 617	-	-
	140 741	**163 400**	**-**	**-**

9. Investment income

Figures in Pula thousand	Group 2020	Group 2019	Company 2020	Company 2019
Interest income				
From investments in financial assets:				
Bank and other cash	110	257	-	-

10. Finance costs

Figures in Pula thousand	Group 2020	Group 2019	Company 2020	Company 2019
Leases	59 208	-	-	-
Bank overdraft and borrowings	43 879	63 059	-	-
Total finance costs	**103 087**	**63 059**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

11. Taxation

Major components of the tax expense

Current				
Income tax - current period	7 475	23 184	-	-
Income tax - recognised in current tax for prior periods	(89)	470	-	-
	7 386	**23 654**	**-**	**-**
Deferred				
Originating and reversing temporary differences	(1 310)	(1 057)	-	-
	6 076	**22 597**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	105 005	29 581	(102 263)	(227 340)
Tax at the applicable tax rate of 22% (2019: 22%)	23 101	6 508	(22 498)	(50 015)
Tax effect of adjustments on taxable income				
Unrecognised deferred tax asset	19 549	15 680	-	-
Prior year under(over) provision of current tax	-	470	-	-
Prior year under(over) provision of deferred tax	(89)	(2 042)	-	-
Disallowed expenses	(37 132)	1 878	22 498	50 015
Effects of different tax rate	647	103	-	-
	6 076	**22 597**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

12. Earnings and dividend per share

Basic earnings per share and diluted earnings per share

Basic (loss) earnings per share (thebe)				
Basic (loss) earnings per share (thebe) - continuing operations	8.06	0.93	-	-
Basic (loss) earnings per share (thebe) - discontinuing operations	(33.40)	(31.13)	-	-
	(25.34)	**(30.20)**	**-**	**-**
Diluted (loss) earnings per share (thebe)				
Basic (loss) earnings per share (thebe) - continuing operations	8.06	0.93	-	-
Basic (loss) earnings per share (thebe) - discontinuing operations	(33.40)	(31.13)	-	-
	(25.34)	**(30.20)**	**-**	**-**

Profit or loss for the year attributable to equity holders of the parent

Continuing operations	105 052	12 081	-	-
Discontinued operations	(435 411)	(405 743)	-	-
	(330 359)	**(393 662)**	**-**	**-**

Headline earnings and diluted headline earnings per share

The calculation of headline earnings and diluted headline earnings per share is based on the weighted average number of ordinary shares in issue during the year.

Basic headline (loss) earnings per share (thebe)				
Basic headline (loss) earnings per share (thebe) - continuing operations	9.06	2.77	-	-
Basic headline (loss) earnings per share (thebe) - discontinuing operations	(24.33)	(28.64)	-	-
	(15.27)	**(25.87)**	**-**	**-**
Diluted headline (loss) earnings per share (thebe)				
Diluted headline (loss) earnings per share (thebe)-continuing operations	9.06	2.77	-	-
Diluted headline (loss) earnings per share (thebe)-discontinuing operations	(24.33)	(28.64)	-	-
	(15.27)	**(25.87)**	**-**	**-**

The Group has assessed the impact of the dilution of the shares in the Trust to be immaterial.

Headline earnings

Profit for the year attributable to owners of the company				
Continuing operations	105 052	12 081	-	-
Discontinued operations	(435 411)	(405 743)	-	-
Re-measurement:				
Loss on disposal of plant and equipment	50 994	855	-	-
Impairment losses	101 935	66 509	-	-
Tax effect on re-measurement of impairment	(21 615)	(10 998)	-	-
Headline earnings	**(199 045)**	**(337 296)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019
12. Earnings and dividend per share (continued)				
Profit for the year attributable to owners of the company				
Continuing operations	105 052	12 081	-	-
Re-measurement:				
(Profit) loss on disposal of plant and equipment	656	855	-	-
Impairment losses	13 076	29 759	-	-
Tax effect on re-measurement of impairment	(706)	(6 547)	-	-
Headline earnings - continuing operations	**118 078**	**36 148**	**-**	**-**
Profit for the year attributable to owners of the company				
Discontinued operations	(435 411)	(405 743)	-	-
Re-measurement:				
(Profit) loss on disposal of plant and equipment	50 337	-	-	-
Impairment losses	88 859	36 735	-	-
Tax effect on re-measurement of impairment	(20 909)	(4 451)	-	-
Headline earnings - discontinued operations	**(317 124)**	**(373 459)**	**-**	**-**
The weighted average number of ordinary shares in issue during the year to the nearest thousand				
Weighted average number of shares:				
Issued ordinary share at 30 June	1 303 628	1 303 628	-	-
Weighted average number of ordinary shares at 30 June	**1 303 628**	**1 303 628**	**-**	**-**
Shares to the nearest thousand				
Basic	1 303 628	1 303 628	-	-
Diluted	1 303 628	1 303 628	-	-
Ordinary shares eligible for dividend	1 303 628	1 303 628	-	-

Figures in Pula thousand

13. Property, plant and equipment

Reconciliation of property, plant and equipment - Group - 2020

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Aircraft	Capital work in progress	Total
Cost	68 347	989 419	382 464	325 570	104 986	207 132	58 412	8 961	2 145 291
Accumulated depreciation and impairment	(29 873)	(496 425)	(174 778)	(176 047)	(51 232)	(140 888)	(20 028)	-	(1 089 271)
Net book value at 01 July 2019	**38 474**	**492 994**	**207 686**	**149 523**	**53 754**	**66 244**	**38 384**	**8 961**	**1 056 020**
Additions	9 059	24 642	9 048	2 991	236	9 318	-	2 832	58 126
Transfers from work in progress	644	5 317	1 478	441	-	1 081	-	(8 961)	-
Adjustment on transition to IFRS 16	824 173	-	-	-	-	-	-	-	824 173
Disposals and scrappings	(44)	(46 525)	(54 273)	(16 771)	-	(21 509)	-	-	(139 122)
Disposals and scrappings - accumulated depreciation and impairment	-	15 729	11 217	12 940	-	17 377	-	-	57 263
Transfers to assets classified as held for sale (note25)	(10 532)	(5 504)	(13 109)	(59)	-	(2 252)	-	-	(31 456)
Disposal of subsidiary	(2 805)	(129 997)	(58 534)	(33 766)	-	(17 288)	-	-	(242 390)
Hyper-inflation and foreign exchange movements	3 551	(16 180)	(14 974)	(8 566)	-	(2 928)	-	-	(39 097)
Depreciation on continuing operations	(159 826)	(45 035)	(11 023)	(10 587)	(10 571)	(13 137)	(1 170)	-	(251 349)
Depreciation on discontinuing operations	(317)	(36 534)	(11 860)	(15 050)	-	(9 781)	-	-	(73 542)
Net book value at 30 June 2020	**702 377**	**258 907**	**65 656**	**81 096**	**43 419**	**27 125**	**37 214**	**2 832**	**1 218 626**
Made up as follows:									
Cost	870 718	503 301	162 718	192 254	105 222	113 809	58 412	2 832	2 009 266
Accumulated depreciation and impairment	(168 341)	(244 394)	(97 062)	(111 158)	(61 803)	(86 684)	(21 198)	-	(790 640)
	702 377	**258 907**	**65 656**	**81 096**	**43 419**	**27 125**	**37 214**	**2 832**	**1 218 626**

13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2019

	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	IT equipment	Aircraft	Capital work in progress	Total
Cost	81 130	1 084 400	358 169	392 397	7 691	201 767	81 741	-	2 207 295
Accumulated depreciation and impairment	(27 124)	(445 160)	(148 841)	(170 819)	(4 391)	(119 330)	(16 002)	-	(931 667)
Net book value at 01 July 2018	**54 006**	**639 240**	**209 328**	**221 578**	**3 300**	**82 437**	**65 739**	**-**	**1 275 628**
Additions	7 356	46 084	58 080	10 100	1 516	19 401	-	8 961	151 498
Disposals and scrappings	(386)	(2 173)	(568)	(12 534)	-	(490)	(81 400)	-	(97 551)
Disposals and scrappings - accumulated depreciation and impairment	386	835	208	9 112	-	257	15 397	-	26 195
Transfers from investments in new projects (note 17)	-	46 599	-	-	-	-	-	-	46 599
Reclassifications	(13 267)	(65 631)	(5 593)	(25 380)	59 489	6 010	44 372	-	-
Foreign exchange movements	2 317	(73 050)	(22 166)	(9 578)	-	(10 359)	-	-	(112 836)
Depreciation on continuing operations	(2 217)	(41 254)	(11 856)	(20 034)	(10 551)	(15 106)	(5 724)	-	(106 742)
Depreciation on discontinuing operations	(1 920)	(51 319)	(19 747)	(23 741)	-	(15 906)	-	-	(112 633)
Impairment loss on continuing operations	(3 884)	-	-	-	-	-	-	-	(3 884)
Impairment loss on discontinuing operations	(3 917)	(6 337)	-	-	-	-	-	-	(10 254)
Net book value at 30 June 2019	**38 474**	**492 994**	**207 686**	**149 523**	**53 754**	**66 244**	**38 384**	**8 961**	**1 056 020**
Cost	68 347	989 419	382 464	325 570	104 986	207 132	58 412	8 961	2 145 291
Accumulated depreciation and impairment	(29 873)	(496 425)	(174 778)	(176 047)	(51 232)	(140 888)	(20 028)	-	(1 089 271)
	38 474	**492 994**	**207 686**	**149 523**	**53 754**	**66 244**	**38 384**	**8 961**	**1 056 020**

Notes to the Consolidated and Separate Financial Statements

13. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

Movable assets with a net book value of P 66 521 510 (2019: P75 017 183) limited to P27 000 000 are encumbered under an overdraft facility with Absa Bank of Botswana as disclosed in note 24.

Lease liabilities are secured over motor vehicles and aircraft with a net book value of P 121 744 505 (2019: P 188 348 104) as disclosed in note 32.

Immovable assets with a net book value of P 10 532 758 (2019: P 13 416 924) are encumbered under a term facility with Absa Bank of Mozambique the loan has been classified as liabilities of disposal group under note 25.

Depreciation charge relating to all right-of-use assets amounts to P 168 465 113 (buildings P 157 890 765 , motor vehicle P 9 403 765 and aircraft is P 11 70 583) and the carrying amount of property, plant and equipment for right-of-use assets is as follows:

Net carrying amounts of right-of-use assets

Buildings	666 282	-	-	-
Motor vehicles	68 605	-	-	-
Aircraft	37 214	-	-	-
	772 101	**-**	**-**	**-**

Impairment and reversal of impairment

During the year, impairment indicators were identified relating to buildings and plant and machinery. There is no impairment for the period under review for buildings (2019: P7 800 982) and plant and machinery (2019: P 3 884 098).

Difficult market conditions during the year in Mozambique resulted in closure of the operation. The closure lead to impairment testing of the building, plant and machinery by comparing the carrying amount to its recoverable amount. As a result, there is no impairment charge recorded in other operating expenses in profit or loss account for the year (2019:P 14 138 094). The recoverable amount of the land and buildings and plant and machinery in Mozambique was calculated as its fair value less costs of disposal.

Notes to the Consolidated and Separate Financial Statements

14. Goodwill and intangible asset

Intangible asset	-

Reconciliation of goodwill and intangible assets - Group - 2020

	Goodwill	Software	Carrying amount
Cost	729 581	27 832	757 413
Accumulated amortisation	(3 114)	(7 390)	(10 504)
Accumulated impairment losses	(646 736)	(13 759)	(660 495)
Carrying amount at 1 July 2019	79 731	6 683	86 414
Additions during the year	-	565	565
Transferred to discontinued operations	(13 154)	-	(13 154)
Impairments	(9 868)	(2 243)	(12 111)
Effects of hyper-inflation	53 705	-	53 705
Effect of movements in exchange rates	(49 684)	-	(49 684)
	60 730	**5 005**	**65 735**

Comprising of:	Goodwill	Software	Carrying amount
Cost	703 274	28 397	731 671
Accumulated amortisation	(3 114)	(9 633)	(12 747)
Accumulated impairment losses	(639 430)	(13 759)	(653 189)
	60 730	**5 005**	**65 735**

Reconciliation of goodwill and intangible assets - Group - 2019

	Goodwill	Software	Carrying amount
Cost	729 581	2 934	732 515
Accumulated amortisation	(746)	(2 934)	(3 680)
Accumulated impairment losses	(549 852)	-	(549 852)
Carrying amount at 1 July 2018	178 983	-	178 983
Transfers from investments in new projects (note 17)	-	11 139	11 139
Amortisation	-	(4 456)	(4 456)
Write-off	(2 368)	-	(2 368)
Impairments	(16 516)	-	(16 516)
Effects of hyper-inflation	35 682	-	35 682
Effect of movements in exchange rates	(116 050)	-	(116 050)
	79 731	**6 683**	**86 414**

Comprising of:	Goodwill	Software	Carrying amount
Cost	729 581	27 832	757 413
Accumulated amortisation	(3 114)	(7 390)	(10 504)
Accumulated impairment losses	(646 736)	(13 759)	(660 495)
	79 731	**6 683**	**86 414**

Notes to the Consolidated and Separate Financial Statements

14. Goodwill and intangible asset (continued)

The valuation of goodwill at reporting date was determined by comparing the value in use of the cash generating units ("CGUs"), that the goodwill is allocated to, the carrying amounts of the assets and liabilities within the CGUs. The value in use is determined by comparing the present value of estimated incremental future cash flows to the carrying amount. This was based on five-year cash flow projections based on the most recent budgets approved by the Board and extrapolations of cash flows. The Group has assessed the impact of Covid-19 on its business and have no reason to believe it has materially affected the business as it is classified as essential services. The growth rates incorporated in the projections do not exceed the average long-term growth rates for the market in which the CGU operates.

Impairment indicators were identified relating to goodwill. Goodwill in Zimbabwe related to closed stores due to riot are impaired resulting in an impairment loss of P 246 199 was recorded in other operating expenses in profit or loss for the year.

Impairment indicators were identified relating to Mafila Holding CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd) and SupaSave and MegaSave CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd) as a result of decrease in sales from the two cash generating units. The Group therefore decided to impairment goodwill for these two units. An impairment loss of P9 622 127 was recognised for Mafila Holding CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd) and SupaSave and MegaSave CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd).

In 2019, Impairment indicators were identified relating to goodwill. Difficult market conditions as well as the cost structure of the stores in Kenya did not allow the company to operate profitably. Kenya was then tested for impairment by comparing the carrying amount to its recoverable amount. As a result, an impairment charge of P 16 516 037 was recorded in other operating expenses in profit or loss for the year, this has now been restated and is included in discontinuing operations.

Goodwill is allocated to the CGUs (mainly individual stores) of the main operations as follows:	**Group 2020**	**Group 2019**	**Company 2020**	**Company 2019**
Goodwill				
Choppies Supermarkets South Africa (Pty) Limited	-	13 154	-	-
Nanavac Investments (Pvt) Limited (Zimbabwe)	60 730	56 955	-	-
Mafila Holding CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd)	-	3 271	3 271	-
SupaSave and MegaSave CGU (subsidiary of Choppies Distribution Centre (Pty) Ltd)	-	6 351	6 351	-
	60 730	**79 731**	**9 622**	**-**

The following assumptions were applied in the evaluation of goodwill discount rate is 12.95%-14.95% (2018: 14%-22%).

Average sales growth rate	**Group 2020 %**	**Group 2019 %**	**Company 2020**	**Company 2019**
In Botswana		6	-	-
In South Africa		6	-	-
In Zimbabwe	6	6	-	-
In Kenya		10	-	-
Terminal value growth rate	3.6 - 6.0	3.6 - 6.0	-	-

Five year average inflation rate	**Group 2020**	**Group 2019**	**Company 2020**	**Company 2019**
In Botswana	- %	3.2 %	-	-
In South Africa	- %	4.0 %	-	-
In Zimbabwe	50.2 %	50.2 %	-	-
In Kenya	- %	4.3 %	-	-

Five year gross profit margin	**Group 2020 %**	**Group 2019 %**	**Company 2020**	**Company 2019**
In Botswana		23.5	-	-
In South Africa		19	-	-
In Zimbabwe	27.9	27.9	-	-
In Kenya		15	-	-

Notes to the Consolidated and Separate Financial Statements

14. Goodwill and intangible asset (continued)

The value-in-use calculations and impairment reviews are sensitive to changes in key assumptions, particularly relating to discount rates and cash flow growth. A sensitivity analysis has been performed based on changes in key assumptions. The following key assumptions would need to change by the amounts as disclosed below, assuming all other assumptions remained constant, in order for the estimated recoverable amounts of the CGUs to equal their carrying amounts:

- an increase in the discount rate between 40% and 70% depending on the CGU;
- a decrease in terminal value growth rate between 100% and 130% depending on the CGU.

15. Investment in subsidiaries

Choppies Enterprises Limited held the below interests in the stated capital of subsidiaries consolidated into these financial statements. The company has 9 (2019: 13) subsidiaries, 7 (2019: 11) of which are operating/operated during the financial year.

- 4 (2019: 8) subsidiaries are wholly owned including Choppies Group Share Incentive Trust Scheme.
- The 5 subsidiaries are majority held.

Choppies Group Share Incentive Trust Scheme

Choppies Group share incentive trust scheme is termed as a subsidiary mainly due to the control exercised by the company over its management. The trust does not have any capital or equity fund which is owned by the company. Details of the movement of the trust is given in Note 27. The value mentioned towards the trust is the cost of shares transferred to the Trust for its management as per the provisions of trust deed.

Company

The below table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Reconciliation of investment in subsidiaries				
Opening balance at beginning of the year	-	-	104 075	282 964
Sold/impaired during the year	-	-	(2)	(178 889)
	-	**-**	**104 073**	**104 075**

In Pula	**Country of incorporation**	**% Ownership 2020**	**Carrying value of investment 2020**	**% Ownership 2019**	**Carrying value of investment 2019**
Choppies Distribution Centre (Pty) Limited	Botswana	100 %	74 410 116	100 %	74 410 116
Choppies Logistics Proprietary Limited	South Africa	- %	-	100 %	733
Choppies Supermarkets Namibia (Pty) Limited	Namibia	100 %	98	100 %	98
Choppies Supermarkets Tanzania Limited	Tanzania	75 %	12 904 576	75 %	12 904 576
Choppies Supermarkets Tanzania Limited-Impairment		-	(12 904 576)	-	(12 904 576)
Choppies Enterprises Kenya Limited	Kenya	75 %	178 878 293	75 %	178 878 293
Choppies Enterprises Kenya Limited-impairment		-	(178 878 293)	-	(178 878 293)
Choppies Distribution Centre Kenya Limited	Kenya	75 %	10 716	75 %	10 716
Choppies Distribution Centre Kenya Limited-Impairment		-	(10 716)	-	(10 716)
Choppies Group Share Incentive Trust Scheme	Botswana	100 %	29 615 835	100 %	29 615 835
Choppies Supermarket Mozambique Limitada	Mozambique	90 %	33 613 445	90 %	33 613 445
Choppies Supermarket Mozambique Limitada-impairment		-	(33 613 445)	-	(33 613 445)
Choppies Supermarkets Limited (Zambia)	Zambia	90 %	47 158	90 %	47 158
Choppies Supermarkets SA (Pty) Limited	South Africa	- %	-	100 %	266 977 421
Choppies Supermarkets SA (Pty) Limited-impairment		-	-	-	(266 977 421)
Choppies Warehousing Services (Pty) Limited	South Africa	- %	-	100 %	900
Motopi Holdings SA (Pty) Limited	South Africa	- %	-	100 %	100
Nanavac Investments (Pvt) Limited	Zimbabwe	100 %	-	100 %	-
			104 073 207		**104 074 940**

The above list of investments in subsidiaries are to the nearest Pula.

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

Subsidiaries with non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are operating/operated during the current financial year. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest 2020	2019
Choppies Supermarkets Limited (Zambia)	Zambia	10 %	10 %
Choppies Enterprises Kenya Limited	Kenya	25 %	25 %
Choppies Distribution Centre Kenya Limited	Kenya	25 %	25 %
Choppies Supermarkets Tanzania Limited	Tanzania	25 %	25 %
Choppies Supermarket Mozambique LDA	Mozambique	10 %	10 %

Due to the absence of exchange control approval in Zimbabwe, the Group’s ability to receive any dividends from Nanavac may be restricted.

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

2020

Summarised statement of financial position	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Carrying amount of non-controlling interest
Choppies Supermarkets Limited (Zambia)	140 527	58 329	198 856	55 169	264 959	320 128	(15 467)
Choppies Enterprises Kenya Limited	3 158	15 397	18 555	97 978	71 095	169 073	(72 942)
Choppies Supermarkets Tanzania Limited	3 519	6 096	9 615	-	33 895	33 895	(7 270)
Choppies Supermarket Mozambique LDA	13 524	6 096	19 620	3 807	22 316	26 123	(4 012)
Total	160 728	85 918	246 646	156 954	392 265	549 219	(99 691)
Non-controlling interest in all other subsidiaries							87
							(99 604)

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss) before tax	Profit (loss) after tax	Profit (loss) allocated to non-controlling interest	Other comprehensive income	Total comprehensive income
Choppies Supermarkets Limited (Zambia)	604 147	(61 228)	(61 228)	(6 123)	(642)	(6 765)
Choppies Enterprises Kenya Limited	38 040	(116 146)	(116 146)	(29 396)	(1 120)	(30 516)
Choppies Supermarkets Tanzania Limited	1 385	(16 653)	(16 660)	(4 164)	(491)	(4 655)
Choppies Supermarket Mozambique Limitada	4 891	(5 916)	(5 916)	(592)	15	(577)
Total	648 463	(199 943)	(199 950)	(40 275)	(2 238)	(42 513)

Choppies Enterprises Kenya Limited, Choppies Supermarkets Tanzania Limited and Choppies Supermarket Mozambique LDA are classified as non-current assets held for sale in the statements of financial position, refer to note 25.

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

Summarised statement of cash flows	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
Choppies Supermarkets Limited (Zambia)	124 006	(112 395)	(13 779)	(2 169)
Choppies Enterprises Kenya Limited	(113 933)	26 101	54 254	(33 578)
Choppies Supermarkets Tanzania Limited	(807)	346	-	(462)
Choppies Supermarket Mozambique LDA	10 127	4 401	(5 981)	8 547
Total	19 393	(81 547)	34 494	(27 662)

2019

Summarised statement of financial position	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Carrying amount of non-controlling interest
Choppies Supermarkets Limited (Zambia)	95 380	72 089	167 469	2 787	251 656	254 443	(8 702)
Choppies Enterprises Kenya Limited	91 912	60 901	152 813	40 948	129 756	170 704	(42 428)
Choppies Supermarkets Tanzania Limited	8 456	4 924	13 380	-	10 360	10 360	(2 613)
Choppies Supermarket Mozambique LDA	17 602	6 093	23 695	8 341	16 091	24 432	(3 435)
Total	213 350	144 007	357 357	52 076	407 863	459 939	(57 178)
Non-controlling interest in all other subsidiaries							87
							(57 091)

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit before tax	Tax expense	Profit (loss)	Total comprehensive income	Profit (loss) allocated to non-controlling interest
Choppies Supermarkets Limited (Zambia)	583 516	(50 974)	-	(50 974)	14 120	(5 097)
Choppies Enterprises Kenya Limited	440 437	(95 269)	(26)	(95 295)	1 371	(23 824)
Choppies Supermarkets Tanzania Limited	55 374	(14 049)	(4 171)	(18 220)	65	(4 555)
Choppies Supermarket Mozambique LDA	24 831	(15 539)	-	(15 539)	(34)	(1 554)
Total	1 104 158	(175 831)	(4 197)	(180 028)	15 522	(35 030)

Summarised statement of cash flows	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net increase (decrease) in cash flow
Choppies Supermarkets Limited (Zambia)	21 166	(20 299)	(1 058)	1 925
Choppies Enterprises Kenya Limited	(10 371)	(38 000)	74 242	25 870
Choppies Supermarkets Tanzania Limited	1 986	(2 489)	-	(503)
Choppies Supermarket Mozambique LDA	8 627	(95)	(6 733)	1 799
Total	21 408	(60 883)	66 451	29 091

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

Since Choppies Distribution Centre Kenya Limited is not an operating subsidiary, details of the same are not disclosed in the summaries financial information.

Assessment of investments in subsidiaries for impairment

The company assesses investments in subsidiaries for potential impairment when their impairment indicators have been identified. The company assesses the current and future financial performance of these subsidiaries, taking into account the company's business model (5 year projection). An impairment loss is recognised if a subsidiary does not show a cumulative profitable returns over the next five years from the year end. All investments in subsidiaries are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the investments' recoverable amount exceeds its carrying amount. Future performance was assessed based on cash flow projections for Group's subsidiaries below and the following key assumptions:

	Choppies Supermarkets Limited (Zambia)		Choppies Supermarkets Namibia (Pty) Limited		Choppies Distribution Centre (Pty) Limited	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue growth rates	7.0%	7.0%	8.0%	8.0%	6.0%	6.0%
Gross profit margins	17.6%	17.6%	17.4%	17.4%	23.5%	23.5%
Inflation rates	9.0%	9.0%	4.0%	4.0%	3.2%	3.2%
Terminal growth rates	3.60%	3.60%	4.20%	4.20%	4.8%	4.8%

The company subsidiaries namely, Choppies Supermarkets Tanzania Limited, Choppies Supermarket Mozambique Limitada, Choppies Supermarkets SA (Pty) Limited were fully impaired in 2018 and Kenya in 2019 as future financial performance of these subsidiaries had an estimated recoverable amount from the value in use that was lower than the carrying amount of the company's investment.

The Group reviewed the projections and operations of the regions, namely Botswana, Namibia and Zambia and remain optimistic of the region as it is showing good growth and value add to the Group. As a result, the Group did not impair these investments in 2020 due to the expected positive EBIDTA and increase in value based on future projections.

Choppies Logistics Proprietary Limited, Choppies Warehousing Services (Pty) Limited and Motopi Holdings SA (Pty) Limited were sold during the year, hence, an impairment loss of P 1 733 recognised as the subsidiary was not profitable.

16. Deferred tax

The movement in deferred taxation is analysed as follows:

Reconciliation of deferred tax asset / (liability)

At beginning of year	(32 262)	(36 115)	-	-
Charge to the profit or loss	(1 310)	(1 057)	-	-
Foreign exchange differences including effects of hyper inflation	4 510	6 733	-	-
Discontinued operations	-	(1 823)	-	-
	(29 062)	**(32 262)**	**-**	**-**

Accelerated capital allowances on items of property, plant and equipment	(46 120)	(47 741)	-	-
Deferred lease liabilities	128 652	15 513	-	-
Right of use asset	(110 211)	-	-	-
Advances and Deposits	(54)	(146)	-	-
Provisions	131	56	-	-
Tax losses carried forward	-	1 516	-	-
Unrealised Forex Loss	(1 460)	(1 460)	-	-
	(29 062)	**(32 262)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

17. Investments in new projects

These amounts relate to capital expenditure incurred with regard to new stores to be opened in the following financial year. The amounts are non-current in nature and will be transferred to plant and equipment when the store opens.

Investments in new projects is reconciled as follows:				
Balance at the beginning of the year	27 018	107 392	-	-
Amounts reclassified as additions to property, plant and equipment during the year (note 13)	(9 939)	(46 599)	-	-
Capital advanced during the year	10 468	39 542	-	-
Amounts reclassified to intangible assets (note 14)	-	(11 139)	-	-
Amounts reclassified as expenses	(302)	(1 775)	-	-
Effects of exchange rates	(3 887)	(45 807)	-	-
Impairment	-	(13 759)	-	-
Transfer from other receivables	-	82	-	-
Transferred to discontinued operations	(13 088)	-	-	-
Transfer to advance to suppliers	-	(919)	-	-
	10 270	**27 018**	**-**	**-**

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

18. Amounts due to (from) related entities

Amounts due from related entities

Amounts due from related entities - subsidiaries	-	-	233 695	334 937
Amounts due from related entities - other related parties	5 414	14 956	-	-
	5 414	14 956	233 695	334 937
Impairment of amounts due from parties (South Africa/Nanavac Investments)	-	-	-	(65 524)
	5 414	**14 956**	**233 695**	**269 413**

Transactions with related entities are carried out on mutually agreed terms and conditions in the normal course of business on an arm's length basis. Refer to note 38 for the details of related party balances and transactions.

All amounts are short-term. The carrying values of amounts due from related entities are considered to be a reasonable approximation of fair value.

Exposure to credit risk

Amounts due from related entities inherently expose the Group to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its amounts due from related entities . This is because the amounts due from related entities are expected to be repaid within the agreed time (which is normally 30 to 45 days). The amounts due from related entities arise from normal trading activities.

A loss allowance is recognised for all amounts due from related entities, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity is placed or has been placed under liquidation. Amounts due from related entities which have been written off are not subject to enforcement activities.

The Group measures the loss allowance for amounts due from related parties by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on amounts due from related parties is determined as the lifetime expected credit losses on amounts due from related parties. These lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of amounts due from related parties but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The lifetime ECL (Expected Credit Loss) is expected to be immaterial or almost nil based on past experience as a result of low risk of default and no amounts are past due.

Amounts due from related entities are written off when there is no reasonable expectation of recovery, for example, when a related entity has been placed under liquidation.

At the Company level, an impairment loss from related parties (subsidiaries) is recognised based on management's assessment of the related party's inability to repay the amounts advanced in the near future.

Amounts due to related entities	**(82 794)**	**(118 002)**	-	-

These balances are trade related, unsecured, interest free and are repayable under normal trading terms. Refer to note 38 for the details of related party balances and transactions.

All amounts are short-term. The carrying values of amounts due to related entities are considered to be a reasonable approximation of fair value.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

19. Inventories

Merchandise	343 461	616 343	-	-
Goods in transit	3 435	4 044	-	-
	346 896	620 387	-	-
Provision for inventory	(41 420)	(46 318)	-	-
	305 476	**574 069**	**-**	**-**
Cost of inventories recognised as an expense during the year	4 167 850	4 142 713	-	-

20. Other financial assets

Mandatorily at fair value through profit or loss:				
Investment in listed shares	3	3	-	-

The investment consists of 1 000 shares in First National Bank Botswana Limited. The quoted price at 30 June 2020 was P2.4 (2019: P2.75 per share).

21. Advances and deposits

Salary advances	286	1 230	-	-
Rent advances	1 147	2 911	-	-
Prepaid expenses	3 539	7 282	-	-
Rent deposits	7 789	18 324	-	-
Other deposits	880	1 316	-	-
Electricity deposits	2 950	4 611	-	-
Telephone deposits	85	78	-	-
Advance to suppliers	20 395	42 888	-	-
Other advances	2 021	3 861	-	-
	39 092	**82 501**	**-**	**-**

22. Trade and other receivables

Trade receivables	5 499	3 315	-	-
Other receivable	21 610	49 459	-	-
Rebate receivable	28 218	34 554	-	-
Value added tax	8 318	9 121	2 433	-
	63 645	**96 449**	**2 433**	**-**

22. Trade and other receivables (continued)

Credit risk

Trade and other receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

Trade receivables arise from retail sales. Retail trade is located in Botswana, Namibia, Zambia and Zimbabwe. Credit risk is assessed and monitored internally along these risk concentrations.

The Company is exposed to credit risk if counterparties fail to make payments as they fall due.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The company uses an allowance matrix to measure the expected credit loss (ECL) of trade receivables from various customer groups. Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on type of clients and products.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

Credit risk on rebate receivable
These rebates receivable are recovered from supplier payments and the Group does not expect any credit loss. Rebates receivable are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Company	2020	2020	2019	2019
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 6.26% (2019: 38.03%)	6 857	(429)	568	(216)
Past due 1 - 30 days: 13.28% (2019: 6.55%)	1 709	(227)	1 726	(113)
Past due 31 -60 days 23.53% (2019: 17.19%)	221	(52)	1 501	(258)
Past due 61 -90 days: 34.50% (2019: 39.52%)	258	(89)	167	(66)
More than 91 days past due: 100.0% (2019: 99.96%)	3 716	(3 716)	15 655	(15 649)
Specific debtors South Africa	-	-	29 464	(29 464)
Specific debtors Payless	124 063	(124 063)	120 855	(120 855)
Total	**136 824**	**(128 576)**	**169 936**	**(166 621)**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

22. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance in accordance with IAS 39 Financial Instruments: Recognition and Measurement	-	119 176	-	-
Adjustments upon application of IFRS 9	-	-	-	-
Opening balance in accordance with IFRS 9	**166 621**	**119 176**	**-**	**-**
Specific provision on Payless	3 208	17 730	-	-
Specific provision of South African debtors	(29 464)	29 464	-	-
Transferred to discontinued operations	(9 993)	-	-	-
Reversal of prior year provision	(1 796)	(16 067)	-	-
Provision for ECL current year	-	16 318	-	-
Closing balance	**128 576**	**166 621**	**-**	**-**

All amounts are short-term. The carrying values of trade and other receivables are considered to be a reasonable approximation of fair value.

23. Restricted cash

Cash and cash equivalents held by the entity that are not available for use by the group				
Cash and cash equivalents - Restricted cash Zimbabwe	12 845	26 300	-	-

Restricted cash deposits above relate to the Zimbabwean operations, which are not available for use by the Group, due to severe long-term restrictions on the repatriation of dividends from Zimbabwe and the volatility of the Zimbabwean RTGS and the continued uncertainty regarding Zimbabwe's legislative framework, exchange controls and economy. Moreover, the company did not have the necessary control clearance from the Reserve Bank of Zimbabwe to externalise funds by 30 June 2020.

24. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 980	16 086	-	-
Bank balances	56 747	190 629	465	474
Total cash and bank balances	**60 727**	**206 715**	**465**	**474**
Bank overdraft	(148 788)	(248 155)	-	-
	(88 061)	**(41 440)**	**465**	**474**

The Group has the following banking facilities:

- P53 000 000 overdraft facility from Absa Bank of Botswana Limited secured by a cross-company guarantee of P27 000 000 issued by Choppies Enterprises Limited and its subsidiaries and a deed of hypothecation in favour of Absa Bank of Botswana Limited over movable assets limited to P27 000 000 issued by Choppies Enterprises Limited and its subsidiaries (refer to note 13). At the reporting date P 52 694 637 (2019: P52 683 829) of this facility was utilised.
- P26 100 000 (2019: P40 000 000) overdraft facility from Standard Chartered Bank Botswana Limited guaranteed by Choppies Enterprises Limited. At the reporting date P 25 580 696 (2019: P39 374 393) of the facility was utilised.
- P70 719 357 (2019: P90 000 000) overdraft facility from First National Bank Botswana Limited guaranteed by Choppies Enterprises Limited in sum of P90 million and letters of suretyship by Choppies Distribution (Pty) Ltd. Utilised at the year-end P 70 569 642 (2019: P 87 178 927).

25. Discontinued operations or disposal groups or non-current assets held for sale

During the current financial year, Choppies Enterprises Limited Board decided to discontinue the operations of Kenya, Tanzania, Mozambique and South Africa. In South Africa the entire issued shares were sold on 22 April 2020 for each of its wholly owned subsidiaries. In Kenya and Tanzania, the operations were closed and the Group will exit these countries during the 2021 financial year. The Mozambique operations were closed and the assets transferred to Choppies Zambia.

South Africa
Choppies Enterprises Limited entered into an agreement during November 2019 whereby Choppies Enterprises Limited sold the entire issued shares in and the loan accounts of Choppies Enterprises Limited against each of its wholly owned subsidiaries Choppies Supermarkets SA Proprietary Limited, Choppies Warehousing SA Proprietary Limited, Choppies Logistics Proprietary Limited and Motopi Holdings SA Proprietary Limited (collectively the SA Subsidiaries). The purchase consideration was ZAR1 for all the issued shares held by Choppies Enterprises Limited in and all the claims of Choppies Enterprises Limited on the loan account against each SA Subsidiary. In addition, the purchaser undertook to release Choppies Enterprises Limited from guarantees held by it to certain major trade creditors of the SA subsidiaries and lessor creditors and indemnified Choppies Enterprises Limited in respect of any claims under the aforesaid guarantees until these are released. As security therefore the sole director of the purchaser guaranteed the obligations of the purchaser under such indemnity. Choppies Enterprises Limited also agreed to make good the negative value of equity in the SA Subsidiaries as determined by the application of a prescribed formula to a maximum of ZAR150,000,000, which amount would be advanced by Choppies Enterprises Limited to the SA Subsidiaries in instalments of not less than ZAR15,000,000 per month commencing on the effective date of the sale (the Seller Loan).The claims of Choppies Enterprises Limited for repayment of the Seller Loan were to be ceded to the Purchaser for ZAR 1.00.

A closing agreement, reflecting the result of the renegotiations was concluded on 21st April 2020 and the provisions for closing of the transfer of shares in and control of the SA Subsidiaries was effected as of 22 April 2020.

Tanzania
The Board decided to sell the businesses of the Group in Tanzania. There is still equipment from Aura and Mlimani stores which need to be disposed of. The net book value of non-current assets remaining for the Aura store is USD 300 000. The value of the asset of the store had been written of due to pending liquidation.

The Group further faces a potential net liability of US$ 577 663. Mlimani City management (where the region had one store) took custody of the store's assets and Choppies Tanzania filed a claim against Mlimani City management for an amount of US$ 600 000 which is currently in court.

The subsidiary will still be consolidated in the Group financials until the same is liquidated. The loss for the year of the operations in Tanzania is P 16 565 551 and is included in the loss from discontinued operations .

Kenya
In October 2019, the Board decided to close the operations in Kenya and exit the country. All the stores except the equipment of one store were disposed of during the financial year, and the realised amounts have been used to settle the liabilities. Choppies Enterprises Kenya Limited and Choppies Distribution Kenya Limited closed with potential liability of P132 million to which 25% of the amount will be borne by the local shareholders. The remaining formalities will be completed during 2021.

Mozambique
The Board, decided to close the operation in Mozambique and exit from the country. An agreement to dispose of building is currently in place for US$ 1 million and the proceeds from the sale will be used to settle the outstanding loan.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

25. Discontinued operations or disposal groups or non-current assets held for sale (continued)

Operating profit of South Africa (until the date of disposal) and the other 3 regions (full financial year) and assets and liabilities are summarised as follows:

Profit and loss

	2020	2019	2020	2019	2020	2019
	Consolidated discontinued operations		**South Africa region**		**Other regions**	
Revenue	2 396 644	4 261 193	2 355 498	3 740 551	41 146	520 642
Cost of sales	(1 967 235)	(3 634 036)	(1 927 478)	(3 190 859)	(39 757)	(443 177)
Net profit before tax	429 409	627 157	428 020	549 692	1 389	77 465
Expenses	(751 539)	(1 119 461)	(677 670)	(923 432)	(73 869)	(196 029)
Other (losses)/income	(46 482)	76 991	13 478	72 492	(59 960)	4 499
Net interest	(9 760)	(16 121)	(1 984)	(5 329)	(7 776)	(10 792)
Tax	58	(4 242)	-	(45)	58	(4 197)
Net loss after tax	(378 314)	(435 676)	(238 156)	(306 622)	(140 158)	(129 054)
Loss on remeasurement and disposal						
Loss before tax on disposal (note 37)	(91 249)	-	(91 249)	-	-	-
	(469 563)	**(435 676)**	**(329 405)**	**(306 622)**	**(140 158)**	**(129 054)**

Assets and liabilities

	2020	2019	2020	2019	2020	2019
	Consolidated discontinued operations		**South Africa region**		**Other regions**	
Non-current assets held for sale						
Property, plant and equipment	31 001	-	-	-	31 001	-
Current assets						
Advances and deposits	1 354	-	-	-	1 354	-
Trade and other receivables	10 624	-	-	-	10 624	-
Cash and cash equivalents	6 102	-	-	-	6 102	-
	18 080	**-**	**-**	**-**	**18 080**	**-**
	49 081	**-**	**-**	**-**	**49 081**	**-**
Liabilities of disposal groups						
Borrowings and bank overdraft	115 477	-	-	-	115 477	-
Current tax payable	331	-	-	-	331	-
Trade and other payables	51 991	-	-	-	51 991	-
	167 799	**-**	**-**	**-**	**167 799**	**-**
Equity						
Foreign currency translation reserve	(6 857)	-	-	-	(6 857)	-
Cash flows from discontinued operations						
Operating activities	(457 255)	(268 981)	-	-	-	-
Investing activities	26 465	-	-	-	-	-
Financing activities	18 087	(17 051)	-	-	-	-
	(412 703)	**(286 032)**	**-**	**-**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

26. Stated capital and treasury shares

Stated capital				
1 303 628 341 (2019: 1 303 628 341) issued ordinary shares at no par	906 196	906 196	906 196	906 196

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank pari passu with regard to the company's residual assets.

27. Treasury shares

The Group operates an employee share incentive scheme. The scheme is operated through a trust known as "Choppies Group Share Incentive Trust". The trust was established to provide an incentive to the beneficiaries to encourage and commit them to the future interest of the Choppies Group, and subscribe and hold for and the benefit of the beneficiaries, as directed by the directors from time to time, until such time that the shares vest in the beneficiaries.

On 22 May 2017, the Group issued 12 000 000 ordinary shares valued at P30 720 000, to the Choppies Group Incentive Trust. There has been no issue of shares during the year (2019: Nil).

Total number of shares issued to the trust by issuing new share capital	12 000 000	12 000 000	-	-
Expenses during previous years	(441 661)	(441 661)	-	-
Total number of shares held by the trust	**11 558 339**	**11 558 339**	**-**	**-**
Key management personnel	100 000	100 000	-	-
Senior employees	1 375 000	1 375 000	-	-
	1 475 000	**1 475 000**	**-**	**-**
Value of shares held by the trust	29 615 835	29 615 835	-	-

28. Hyperinflationary translation reserve

Opening balance	71 392	-	-	-
Exchange differences on translating foreign operations in hyperinflationary economy	87 528	71 392	-	-
	158 920	**71 392**	**-**	**-**

This reserve is used to report the exchange differences on translating subsidiaries which is based in hyperinflationary economy.

To ease the pressure of a notable foreign currency shortage in that country, the Reserve Bank of Zimbabwe issued a monetary policy document on 1 October 2018 requiring banks to separate bank accounts into a foreign currency United States Dollar (USD) bank account and a local currency USD bank account. The local currency USD bank account is made up of Real Time Gross Settlement ("RTGS") and bond notes and does not trade on a 1:1 basis to the USD, albeit legally pegged at 1:1.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

28. Hyperinflationary translation reserve (continued)

The shortage of foreign currency creates uncertainty on the amount and timing of amounts that can be repatriated from Zimbabwe. IAS 21, 'Foreign currency transactions' ("IAS 21") requires the use of a spot rate. The global foreign currency USD rate does not meet the conditions of a spot rate in IAS 21. Accordingly, with effect from 1 October 2018, the Group applied an unadjusted parallel legal mechanism to translate the results and financial position of its Zimbabwean subsidiary. On 20 February 2019, the Reserve Bank of Zimbabwe ("RBZ ") Governor announced a new Monetary Policy Statement whose highlights were denomination of RTGS system balances, bond notes and coins collectively as RTGS $. RTGS become part of multi-currency system. RTGS $ was used by all entities (including government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions. The Monetary Policy Statement was followed by the publication of Statutory Instrument ("S.I.") 33 of 2019 on 22 February 2019, which gave effect to the introduction of the RTGS $ as a legal tender and prescribed that "for accounting and other purposes "certain assets and liabilities on the effective date would be deemed to be RTGS $ at a rate of 1:1 to US$ and would become opening RTGS $ values from effective date. In particular, the promulgation of RTGS $ as currency in the opinion of the directors, it was a response to the market perceptions which had come to regard RTGS balances and transactions as representing an underlying de-factor currency. The Monetary Policy Statement also established an interbank foreign exchange market were the exchange rate would be determined by market forces. The interbank market opened trading at a rate of USD $ 1 to RTGS $ 2.5. As on 30 June 2020 the interbank rate was US$ 1 to RTGS 57.3582 (2019: US$ 1 to RTGS 6.62) .

With effect from 23 June 2020 the Reserve Bank of Zimbabwe introduced a weekly foreign exchange auction trading system. Allotment of foreign exchange to winning bids are based on the Import priority list and for a minimum amount of US$50,000. Allotments may be made on a pro rata basis. The weighted average rate calculated based on each auction will be regarded as the legal rate until the next auction. The rate for the first auction effective up to and including 30 June 2020 was 57.3582 and the rate for the second auction was 63.7442. For the period ended 30 June 2019 the interbank rate of US$1 to RTGS 6.62 was used.

Group translated the Zimbabwe result by applying the closing exchange rate as at 30 June 2020 specified by Reserve Bank of Zimbabwe, which is 1Pula: 4.8811 RTGS (in line with the requirement of the provision of IAS 21 for the translation of hyperinflationary economies). The effect If the Group had applied the weighted average auction rate between USD and RTGS, which is 1 USD: 63.7442 (valid for the period 1 to 7 July 2020), and then covert this USD figure using the exchange rate between Pula and USD which is 1 Pula: 0.0847 USD (2019: 1 Pula:0942 USD) to translate the result of its Zimbabwean subsidiary on 30 June 2020, is presented in the table below. The first currency auction had a wide spread (difference between highest accepted and lowest accepted bids). As a result, had the second currency auction been used, the impact would have been:

Summarised statement of profit or loss and other comprehensive income for the year ended 30 June 2020	RTGS To Pula using closing rate	RTGS To Pula using weighted average auction rate	Net impact
Revenue	414 143	374 407	39 736
Profit after tax	7 004	6 332	672

The comparative information below is based on OMIR rate for 30 June 2019.

Summarised statement of profit or loss and other comprehensive income for the year ended 30 June 2019	RTGS To Pula using closing rate	RTGS To Pula using OMIR Closing rate	Net impact
Revenue	508 493	385 228	123 265
Profit after tax	2 041	1 546	495

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

29. Foreign currency translation reserve

This reserve is used to record exchange differences arising from the translation of the results of foreign subsidiaries.

Opening balance	(294 849)	5 999	-	-
Exchange differences on translating foreign operations	(103 801)	(299 111)	-	-
Exchange differences on translating foreign operations attributable to non-controlling interest	2 238	(1 737)	-	-
	(396 412)	**(294 849)**	**-**	**-**

Foreign currency translation reserve comprises of:

Foreign currency translation reserve - continuing operations	(389 555)	(294 849)	-	-
Foreign currency translation reserve - discontinuing operations	(6 857)	-	-	-
	(396 412)	**(294 849)**	**-**	**-**

30. Retained earnings

Retained earnings records the cumulative net profit or loss made by the Group after deducting dividends to shareholders and other utilisation of the reserves.

31. Long term borrowings

Bank Borrowings held at amortised cost				
Absa Bank of Botswana Limited	-	7 238	-	-
Absa Bank of Mozambique SA	-	11 478	-	-
Absa Bank of Botswana Limited	266 342	350 000	-	-
Stanbic Bank of Botswana Limited	180 095	215 000	-	-
Loan from landlord - Zambia	-	1 058	-	-
Absa Bank Kenya Plc	-	31 101	-	-
Loan from Government of Zimbabwe	-	2 996	-	-
Loan from shareholders	101 517	-	-	-
	547 954	**618 871**	**-**	**-**

Non-current liabilities				
Term loans	355 665	572 754	-	-
Current liabilities				
Current portion of long term loans	192 289	46 117	-	-
	547 954	**618 871**	**-**	**-**

Absa Bank of Kenya Plc
In the current year the outstanding balance has been transferred to liabilities for disposal group. The facility is for KSH 300 000 000 for capital expenditure relating to the expansion of retail stores with the following conditions:

- Interest – at 12.7%
- Repayable over 36 months starting from August 2020.
- Secured by a corporate guarantee provided by Choppies Enterprises Limited and moveable assets valued at P14 413 329 as at 30 June 2020 (2019: P 83 804 151).

Absa Bank of Mozambique SA
In the current year the outstanding balance has been transferred to liabilities for disposal group. A facility of MZN124 000 000 for purchase of building in Maputo, Mozambique.

31. Long term borrowings (continued)

- Interest – Absa Bank of Mozambique prime lending rate less 3.5% being 22.5% as on 30 June 2019.
- Quarterly repayment which average about MZN7 499 884 (2019: MZN7 499 884) over a period over five years.
- Secured by a corporate guarantee from Choppies Enterprises Limited, mortgage of the underlying property with a net book value of P 10 532 758 (2019: P 13 416 924) including insurance with the bank and floating charge over all assets of Choppies Supermarket Mozambique, Limitada to the extent of the outstanding balance.

Loan from shareholders
Pursuant to the terms of a debt reduction interceptor agreement entered into between Choppies Enterprises Limited, Choppies Distribution Centre Proprietary Limited a subsidiary of Choppies Enterprises Limited and Absa Bank Limited, Fist National Bank of Botswana Limited, Stanbic Bank of Botswana Limited, Standard Bank SA Limited and Standard Chartered Bank Botswana Limited (the Lenders) on 11 October 2019 and terms of the guarantee entered into by the founding shareholders and the lenders, pursuant to the intercreditors agreement, the founding shareholders effected a payment of BWP 100 million on 19 October 2019 to the agent for the lenders.

The capital of the loan bear interest at a rate equal to 0.05% below the average rate of interest paid by Choppies Enterprises Limited to the lenders under various finance documents as defined in the inter creditor agreement. The repayment of this loan may only happen after the successful implementation of the Group's debt reduction plan. This loan has a reversionary security over the assets secured in favour of the consortium creditors.

Absa Bank of Botswana Limited and Stanbic Bank of Botswana Limited
The lenders have made available two term facility loans, "Facility A" amounts to P500 million (P350 million from Absa Bank of Botswana Limited and P150 million from Stanbic Bank of Botswana Limited) and "Facility B" amounts to P65 million (from Stanbic Bank Botswana Limited). "Facility A" is towards the repayment of the existing facility, capital expenditure, operating expenses and general corporate purposes, including the payment of all fees and expenses relating to the implementation of the facility. Facility B is towards the repayment of the BIFM Bridge Facility.

Facility A is repayable by way of quarterly equal instalments commencing on the first interest payment date the expiry of the moratorium and ending on the final maturity date. Facility B is repayable in February 2021.

Interest is calculated based on the rate of interest on each loan per annum which is the aggregate of the applicable: (a) margin and: (b) the reference rate, their reference rate being prime lending rate. Interest accrues on a day to day basis and is calculated on the basis of 365 days and the actual number of days elapsed on a 365 days per basis. Interest shall accrue on each facility on each interest payment date. The first interest period shall begin at the utilisation date of each loan.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

31. Long term borrowings (continued)

At the reporting date, borrowings payables were as follows:

Cash flows within one year				
Capital repayments	192 289	14 429	-	-
Interest	22 539	39 127	-	-
	214 828	**53 556**	**-**	**-**
Cash flows within two to five years				
Capital repayments	354 148	604 442	-	-
Interest	17 120	48 862	-	-
	371 268	**653 304**	**-**	**-**
Total				
Capital repayments	546 437	618 871	-	-
Interest	39 659	87 989	-	-
	586 096	**706 860**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

32. Lease liabilities

Minimum lease payments due				
- within one year	203 065	34 223	-	-
- in second to fifth year inclusive	537 638	23 250	-	-
- later than five years	197 938	-	-	-
	938 641	57 473	-	-
less: future finance charges	(185 656)	(3 520)	-	-
Present value of minimum lease payments	**752 985**	**53 953**	**-**	**-**
Present value of minimum lease payments due				
- within one year	153 116	22 265	-	-
- in second to fifth year inclusive	434 075	31 688	-	-
- later than five years	165 794	-	-	-
	752 985	**53 953**	**-**	**-**
Non-current liabilities	599 869	31 688	-	-
Current liabilities	153 116	22 265	-	-
	752 985	**53 953**	**-**	**-**

The Group has leases for the stores it operates in Botswana, Zambia, Namibia and Zimbabwe. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 13).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. Most leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Scania Finance Southern Africa (Pty) Limited
Finance lease liabilities
These lease liabilities are secured over motor vehicles with a net book value of P68 605 271 (2019: P149 964 210).These liabilities bear interest at the South African prime lending rate less 0.5%-1% per annum and are repayable in 24-36 monthly instalments.

Wesbank Botswana Limited
Finance lease liabilities
These lease liabilities are secured over an aircraft with a net book value of P53 139 234 (2019: P 38 383 894). These liabilities bear interest at the Botswana prime lending rate less 2% per annum and are repayable in 36 monthly installments.

Lease payments not recognised as a liability
The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

Variable lease payments	7 981	-	-	-

Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset. Variable lease payments are expensed in the period they are incurred.

32. Lease liabilities (continued)

Total cash outflow for leases for the year ended 30 June 2020 was P 159 651 570 (2019: P38 442 439).

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amounts (note 13)	**Depreciation expense**	**Impairment**	
Buildings	666 282	157 891	-	-
Motor vehicles	68 605	9 404	-	-
Aircraft	37 214	1 170	-	-
	772 101	**168 465**	**-**	**-**

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

33. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	Discontinued operations	Foreign exchange movements	Adjustment on transition to IFRS 16	New loans	Interest non-cash movements	Repayments	Closing balance
Borrowings	618 871	(71 233)	1 955	-	100 000	1 517	(103 156)	547 954
Finance lease liabilities	53 953	(17 556)	(976)	880 474	-	-	(162 910)	752 985
Total liabilities from financing activities	**672 824**	**(88 789)**	**979**	**880 474**	**100 000**	**1 517**	**(266 066)**	**1 300 939**

Reconciliation of liabilities arising from financing activities - Group - 2019

	Opening balance	Discontinued operations	Foreign exchange movements	Adjustment on transition to IFRS 16	New leases	Interest non-cash movements	Repayments	Closing balance
Borrowings	618 871	-	-	-	35 155	-	(139 374)	618 871
Lease liabilities	92 395	-	-	-	-	-	(38 442)	53 953
Total liabilities from financing activities	**711 266**	**-**	**-**	**-**	**35 155**	**-**	**(177 816)**	**672 824**

There is no financing activity in the company, CEL.

34. Straight lining lease obligation

Non-current liabilities	-	(119 110)	-	-
Current liabilities	-	(16 303)	-	-
	-	**(135 413)**	**-**	**-**

The Group has entered into various non-cancellable operating lease agreements in respect of rented premises. Leases are contracted for periods of up to 10 years, some with renewal options. Rental charges under these contracts escalate at fixed percentages of 5% to 10% per annum. Rentals comprise minimum monthly payments.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

34. Straight lining lease obligation (continued)

Balance at beginning of the year	135 413	105 629	-	-
Charge for the year	-	29 784	-	-
Discontinued operations	(59 849)	-	-	-
Adjustment for IFRS 16 right-of-use assets	(75 564)	-	-	-
	-	**135 413**	**-**	**-**

The deferred operating lease liabilities reverse as follows:

Within 1 year	-	16 303	-	-
2 - 5 years	-	94 894	-	-
6 - 10 years	-	24 216	-	-
	-	**135 413**	**-**	**-**

The following future non-cancellable minimum lease rentals for premises occupied by the Group are payable at the reporting date:

Within 1 year	-	342 386	-	-
2 – 5 years	-	1 009 179	-	-
6 - 10 years	-	234 153	-	-
	-	**1 585 718**	**-**	**-**

35. Trade and other payables

Trade payables	413 565	914 281	-	-
Other payables	98 532	138 645	9 964	485
Withholding tax payable	2 239	2 299	-	-
Vat payables	1 852	-	-	-
Consideration payable to Kind Investment (Pty) Ltd	55 037	-	55 037	-
	571 225	**1 055 225**	**65 001**	**485**

Trade and other payables are interest-free and have payment terms of up to 30 days.

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value. Information of the Group's exposure to currency and liquidity risks is included in note 40.

36. Contingent liabilities

The Group has the following contingent liabilities at the reporting date:

Choppies Enterprises Limited together with all its subsidiaries have provided a guarantee of P27 million in favour of Absa Bank of Botswana Limited in respect of an overdraft facility of P53 million and a guarantee of P40 million in favour of Standard Chartered Bank Botswana Limited in respect of an overdraft facility of P40 million.

Choppies Enterprises Limited has the following guarantees issued for Nanavac Investments (Pvt) Limited:

Beneficiaries	**2020**	**2019**	**2020**	**2019**
	US$'000	**US$'000**	**P'000**	**P'000**
Delta Corporation Limited	800	800	8 193	8 193
National Foods Operations Limited	700	700	7 168	7 168
Dairibord Zimbabwe (Pvt) Limited	1 000	1 000	10 241	10 241
Unilever Zimbabwe (Pvt) Limited	800	800	8 193	8 193

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019
36. Contingent liabilities (continued)				
Whirlwyn Trading (Pvt) Limited	-	50	-	512
Zimbabwe Sugar Sales	479	-	5 655	-
	3 779	**3 350**	**39 450**	**34 307**

Choppies Enterprises Limited has the following guarantees issued for Choppies Enterprises Kenya Limited:

Beneficiaries	**2020 KES'000**	**2019 KES'000**	**2020 P'000**	**2019 P'000**
Kapa Oil Refineries Limited	20 000	20 000	1 972	1 972
Unga Limited	27 000	27 000	2 662	2 662
Del Monte Kenya Limited	10 000	10 000	986	986
Tiger Brands (EA) Limited	20 000	20 000	1 972	1 972
	77 000	**77 000**	**7 592**	**7 592**

Choppies Enterprises Limited has the following guarantees issued for Choppies Supermarkets Tanzania Limited:

Beneficiaries	**2020 TZS'000**	**2019 TZS'000**	**2020 P'000**	**2019 P'000**
Tanzanian Breweries Limited	10 000	10 000	46	46
Bonite Bottlers Limited	7 500	7 500	34	34
	17 500	**17 500**	**80**	**80**

Choppies Enterprises Limited has the following guarantees issued for Choppies Supermarket Mozambique LDA:

Beneficiaries	**2020 MZN'000**	**2019 MZN'000**	**2020 P'000**	**2019 P'000**
Cervejas De Mozambique, SARL	3 000	3 000	511	511

Choppies Supermarkets SA (Pty) Limited had the following guarantees at the date of disposal (as per the closing sale agreement):

Beneficiaries	**2020 ZAR'000**	**2020 P'000**
Consumer Goods and Services	138	94
Southern African Music Rigts Organisation	561	381
Delareyville Municipality	1 892	1 286
QWIX Technology	780	530
Barakaat Property Investments (Mondeor Lease)	499	339
Mamelodi Lease Agreement	-	-
Recyquip Engineering and Manufactoring (Pty) Ltd	1 282	871
Mont Catering & Refridgerations SA (Pty) Ltd	6 709	4 561
Keriotic Investment SA (Pty) Ltd	19 410	13 195
RBV Consultant SA (Pty) Ltd	5 042	3 428
ILO Industries SA (Pty) Ltd	8 161	5 548
	44 474	**30 233**

•Guarantees for Kenya, Tanzania & Mozambique will be released immediately once supplier dues are fully settled.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

37. Sale of subsidiary during the reporting period

Choppies Enterprises Limited entered into an agreement during November 2019 whereby Choppies Enterprises Limited sold the entire issued shares in and the loan accounts of Choppies Enterprises Limited against each of its wholly owned subsidiaries Choppies Supermarkets SA Proprietary Limited, Choppies Warehousing SA Proprietary Limited, Choppies Logistics Proprietary Limited and Motopi Holdings SA Proprietary Limited (collectively the SA Subsidiaries). The purchase consideration was ZAR1 for all the issued shares held by Choppies Enterprises Limited in and all the claims of Choppies Enterprises Limited on the loan account against each SA Subsidiary.

A closing agreement, reflecting the result of the renegotiations was concluded on 21st April 2020 and the provisions for closing of the transfer of shares in and control of the SA Subsidiaries was effected as of 22 April 2020. The subsidiary was classified as held for sale in the 2020 financial statements (see Note 25).

At the date of disposal, the carrying amounts of Choppies Enterprises Limited wholly owned subsidiaries net assets were as follows:

Carrying value of assets sold				
Property, plant and equipment	(242 389)	-	-	-
Other non-current assets	(9 402)	-	-	-
Goodwill	(16 843)	-	-	-
Inventories	(212 671)	-	-	-
Trade and other receivables	(19 748)	-	-	-
Trade and other payables	423 419	-	-	-
Cash net of borrowings	30 128	-	-	-
Operating lease liabilities	42 226	-	-	-
Other liabilities	96 529	-	-	-
Total net liabilities sold	91 249	-	-	-
Proceeds	-	-	-	-
Loss on disposal (note 25)	**91 249**	**-**	**-**	**-**

Consideration paid				
Costs directly attributable to the disposal of subsidiary payable to Kind Investments (Pty) Ltd	107 885	-	107 885	-
Consideration paid	(52 849)	-	(52 849)	-
Consideration payable to Kind Investment (Pty) Ltd (note 35)	**55 036**	**-**	**55 036**	**-**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

38. Related parties

Subsidiaries — Refer to note 15

The Group’s related parties include its key management, companies with common directors and ownership.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Related party balances

	Group 2020	Group 2019	Company 2020	Company 2019
Amounts due from related entities (subsidiaries)				
Choppies Distribution Centre (Pty) Ltd	-	-	206 459	269 413
Choppies Supermarkets SA (Pty) Ltd	-	-	-	47 645
Choppies Supermarkets SA (Pty) Ltd - impairment	-	-	-	(47 645)
Nanavac Investments (Pty) Ltd	-	-	35 093	17 879
Nanavac Investments (Pty) Ltd - impairment	-	-	(17 879)	(17 879)
Choppies Supermarkets Limited (Zambia)	-	-	9 546	-
Choppies Supermarkets Namibia (Pty) Limited	-	-	476	-
	-	**-**	**233 695**	**269 413**

The balances are unsecured, interest-free and repayable on demand. In the company an impairment reversal of P 14 105 194 was recognised for amounts due from related party, Choppies Supermarket SA (Pty) Ltd. No other impairment losses have been recognised during the financial year (2019: P47 644 608).

	Group 2020	Group 2019	Company 2020	Company 2019
Amounts due from related entities				
Adam's Apple (Pty) Ltd	26	33	-	-
Admiral Touch (Pty) Ltd	50	28	-	-
Alpha Direct Insurance Company (Pty) Ltd	9	34	-	-
Arcee (Pty) Ltd	75	193	-	-
Backwater Holdings (Pty) Ltd	-	13	-	-
Bagpiper (Pty) Ltd	72	509	-	-
Balance Fortune (Pty) Ltd	9	27	-	-
Boitumelo Foundation	319	19	-	-
Brass Lock (Pty) Ltd	-	6	-	-
Bull Shot (Pty) Ltd	-	3	-	-
Distron Botswana (Pty) Ltd	-	1	-	-
Feasible Investments (Pty) Ltd	60	119	-	-
Golkonda Holding (Pty) Ltd	40	66	-	-
Handsome Returns (Pty) Ltd	-	11	-	-
Honey Guide (Pty) Ltd	32	275	-	-
I Qube (Pty) Ltd	-	107	-	-
Ilo Industries SA (Pty) Ltd	-	2 255	-	-
JB Sports Holdings (Pty) Ltd	41	-	-	-
Kelsey Investments (Pty) Ltd	-	2	-	-
Keriotic Investments SA (Pty) Ltd	-	5 594	-	-
Landcaster (Pty) Ltd	-	4	-	-
Mackinnon Holdings (Pty) Ltd	5	22	-	-
Match Up Investments (Pty) Ltd	-	4	-	-
Maximel Enterprises (Pty) Ltd	-	3	-	-
Mediland Health Care Distributors (Pty) Ltd	59	54	-	-
Modasa Investments (Pty) Ltd	-	5	-	-
Mont Catering and Refrigeration (Pty) Ltd	9	544	-	-
Mont Catering and Refrigeration SA (Pty) Ltd	-	5	-	-
Morava (Pty) Ltd	-	3	-	-
Ovais Investments (Pty) Ltd	-	72	-	-
Pennywise Investments (Pty) Ltd	6	8	-	-

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019
38. Related parties (continued)				
Princieton (Pty) Ltd	11	5	-	-
Prosperous People (Pty) Ltd	-	4	-	-
RBV Consultants (Pty) Ltd	818	1 135	-	-
Raywood (Pty) Ltd	-	23	-	-
Real Plastic Mould (Pty) Ltd*	(34)	1 763	-	-
Royal Stag (Pty) Ltd	-	1	-	-
Shaysons Investments (Pty) Ltd	153	231	-	-
Solace (Pty) Ltd	566	226	-	-
Strides of Success (Pty) Ltd	1	2	-	-
The Far Property Company (Pty) Ltd	11	222	-	-
Tiger Square (Pty) Ltd	-	4	-	-
Tim Tam (Pty) Ltd	-	7	-	-
Tow Bar (Pty) Ltd	-	3	-	-
Vet Agric Suppliers (Pty) Ltd	721	1 287	-	-
Weal (Pty) Ltd	-	6	-	-
Zappos (Pty) Ltd	-	(4)	-	-
Zcx Investments (Pty) Ltd	14	22	-	-
Electrometric Enterprises (Pty) Ltd	7	-	-	-
Keriotic Investments (Pty) Ltd	1 676	-	-	-
Rootlet (Pty) Ltd	6	-	-	-
Cottonvale (Pty) Ltd	27	-	-	-
Farouk Ismail	2	-	-	-
Ilo Industries (Pty) Ltd	623	-	-	-
	5 414	**14 956**	**-**	**-**

*Negative values are advance payments received.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

38. Related parties (continued)

Amounts due to related entities				
Adam's Apple (Pty) Ltd	280	231	-	-
Admiral Touch (Pty) Ltd	268	199	-	-
Alpha Direct Insurance Company (Pty) Ltd	4 600	3 092	-	-
Arcee (Pty) Ltd	314	3 671	-	-
Bagpiper (Pty) Ltd	363	1 121	-	-
Balance Fortune (Pty) Ltd	350	2 962	-	-
Bargen (Pty) Ltd	-	33	-	-
Botswana Telecommunications Corporation Ltd	-	205	-	-
Browallia (Pty) Ltd	7	7	-	-
Distron Botswana (Pty) Ltd	571	261	-	-
Diswammind Investment (Pty) Ltd	-	223	-	-
Electrometic Enterprises (Pty) Ltd	854	1 023	-	-
Feasible Investment (Pty) Ltd	4 789	4 834	-	-
Ghanzi Highway Filling Station (Pty) Ltd	11	18	-	-
Golkonda holding (Pty) Ltd	-	292	-	-
Honey Guide (Pty) Ltd	5 886	9 867	-	-
I Qube SA Proprietary Ltd	-	17	-	-
Ilo Industries SA (Pty) Ltd	-	6 295	-	-
Ilo Industries (Pty) Ltd	11 402	8 506	-	-
Industrial Filling Station (Pty) Ltd	20	10	-	-
Keriotic Investments SA (Pty) Ltd	776	12 522	-	-
Keriotic Investments (Pty) Ltd	30 862	26 834	-	-
Mackinnon Holdings (Pty) Ltd	22	44	-	-
Mall Motors Botswana (Pty) Ltd	8	7	-	-
Mediland Health Care Distributors (Pty) Ltd	11	13	-	-
Modasa Investments (Pty) Ltd	-	2	-	-
Mont Catering and Refrigeration (Pty) Ltd	187	2 558	-	-
Mont Catering and Refrigeration SA (Pty) Ltd	920	11 230	-	-
Pennywise Investments (Pty) Ltd	68	46	-	-
Pinestone (Pty) Ltd	269	292	-	-
Princieton (PTY) Ltd	-	12	-	-
Prosperous People (Pty) Ltd	56	95	-	-
RBV Consultants SA (Pty) Ltd	90	5 326	-	-
RBV Marketing (Pty) Ltd	-	5 369	-	-
Real Plastic Mould (Pty) Ltd	451	1 985	-	-
Royal Stag (Pty) Ltd	-	5	-	-
Shaysons Investments (Pty) Ltd	-	792	-	-
Solace (Pty) Limited	3 355	1 443	-	-
The Far Property Company Ltd	4 205	102	-	-
Vet Agric Suppliers (Pty) Ltd	5 088	6 422	-	-
Whitecoral (Pty) Ltd	20	8	-	-
Zcx Investment (Pty) Ltd	21	28	-	-
Anuksha (Pty) Ltd	21	-	-	-
RBV Consultants (Pty) Ltd	6 482	-	-	-
Shaysons Investments (Pty) Ltd	26	-	-	-
Cottonvale (Pty) Ltd	33	-	-	-
Distron Zambia (Pty) Ltd	108	-	-	-
	82 794	**118 002**	**-**	**-**

These balances are trading related, are based on mutually agreed terms and conditions, unsecured and interest-free and are payable under normal trading terms.

Notes to the Consolidated and Separate Financial Statements

Figures in Pula thousand	Group 2020	Group 2019	Company 2020	Company 2019

38. Related parties (continued)

Related party transactions

Purchase of goods/services from related entities	Group 2020	Group 2019	Company 2020	Company 2019
Adam's Apple (Pty) Ltd	4 606	3 441	-	-
Admiral Touch (Pty) Ltd	3 639	3 714	-	-
Alpha Direct Insurance Company (Pty) Ltd	6 443	5 028	-	-
Arcee (Pty) Ltd	9 188	20 662	-	-
Ascending Returns (Pty) Ltd	698	658	-	-
Ausi Holdings (Pty) Ltd	-	453	-	-
Bagpiper (Pty) Ltd	6 067	10 002	-	-
Balance Fortune (Pty) Ltd	8 042	11 157	-	-
Balsam (Pty) Ltd	-	9	-	-
Bargen (Pty) Ltd	-	1 133	-	-
Botswana Telecommunications Corporation Ltd	7 461	6 006	-	-
Browallia (Pty) Ltd	-	221	-	-
Bull Shot (Pty) Ltd	-	1 487	-	-
Cornbill (Pty) Ltd	-	7	-	-
Cottonvale (Pty) Ltd	33	-	-	-
Distron Botswana (Pty) Ltd	3 290	3 302	-	-
Distron Zambia (Pty) Ltd	3 997	4 647	-	-
Electrometic Enterprises (Pty) Ltd	5 703	6 292	-	-
Elmsway Consultancy (Pty) Ltd - Louie Villa, Zambia	-	7	-	-
Feasible Investment (Pty) Ltd	24 113	27 677	-	-
Ghanzi Highway Filling Station (Pty) Ltd	272	198	-	-
Gironde (Pty) Ltd	-	3	-	-
Golkonda Holding (Pty) Ltd	-	1 125	-	-
Healthwest Africa (Pty) Ltd	-	995	-	-
Holario Investments (Pty) Ltd	-	36	-	-
Honey Guide (Pty) Ltd	59 291	50 881	-	-
I Qube (Pty) Ltd	-	10 899	-	-
Ilo Industries (Pty) Ltd	67 428	66 637	-	-
Industrial Filling Station (Pty) Ltd	86	144	-	-
JB Sports Holdings (Pty) Ltd	125	-	-	-
Jane Pink (Pty) Ltd	-	3	-	-
JB Sports Holdings (Pty) Ltd	-	9	-	-
Keriotic Investments SA (Pty) Ltd	-	2 938	-	-
Keriotic Investments (Pty) Ltd	147 896	193 446	-	-
Land Caster (Pty) Ltd	-	2	-	-
Longreach (Pty) Ltd	2	10	-	-
Mackinnon Holdings (Pty) Ltd	692	460	-	-
Magnafit (Pty) Ltd	-	38	-	-
Mall Motors Botswana (Pty) Ltd	110	125	-	-
Match Up Investments (Pty) Ltd	-	4	-	-
Mediland Health care distributors (Pty) Ltd	182	3 589	-	-
Modasa Investments (Pty) Ltd	-	3	-	-
Mont Catering and Refrigeration (Pty) Ltd	11 610	16 100	-	-
Mont Catering and Refrigeration SA (Pty) Ltd	3 499	3 238	-	-
Montrose Investment (Pty) Ltd	-	14 623	-	-
Morava (Pty) Ltd	-	69	-	-
Nestral System Pvt Ltd	-	957	-	-
Pennywise Investments (Pty) Ltd	259	227	-	-
Pinestone (Pty) Ltd	4 421	3 211	-	-
Prosperous People (Pty) Ltd	1 047	1 269	-	-
Princieton (Pty) Ltd	-	489	-	-

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019
38. Related parties (continued)				
Q Tique 79 (Pty) Ltd	63	30 987	-	-
RBV Consultants SA (Pty) Ltd	-	29 120	-	-
RBV Marketing (Pty) Ltd	-	8 493	-	-
Real Plastic Mould (Pty) Ltd	17 370	16 830	-	-
Royal Stag (Pty) Ltd	-	18	-	-
Shaysons Investments (Pty) Ltd	2 921	3 246	-	-
Solace (Pty) Ltd	42 620	34 623	-	-
Texo (Pty) Ltd	-	2	-	-
Vet Agric Suppliers (Pty) Ltd	102 243	98 506	-	-
Whitecoral (Pty) Ltd	289	156	-	-
Zcx Investment (Pty) Ltd	251	179	-	-
Pearl Grey (Pty) Ltd	60	-	-	-
RBV Consultants (Pty) Ltd	35 043	-	-	-
	581 060	**699 791**	**-**	**-**
Sale/(sales returns) of stock to related entities				
Adam's Apple (Pty) Ltd	365	333	-	-
Admiral Touch (Pty) Ltd	490	700	-	-
Alpha Direct Insurance Company (Pty) Ltd	271	315	-	-
Arcee (Pty) Ltd	765	1 565	-	-
Ausi Holdings (Pty) Ltd	-	(7)	-	-
Backwater Holdings (Pty) Ltd	4	2	-	-
Bagpiper (Pty) Ltd	833	1 138	-	-
Balance Fortune (Pty) Ltd t/a Quick	137	348	-	-
Boitumelo Foundation	660	426	-	-
Brass Lock (Pty) Ltd	18	42	-	-
Bull Shot (Pty) Ltd	93	1 282	-	-
Cornbill (Pty) Ltd	-	30	-	-
Dissel Dow (Pty) Ltd	-	24	-	-
Distron Botswana (Pty) Ltd	3	29	-	-
Electrometic Enterprises (Pty) Ltd	86	113	-	-
Feasible Investments (Pty) Ltd	647	857	-	-
Gironde (Pty) Ltd	-	15	-	-
Golkonda Holding (Pty) Ltd	454	427	-	-
Honey Guide (Pty) Ltd	512	3 092	-	-
Hoplite (Pty) Ltd	-	42	-	-
I Qube (Pty) Ltd	-	126	-	-
Ilo Industries (Pty) Ltd	4 188	4 544	-	-
Ilo Industries SA (Pty) Ltd	-	83	-	-
Jane Pink (Pty) Ltd	-	19	-	-
Keriotic Investments SA (Pty) Ltd	-	45	-	-
Keriotic Investments (Pty) Ltd	11 411	14 641	-	-
Landcaster (Pty) Ltd	-	30	-	-
Lumpsum Investments (Pty) Ltd	-	17	-	-
Mackinnon Holdings (Pty) Ltd	148	251	-	-
Maganafit (Pty) Ltd	-	19	-	-
Match Up Investments (Pty) Ltd	-	18	-	-
Maximel Enterprises (Pty) Ltd	-	19	-	-
Mediland Health Care Distributors (Pty) Ltd	349	336	-	-
Modasa Investments (Pty) Ltd	-	38	-	-
Mont Catering and Refrigeration (Pty) Ltd	69	324	-	-
Montrose Investment (PTY) Ltd	-	302	-	-
Morava (Pty) Ltd	-	21	-	-
Nestral System Pvt Ltd	-	27	-	-

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019
38. Related parties (continued)				
Ovais Investment (Pty) Ltd	401	354	-	-
Pennywise Investments (Pty) Ltd	-	63	-	-
Princieton (Pty) Ltd	38	378	-	-
Prosperous People (Pty) Ltd	3	27	-	-
RBV Consultants (Pty) Ltd	4 588	4 285	-	-
Raywood (Pty) Ltd	-	71	-	-
Real Plastic Mould (Pty) Ltd	1 177	1 669	-	-
Royal Stag (Pty) Ltd	-	38	-	-
Shaysons Investments (Pty) Ltd	731	732	-	-
Solace (Pty) Limited	3 535	2 942	-	-
Strides of Success (Pty) Ltd	15	73	-	-
Texo (Pty) Ltd	1	38	-	-
The FAR Property Company (Pty) Ltd	114	742	-	-
Tiger square (Pty) Ltd	-	122	-	-
Tim Tam (Pty) Ltd	-	54	-	-
Venta (Pty) Ltd	-	121	-	-
Vet Agric Suppliers (Pty) Ltd	-	8 583	-	-
Weal (Pty) Ltd	23	38	-	-
Zcx Investment (Pty) Ltd	208	198	-	-
Venta (Pty) Ltd	118	-	-	-
Cottonvale (Pty) Ltd	129	-	-	-
Mont Catering and Refrigeration SA (Pty) Ltd	5	-	-	-
Farouk Ismail	239	-	-	-
Zappos (Pty) Ltd	4	-	-	-
	32 832	**52 161**	**-**	**-**
Rent paid to related entity				
The FAR Property Company (Pty) Ltd*	68 411	60 262	-	-
Interest on share sholder loan				
Ramachandran Ottapathu	1 214	-	-	-
Farouk Essop Ismail	303	-	-	-
	1 517	**-**	**-**	**-**

* Rent paid is the actual rental payments as per lease agreements. Included in the income statements is interest expense P16 032 958 of relating to right-of-use asset.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

39. Amounts paid to key personnel

The table below provides key management personnel compensation during the year including directors and their close family members.

Directors fees				
Non - Executive Directors				
His Excellency Festus Gontebanye Mogae	200	867	-	-
Wilfred Mpai	267	933	-	-
Robert Neil Matthews	-	567	-	-
Dorcas Ana Kgosietsile	467	1 300	-	-
Sydney Alan Muller	-	200	-	-
Farouk Essop Ismail	300	733	-	-
Carol Jean Harward	533	-	-	-
Uttum Corea	433	-	-	-
Tom Pritchard	567	-	-	-
	2 767	**4 600**	**-**	**-**
Salaries				
Executive Directors				
Farouk Essop Ismail	1 202	914	-	-
Ramachandran Ottapathu	9 063	10 595	-	-
Sanooj Pullarote	-	1 766	-	-
Heinrich Stander	358	1 435	-	-
	10 623	**14 710**	**-**	**-**
Retainer fees				
Non - Executive Directors				
His Excellency Festus Gontebanye Mogae	88	529	-	-
Robert Neil Matthews	-	-	-	-
Dorcas Ana Kgosietsile	-	176	-	-
Farouk Essop Ismail	250	176	-	-
Wilfred Mpai	-	293	-	-
Tom Pritchard	305	-	-	-
Uttum Corea	500	-	-	-
Carol Jean Harward	250	-	-	-
	1 393	**1 174**	**-**	**-**
Salaries				
Related to other key management personnel				
Vidya Sanooj	1 144	1 114	-	-
Jalajakumari Ramachandran	1 451	1 246	-	-
	2 595	**2 360**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

40. Risk management

Overview

The Group is exposed to credit, liquidity, interest rate and foreign currency risk due to the effects of changes in debt, exchange rates and interest rates experienced in the normal course of business. The Group's objective is to effectively manage each of the risks associated with its financial instruments in order to minimise the potential adverse effect on the financial performance and position of the Group.

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's board of directors through the audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investment.

Post-tax profit for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

Interest rate risk

The Group's interest rate risk arises from borrowings, cash and cash equivalents and loans. Fixed rate borrowings expose the Group to fair value interest rate risk. Variable rate borrowings, loans and cash and cash equivalents results in cash flow interest rate risks. Other than ensuring optimum money market rates for deposits, the Group does not make use of financial instruments to manage this risk.

The Group invests with reputable institutions and has obtained borrowings and overdraft facilities, which are subject to normal market interest rate risk. The effective annual interest rates on the Group's call deposits, long-term borrowings and bank overdrafts at year-end were as follows:

Interest cost	**2020**	**2019**
Botswana		
Wesbank Botswana Limited	Prime less 2%	Prime less 2%
Absa Bank of Botswana Limited (overdraft)	Prime less 2.5%	Prime less 2.5%
Standard Chartered Bank Botswana Limited (overdraft)	Prime less 1%	Prime less 1%
Absa Bank of Botswana Limited (term loan)	Prime	Prime
South Africa		
Scania Finance Southern Africa	Prime less 2%	Prime less 2%
Absa Bank of Botswana Limited	Prime lending rate	Prime lending rate
Zimbabwe		
Absa Bank of Zimbabwe Limited	3.5% above 3-month LIBOR	3.5% above 3-month LIBOR
Absa Bank of Zimbabwe Limited (overdraft)	3.5% above 3-month LIBOR	3.5% above 3-month LIBOR

40. Risk management (continued)

Interest income	**2020**	**2019**
Botswana		
Call accounts denominated in Pula	4.00% to 6.00%	4.00% to 6.00%
Call accounts denominated in foreign currencies	1.00% to 2.00%	1.00% to 2.00%
Fixed deposits with banks	5.50% to 7.00%	5.50% to 7.00%

South Africa		
Call accounts denominated in Rand		5.00% to 7.00%

The following are the Pula equivalent of the balances susceptible to interest rate risk:

	Group		**Company**	
In P'000	**2020**	**2019**	**2020**	**2019**
Long-term borrowings	(547 954)	(618 871)	-	-
Bank overdrafts	(148 788)	(248 155)	-	-
Call accounts denominated in Pula	2 829	8 145	-	-
Call accounts denominated in foreign currencies	539	5 075	-	-
Fixed deposits with banks	4 323	4 100	-	-

With average interest rates as noted, an increase/decrease of 5% (2019: 5%) in the current interest rates during the reporting period would have increase/decreased the Group's profit before taxation and equity as disclosed below:

Impact on profit before tax
Pre-tax profit for the year would have been P 2 672 (2019: P3 946) lower/higher, mainly as a result of higher/lower interest expense and income on floating rate borrowings and interest bearing assets.

Impact on equity
Impact on equity for the year would have been P 2 084 (2019: P 3 078) lower/higher, mainly as a result of higher/lower interest expense and income on floating rate borrowings and interest bearing assets.

Foreign exchange risk

The Group is exposed to foreign currency risk for transactions which are denominated in currencies other than the Botswana Pula. These transactions mainly relate to the Group's distribution and retail trading business and its investment in foreign operations. These transactions are predominantly denominated in South African Rand, United States Dollar and British Pound Sterling.

Foreign currency risks that do not influence the Group's cash flows (i.e. the risks resulting from the translation of assets and liabilities of foreign operations in the Group's reporting currency) are not hedged.

		30 June 2020		**30 June 2019**	
Group		**Foreign currency amount**	**Pula equivalent**	**Foreign currency amount**	**Pula equivalent**
South African Rand denominated assets – balances with banks	R'000	5 200	3 535	66 666	50 042
United States Dollar denominated assets – balances with banks	US$'000	346	4 085	890	9 448
British Pound Sterling denominated assets – balances with banks	GBP'000	151	2 192	154	2 075
South African Rand denominated assets – Receivables	R'000	21 596	14 681	58 765	44 111
United States Dollar denominated assets – Receivables	US$'000	307	3 625	20	212
South African Rand denominated liabilities	R'000	(267 382)	(181 769)	(931 440)	(699 174)
United States Dollar denominated liabilities	US$'000	(213)	(2 515)	(4 787)	(50 818)

Notes to the Consolidated and Separate Financial Statements

40. Risk management (continued)

Year end exchange rates		
South African Rand	1.4710	1.3322
United States Dollar	0.0847	0.0942
British Pound Sterling	0.0689	0.0742

Average exchange rates		
South African Rand	1.4036	1.3329
United States Dollar	0.0891	0.0941
British Pound Sterling	0.0706	0.0729

A 10% weakening of the Botswana Pula against the above mentioned foreign currencies at the reporting date would have decreased/increased the Group's profit before taxation and equity by the amounts disclosed below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group 2020		**Group 2019**	
	Impact on profit before tax	**Impact on equity**	**Impact on profit before tax**	**Impact on equity**
South African Rand denominated assets – balances with banks	354	276	5 004	3 903
United States Dollar denominated assets – balances with banks	409	319	945	737
British Pound Sterling denominated assets – balances with banks	219	171	208	162
South African Rand denominated assets – Receivables	1 468	1 145	4 411	3 441
United States Dollar denominated assets – Receivables	363	283	21	17
South African Rand denominated liabilities	(18 177)	(14 178)	(69 917)	(54 536)
United States Dollar denominated liabilities	(252)	(196)	(5 082)	(3 964)
	(15 616)	**(12 180)**	**(64 410)**	**(50 240)**

A 10% strengthening of the Botswana Pula against the above mentioned currencies at the reporting date would have had an equal but opposite effect on the Group's profit before taxation and equity to the amounts disclosed above.

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- amounts due from related entities;
- trade and other receivables;
- cash and cash equivalents; and
- advances and deposits.

The Group limits the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or Groups of counterparties. The Group has no significant concentration of credit risk, and exposure to third parties is monitored as part of the credit control process.

Reputable financial institutions are used for investing and cash handling purposes. All money market instruments and cash equivalents are placed with financial institutions registered with banks registered in the geographical areas where the Group operates. Banks in Botswana are not rated, but most of the banks are subsidiaries of major South African or United Kingdom registered institutions.

The company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables that have similar characteristics are grouped together and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers where applicable.

Notes to the Consolidated and Separate Financial Statements

40. Risk management (continued)

In determining the level of likely credit losses on write-off of trade receivables, the Group has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators (specifically Gross Domestic Product) may have on historical collection and default rates, including the possible impact of covid-19 on its business and collection.

Trade receivables are considered irrecoverable where

- the customer has not made any payment within 180 days from the date of invoice (at which stage amounts are considered in full default)
- no alternative payment arrangements have been made and adhered to by the customer during the first 90 days after date of invoice; and
- alternative collection efforts (mainly through external debt collection agencies), initiated once the invoice has been outstanding for more than 90 days, have failed.

On the above basis the expected credit loss for trade receivables as at 30 June 2020 was determined as follows, (refer to note 22).

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is summarised as follows:

In P'000	**2020**	**2019**	**2020**	**2019**
Trade receivables - net of provision for impairment	5 499	3 315	-	-
Other receivables	21 610	49 459	-	-
Advances and deposits	39 092	82 502	-	-
Amounts due from related entities	5 414	14 956	233 695	269 413
Bank balances	56 747	190 629	465	474
	128 362	**340 861**	**234 160**	**269 887**

Notes to the Consolidated and Separate Financial Statements

40. Risk management (continued)

Liquidity risk

The Group is exposed to daily operational payments and payment of trade payables and long-term borrowings. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group sets limits on the minimum amounts of maturing funds available to meet such calls and unexpected levels of demand.

The following financial instruments are classified as non-derivative financial liabilities:

In P'000	2020	2019	2020	2019
Long term borrowings	547 954	618 871	-	-
Amounts due to related entities	82 794	118 002	-	-
Bank overdrafts	148 788	248 155	-	-
Trade payables	413 565	914 281	-	-
Other payables	153 569	138 645	65 001	485
	1 346 670	**2 037 954**	**65 001**	**485**

The following are the contractual maturities of the non-derivative financial liabilities, including estimated interest payments and the impact of netting agreements:

Group 2020 - In P'000	Carrying amount	Contractual cash flows	One year	Two to five years	Greater than 5 years
Long -term borrowings	547 954	(586 096)	(214 828)	(371 268)	-
Lease liabilities	752 985	(938 641)	(203 065)	(537 638)	(197 938)
Amounts due to related entities	82 794	(82 794)	(82 794)	-	-
Bank overdrafts	148 788	(148 788)	(148 788)	-	-
Trade payables	413 565	(413 565)	(413 565)	-	-
Other payables	153 569	(153 569)	(153 569)	-	-
	2 099 655	**(2 323 453)**	**(1 216 609)**	**(908 906)**	**(197 938)**

Group 2019 - In P'000	Carrying amount	Contractual cash flows	One year	Two to five years	Greater than 5 years
Long -term borrowings	618 871	(706 860)	(53 556)	(653 304)	-
Lease liabilities	53 953	(57 473)	(34 223)	(23 250)	-
Amounts due to related entities	118 002	(118 002)	(118 002)	-	-
Bank overdrafts	248 155	(248 155)	(248 155)	-	-
Trade payables	914 281	(914 281)	(914 281)	-	-
Other payables	138 645	(138 645)	(138 645)	-	-
	2 091 907	**(2 183 416)**	**(1 506 862)**	**(676 554)**	**-**

Company 2020 - In P'000	Carrying amount	Contractual cash flows	One year	Two to five years	Greater than 5 years
Other payables	65 001	(65 001)	(65 001)	-	-

Company 2019 - In P'000	Carrying amount	Contractual cash flows	One year	Two to five years	Greater than 5 years
Other payables	485	(485)	(485)	-	-

Guarantees
The Group's policy is to provide financial guarantees for subsidiaries' liabilities. At the reporting date the company had issued guarantees to certain financial institutions and suppliers per note 36.

The earliest callable bracket for the total callable amounts for financial guarantee contracts is year 1.

40. Risk management (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

41. Fair value information

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs in determining these measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

In P'000	Financial assets mandatorily at fair value	Financial assets at amortised costs	Financial liabilities at amortised costs	Fair value	Level 1	Level 2	Level 3	Total
Group 2020								
Assets								
Financial assets								
Mandatorily at fair value through profit or loss:								
Investment in shares	3	-	-	-	3	-	-	3
Financial assets not measured at amortised cost								
Advances and deposits	-	39 092	-	39 092	-	-	-	-
Trade and other receivables	-	27 109	-	27 109	-	-	-	-
Amounts due from related entities	-	5 414	-	5 414	-	-	-	-
Cash and cash equivalents	-	56 747	-	56 747	-	-	-	-
	3	**128 362**	**-**	**128 362**	**3**	**-**	**-**	**3**
Liabilities								
Financial liabilities not measured at fair value								
Long-term borrowings	-	-	547 954	547 954	-	-	-	-
Lease liabilities	-	-	752 985	752 985	-	-	-	-
Trade and other payables	-	-	571 225	571 225	-	-	-	-
Amounts due from related entities	-	-	82 794	82 794	-	-	-	-
Bank overdraft	-	-	148 788	148 788	-	-	-	-
	-	**-**	**2 103 746**	**2 103 746**	**-**	**-**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

In P'000	Financial assets mandatorily at fair value	Financial assets at amortised costs	Financial liabilities at amortised costs	Fair value	Level 1	Level 2	Level 3	Total
Group 2019								
Assets								
Financial assets measured at fair value								
Investment in shares	3	-	-	-	3	-	-	3
Financial assets measured at amortised cost								
Advances and deposits	-	82 502	-	82 502	-	-	-	-
Trade and other receivables	-	87 328	-	87 328	-	-	-	-
Amounts due from related entities	-	14 956	-	14 956	-	-	-	-
Cash and cash equivalents	-	190 629	-	190 629	-	-	-	-
	3	**375 415**	**-**	**375 415**	**3**	**-**	**-**	**3**
Liabilities								
Financial liabilities measured at amortised cost								
Long term borrowings	-	-	618 871	618 871	-	-	-	-
Lease liabilities	-	-	53 953	53 953	-	-	-	-
Trade and other payables	-	-	1 052 926	1 052 926	-	-	-	-
Amounts due to related entities	-	-	118 002	118 002	-	-	-	-
Bank overdraft	-	-	248 155	248 155	-	-	-	-
	-	**-**	**2 091 907**	**2 091 907**	**-**	**-**	**-**	**-**

Carrying value is a reasonable approximation of fair value.

In P'000	Financial assets mandatorily at fair value	Financial assets at amortised costs	Financial liabilities at amortised costs	Fair value	Level 1	Level 2	Level 3	Total
Company 2020								
Assets								
Financial assets measured at amortised cost								
Amounts due from related entities	-	233 695	-	233 695	-	-	-	-
Cash and cash equivalents	-	465	-	465	-	-	-	-
	-	**234 160**	**-**	**234 160**	**-**	**-**	**-**	**-**
Liabilities								
Financial liabilities measured at amortised cost								
Other payables	-	-	65 001	65 001	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

41. Fair value information (continued)

In P'000	Financial assets mandatorily at fair value	Financial assets at amortised costs	Financial liabilities at amortised costs	Fair value	Level 1	Level 2	Level 3	Total
Company 2019								
Assets								
Financial assets measured at amortised cost								
Amounts due from related entities	-	269 413	-	269 413	-	-	-	-
Cash and cash equivalents	-	474	-	474	-	-	-	-
	-	**269 887**	**-**	**269 887**	**-**	**-**	**-**	**-**
Liabilities								
Financial liabilities measured at amortised cost								
Other payables	-	-	485	485	-	-	-	-

Carrying value is a reasonable approximation of fair value.

42. Financial support

Choppies Distribution Centre (Pty) Ltd, a wholly owned subsidiary of Choppies Enterprises Ltd, has pledged its continued financial and operational support to certain subsidiaries of Choppies Enterprises Limited in order for these companies to continue operating as going concerns in the foreseeable future. Each of these companies is technically insolvent with their liabilities exceeding their assets.

The financial support provided by the company will continue for each individual company until such time as the equity and assets, fairly valued, exceed the liabilities for each of the respective individual companies.

Based on the ability of Choppies Distribution Centre (Pty)Ltd to continue providing such support, the individual financial statements of these technically insolvent companies have been prepared on the going concern assumption. The shareholders' deficits at the reporting date for each of the companies are summarised as follows:

Foreign subsidiaries in P'000	2020	2019
Choppies Supermarkets SA (Pty) Limited	-	1 000 908
Choppies Supermarkets Namibia (Pty) Limited	41 001	21 853
Choppies Supermarkets Limited (Zambia)	152 167	97 741
Choppies Supermarkets Tanzania Limited	-	8 074
	193 168	**1 128 576**

43. Going concern

The Group and Company annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis assumes that there will be funds available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group recorded negative equity of P467.1 million as at 30 June 2020 (2019: negative equity of P80.1 million).

The decline in equity of P386.9 million was mainly caused by trading losses of P 469.6 million (2019: P435.6 million) from regions that were closed/discontinued namely South Africa P329.4 million (2019: P306.6 million), Kenya P117.6 million (2019: P95.3 million), Tanzania P16.6 million (2019: P18.2 million) and Mozambique P 5.9 million (2019:P15.5 million).

43. Going concern (continued)

It is to be noted that the continuing operations contributed a profit after tax of P 98.9 million (2019: 7 million). Going forward, profits from the continuing operations are expected to build-up value for the Group as management's focus will be on the profit making operations, namely Botswana, Zambia, Zimbabwe and Namibia, which should help stabilise the Group and restore equity.

Management and the Board are conscious about the currency translation impact from Zimbabwe. The projections in Zimbabwe indicate that, in their currency (ZWL), this is a profit making operation but the abrupt changes and volatility in the currency has a huge impact when translating the loan to the holding company (the Company), which is payable in US dollars. In order to rectify this, the Company will be engaging with the Reserve Bank of Zimbabwe in October 2020, the repayment date of the loan, towards the possibility of repatriating the USD loan given by the Company to the Zimbabwe operation. If the Company is successful in obtaining approval for repatriation of the loan, cash flow from Zimbabwe will then flow to the company which will further improve the cashflows and largely eliminate the unrealized foreign currency losses.

The Board has put in place various measures and procedures to improve governance at entity and operational levels. The Board is confident that the Group has the capacity and goodwill to turn the performance around thus become cashflow positive.

The ability of the Group and Company to continue as a going concern is dependent on many factors and indicators. The Board has considered, amongst other, the following relating to financial, operating and legislation towards the assessment of going concern:

Financial indicators

- The consolidated and individual subsidiary budgets for the 2021 financial year indicate that the ongoing operation will be profitable from year 2021 onwards, except Namibia which is expected to be profitable from year 2022 onwards.
- Modelling and stress testing the forecast financial results for the Group and Company for the next five years indicated improvements in performance going forward.
- Sensitivity and stress tested monthly cash flow projections for the next twelve months to June 2021 and beyond to consider the impact of the working capital and essential capital expenditure;
- The company has negotiated a new restructuring plan with lenders that allow more flexibility and good headroom compared to previous structure. For more details please refer note 44.3 in events after the reporting period
- Based on the forecasts, the Board is confident that the Group will comply with all covenant requirements going forward.
- As at June 2020, there are no fixed term borrowings that have matured and the projections do not indicate any challenges in repayment of borrowings in the next twelve months.
- The founding shareholders have also provided personal sureties towards the potential future obligations from its Kenyan subsidiary amounting to P72 million, with recourse thereafter to the Group;

Operational indicators

- The Board has assessed the economic and operational forecast environment in the countries where the ongoing subsidiaries operate. The Zimbabwe situation will continue to be challenging with currency volatility and restrictions on profit repatriation expected to continue. Nevertheless, the operation is profitable in USD terms.
- The impact of the Covid-19 pandemic has been assessed by the Board. The impact on the Group's businesses was limited due to its operations been classified as essential services and hence not closed during the lockdown periods. The duration and future impact of the Covid-19 pandemic remains unclear at this time.
- The management team has been enhanced with the appointment of a Deputy CEO and CFO. In addition, the outsourcing of the internal audit function is currently underway.
- The Group has not lost any key supplier or service agreements which are key for generating revenue and profits. The Group is looking to strengthen relationships further and venture into new areas of revenue generation going forward.
- Relationship with suppliers have strengthened further compared to prior years. The inventory levels are therefore expected to remain at required levels to enable the Group to generate the budgeted revenue and achieve customer satisfaction and brand loyalty.
- During 2020, the Group also initiated digital marketing and tele sales. This is expected to present various opportunities in digital platforms which will enhance sales.
- Management is aware of the competition in the market they operate. They are confident to retain and also increase the market share in the coming years through effective service delivery.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
Figures in Pula thousand	2020	2019	2020	2019

43. Going concern (continued)

Legislative and other factors

- Compliance with all laws and regulations applicable to the Group is currently a priority for the Board. All identified risks on compliance are continuously being dealt with and appropriate controls are being put in place to detect and act upon any compliance requirements which might arise.
- The Board is not aware of any key legislative change which can affect the Group going forward.

Consequently, the Board does not expect any material uncertainty over the Company or Group's ability to continue as going concerns in the foreseeable future.

Overall risk to operations - Impact of Covid-19 (coronavirus)

Since December 2019, the spread of Covid-19 has severely impacted many economies around the globe. In many countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. Botswana and other countries we operate in have introduced measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services. These measures have triggered significant disruptions to businesses, resulting in an economic slowdown. Governments and Central Banks including the Bank of Botswana, have responded with monetary and fiscal interventions to stabilise economic conditions.

Since the Group trades in essential commodities, it is allowed to continue operating during the lockdown period and therefore the impact of Covid-19 on the Group's business is not expected to have a material uncertainty going forward. The lockdown during the month of August in Botswana did not have any material impact on the operations of the company in comparison with the budget and this is indicative that in future, considering we are essential services, the impact due to the pandemic would be manageable.

Accordingly, the financial position and results of operations as at and for the year ended 30 June 2020 have not been adjusted to reflect any impact. The duration and impact of the Covid-19 pandemic currently remains unclear. It is not possible to reliably estimate the duration and severity of these consequences on the economies of the countries we operate in.

The Group has identified several measures available to limit the negative financial impact of Covid-19 on its business, including:

- Cost saving measures, which has been implemented to reduce costs and increase profitability.
- Introducing online sales and other sale processes to enhance customer service delivery considering that the business was declared an essential service during the lockdown period. These are now continuing services.
- Better inventory management processes to ensure appropriate stock levels are maintained for fast moving goods and ensuring sales level are met.

The Group has performed cash flow projections and profitability analysis considering various scenarios and are confident that the available business opportunities and financial support towards working capital will help the Group continue as a going concern for the next 12 months from the approval of these financial statements.

The Group recognises that the Covid-19 pandemic and related disruption to the economy will result in unpredictability of the business environment. The Group will continue to monitor the situation globally and locally and will take all measures to safeguard the interest of stakeholders in a responsible manner. Our goals are to protect the health of our stakeholders and customers by upholding rigorous hygiene standards across our stores, offices and supply chain, and to support the imperative of minimising person-to-person transmission through "social distancing" measures. Special protocols that have been implemented for Choppies drivers of cross border trucks ensure uninterrupted and regular delivery of imported goods

44. Events after the reporting period

44.1 Fours Cash & Carry

On 28 July 2019, the Fours group of companies instituted proceedings in the High Court of Botswana, in terms of which, the return of the Fours companies shares was demanded. The Company initiated defence against these proceedings requesting the Fours group to honour the repayment of the Payless loan along with any outstanding interest before release of the pledge. During the month of June 2020, the court issued a ruling to state that the shares held as pledge by the Company need to be returned to the Fours group shareholders. The transfer of these shares was affected subsequently. However, the Company has applied for a stay of execution against the court ruling. The Company still retains the pledge on the shares for all the outstanding receivables from Fours group.

44. Events after the reporting period (continued)

44.2 Counsel Report
In the previous (2019) audited financial statements of the Group, note 43.8, the findings of the Counsel conducting the focused investigation into allegations of fraud in respect of stock losses and bulk sales, were dealt with in detail. At that point in time Counsel issued a "Preliminary report" inviting implicated parties an opportunity to, within a period of three weeks, provide Counsel with relevant evidence which may be new or different, for examination, interrogation and ultimately conclusion as to whether or not such evidence would alter the Preliminary Report.

As at the expiry date of the three week period on the 14 August 2020 only one party requested and was given a copy of the Preliminary Report. No party has come forward to make any submissions or provide any evidence pertaining to the Preliminary Report. Consequently on 18 August 2020 Advocate Meyerowitz issued the Final Report. The Final Report indicates that the findings of the Preliminary Report remain unchanged and the Final Report constitutes the final outcome of the Investigation.

In respect of the allegations of backdating, the reasons therefore, and the possible action to be taken by the Company in respect thereof, the Board delegated the Audit Committee to investigate the circumstances and reasons surrounding the alleged backdating, with independent advice from Advocate Meyerowitz and to submit a report and make a recommendation to the Board for a final decision. This report from the Audit Committee was issued on 17 September 2020. One incident of backdating was found on a commercial document which appears to be unintended and harmless. Furthermore, even if all allegations of backdating were true no evidence could be found that any person was prejudiced. The Board accepted the recommendations from the Audit Committee and expressed a no tolerance approach to backdating of any commercial document.

44.3. Debt restructuring plan
As part of the Debt Restructuring Plan, the Company recently agreed on a longer and magnanimous debt repayment plan with the lenders. The extended tenor will allow the Company to re-pay the lenders in smaller tranches than the previous structure which will release some cash to the Company and improve the cashflows going forward. The agreed structure has broken down the total loan balance (including the working capital facilities that have been termed out) into 3 facilities being: Facility A- BWP129m amortising facility with a tenor of 2 years; Facility B- BWP267m amortising facility with a 5-year tenor which includes a 2-year grace period on capital re-payments; Facility C- BWP150m bullet facility with a tenor of 5 years and facility D- BWP50m overdraft facility. The Board is of the view that the buffer that has been provided by lenders coupled with improved profitability levels will go a long way in keeping the Company as a going concern for the short, medium to long term.

45. Segment report

Operating segments are identified based on financial information regularly reviewed by the Choppies Enterprises Limited Chief Executive Officer (identified as the chief operating decision maker of the Group for IFRS 8 reporting purposes) for performance assessments and resource allocations.

The Group has four continuing operating segments (2019: eight) as described below, which are the Group's strategic divisions. Operating segments are disclosed by geographical regions.

Performance is measured based on the profit before taxation as the board believes that such information is the most relevant in evaluating the results of the segments against each other and other entities which operate within the retail industry.

Botswana – retail of fast moving consumer goods in Botswana. The business is supported by and includes a warehouse and service companies.

Namibia – retail of fast moving consumer goods in Namibia.

Zimbabwe – retail of fast moving consumer goods in Zimbabwe. The business is supported by and includes two distribution centres.

Zambia – retail of fast moving consumer goods in Zambia supported by a distribution centre.

Kenya, Tanzania and Mozambique were discontinued and South Africa was sold during the financial year 2020.

SEGMENTAL RESULTS(Figures in 000)											
Jun-20	**Botswana**	**Zambia**	**Zimbabwe**	**Namibia**	**Total for Continued operations**	**South Africa**	**Kenya**	**Tanzania**	**Mozambique**	**Total for Operations discontinued**	**Total Group**
Statement of profit or loss and other comprehensive Income											
Revenue :											
Trading income	4,260,178	604,147	414,143	142,128	5,420,596	2,355,498	34,871	1,385	4,891	2,396,644	7,817,240
Other income	47,010	4,118	576	257	51,961	13,478	(49,467)	(11,584)	1,439	(46,134)	5,827
	-	-	-	-	-	-	-	-	-	-	-
Total segmental revenue	4,307,189	608,265	414,718	142,385	5,472,557	2,368,975	(14,596)	(10,200)	6,330	2,350,510	7,823,067
	-	-	-	-	-	-	-	-	-	-	-
Segment gross profit	1,041,266	106,559	78,845	26,077	1,252,746	428,020	1,633	173	(416)	429,410	1,682,156
	-	-	-	-	-	-	-	-	-	-	-
Segment EBITDA	468,079	(9,024)	19,495	(5,697)	472,853	(175,633)	(101,858)	(15,769)	(3,677)	(296,937)	175,916
	-	-	-	-	-	-	-	-	-	-	-
Segment Impairments Loss	10,965	70	246	-	11,280	88,831	28	-	-	88,859	100,139
Segment Depreciation/Amortisation	197,666	37,282	8,004	10,640	253,592	62,958	10,143	884	-	73,985	327,577
	-	-	-	-	-	-	-	-	-	-	-
Operating Profit/(Loss) (EBIT)	259,450	(46,375)	11,245	(16,337)	207,982	(327,422)	(112,029)	(16,653)	(3,677)	(459,781)	(251,799)
Segment Finance Income	109	-	1	-	110	751	76	-	-	826	936
	-	-	-	-	-	-	-	-	-	-	-
Segment Finance Expense	84,131	14,854	1,293	2,810	103,087	2,735	5,613	-	2,239	10,586	113,674
	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) Before taxation	175,426	(61,229)	9,953	(19,148)	105,003	(329,406)	(117,566)	(16,653)	(5,916)	(469,541)	(364,538)
	-	-	-	-	-	-	-	-	-	-	-
Segment Taxation	(3,127)	-	(2,949)	-	(6,076)	-	(15)	(7)	-	(22)	(6,098)
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after taxation	172,299	(61,229)	7,004	(19,148)	98,929	(329,406)	(117,581)	(16,660)	(5,916)	(469,563)	(370,634)
	-	-	-	-	-	-	-	-	-	-	-
Statement of financial position	-	-	-	-	-	-	-	-	-	-	-
Segment assets	1,281,997	213,435	210,781	85,507	1,791,720	-	26,664	4,703	17,713	49,081	1,840,801
Segment liabilities	1,847,701	202,244	37,039	53,070	2,140,054		143,379	12,342	12,079	167,801	2,307,855

SEGMENTAL RESULTS(Figures in 000)											
2019	**Botswana**	**Zambia**	**Zimbabwe**	**Namibia**	**Total for Continued operations**	**South Africa**	**Kenya**	**Tanzania**	**Mozambique**	**Total for Operations discontinued after 30 June 2019**	**Total Group**
Statement of profit or loss and other comprehensive Income											
Revenue :											
Trading income	4,147,283	583,516	508,493	119,701	5,358,994	3,740,551	440,437	55,374	24,831	4,261,193	9,620,187
Other income	55,006	808	713	118	56,645	20,117	3,186	386	927	24,616	81,262
	-	-	-	-	-	-	-	-	-	-	-
Total segmental revenue	4,202,289	584,324	509,206	119,819	5,415,638	3,760,668	443,623	55,760	25,758	4,285,809	9,701,447
	-	-	-	-	-	-	-	-	-	-	-
Segment gross profit	1,000,542	100,083	95,843	19,813	1,216,281	602,066	65,957	7,213	4,296	679,532	1,895,813
	-	-	-	-	-	-	-	-	-	-	-
Segment EBITDA	258,343	(38,032)	15,149	(9,233)	226,228	(196,611)	(58,219)	(12,537)	1,436	(265,930)	(39,702)
Segment Impairments Loss	16,017	3	3,904	-	19,924	9,965	17,567	-	5,543	33,075	52,999
Segment Depreciation/Amortisation	90,884	12,939	6,288	3,454	113,566	94,674	13,687	1,513	2,760	112,633	226,199
	-	-	-	-	-	-	-	-	-	-	-
Operating Profit/(Loss) (EBIT)	151,442	(50,974)	4,601	(12,687)	92,383	(301,250)	(89,473)	(14,049)	(6,867)	(411,639)	(319,257)
Segment Finance Income	254	-	3	-	257	930	-	-	-	930	1,187
	-	-	-	-	-	-	-	-	-	-	-
Segment Finance Expense	61,030	-	1,852	176	63,058	6,259	6,830	-	3,961	17,050	80,110
	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) Before taxation	90,666	(50,974)	2,753	(12,863)	29,582	(306,577)	(95,269)	(14,049)	(15,539)	(431,434)	(401,852)
	-	-	-	-	-	-	-	-	-	-	-
Segment Taxation	(21,886)	-	(712)	-	(22,598)	(46)	(26)	(4,171)	-	(4,243)	(26,840)
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) after taxation	68,780	(50,974)	2,041	(12,863)	6,984	(306,622)	(95,295)	(18,220)	(15,539)	(435,676)	(428,692)
	-	-	-	-	-	-	-	-	-	-	-
Statement of financial position	-	-	-	-	-	-	-	-	-	-	-
Segment assets	906,982	167,469	173,599	55,755	1,303,806	693,428	152,812	13,381	23,694	883,315	2,187,122
Segment liabilities	1,327,897	87,166	49,016	16,072	1,480,151	581,620	170,704	10,360	24,432	787,119	2,267,269