AFRICAN SUN
LIMITED

Integrated Annual Report 2022

In Pursuit of **Hospitality** Excellence

Contents

AFRICAN SUN LIMITED

A leading Hotel Asset Management Company in Zimbabwe.

Financial Highlights

	Inflation adjusted 31 December 2022	Inflation adjusted 31 December 2021
Revenue	ZWL 31.82 billion	ZWL 14.88 billion
Occupancy	46%	31%
Profit for the year	ZWL 7.18 billion	ZWL 33.47 billion
*Normalised profit for the year	ZWL 7.18 billion	ZWL 3.93 billion
Finance costs	ZWL 138.67 million	ZWL 166.40 million
Average daily room rate	ZWL 59,676	ZWL 13,645
EBITDA	ZWL 15.74 billion	ZWL 36.06 billion
*Normalised EBITDA	ZWL 15.74 billion	ZWL 6.50 billion
Rooms revenue per available room	ZWL 27,391	ZWL 11,714
Total revenue per available room	ZWL 52,217	ZWL 23,743
Operating expenses	ZWL 17.64 billion	ZWL 10.86 billion
Basic earnings per share for the year	490 ZWL cents	2,317 ZWL cents
Headline earnings per share for the year	366 ZWL cents	2,295 ZWL cents

** Normalised profit for the year and normalised EBITDA are adjusted for gain on bargain purchase in the prior year to align comparison with current year performance.*

1 497 ROOMS

10 HOTELS

1 953 EMPLOYEES

In Pursuit of Hospitality Excellence

AFRICAN SUN LIMITED

In Pursuit of Hospitality Excellence

African Sun Limited ("the Company"), is a leading Hotel Asset Management Company in Zimbabwe, operating internationally recognised brands, with a vision to be the leading provider in hospitality and leisure operations in Africa.

VFEX Listing

In celebration of the grandlisting on the **Victoria Falls Stock Exchange ("VFEX")**

AFRICAN SUN
LIMITED

AFRICAN SUN
LIMITED

African Sun Limited is the first hospitality entity to list on the Victoria Falls Stock Exchange.

The guest of honour was Environment, Climate, Tourism and Hospitality Industry Minister - Nqobizitha Mangaliso Ndlovu.

Listing ceremony held at the splendid

ELEPHANT HILLS RESORT
VICTORIA FALLS

Corporate Profile

African Sun Limited ("the Company" or "the Group", or "African Sun") is a leading Hotel Asset Management Company in Zimbabwe offering a competitive and preferred product in the market. The Company operates internationally recognised brands, with a vision to be the leading provider in hospitality and leisure operations in Africa.

OPERATIONS

The Group is currently organized into five divisions – City and Country Hotels, Resort Hotels, The Victoria Falls Hotel Partnership, Sun Leisure and Real Estate.

CITY AND COUNTRY HOTELS

Five hotels fall under this division, including the three hotels that operate under the InterContinental Hotels Group ("IHG") brand ("Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare"). The other two hotels are Monomotapa, located in the Capital City of Harare, with its iconic structure overlooking the lush, colourful and perennially evergreen Harare Gardens and the Troutbeck Resort, which is nestled in the rolling Eastern Highlands Mountains of Nyanga.

RESORT HOTELS

The resort hotels are located in all of the country's major tourist destinations, being the City of Victoria Falls, Hwange, Masvingo and Kariba. The hotels are as follows;

- The Elephant Hills Resort and Conference Centre, located in Victoria Falls, a United Nations Educational Scientific and Cultural Organisation ("UNESCO") World Heritage site;
- The Hwange Safari Lodge, which is situated in the Hwange National Park, where over 100 species of mammals and nearly 400 bird species have been recorded;
- The Great Zimbabwe Hotel is located in Masvingo, within walking distance from the Great Zimbabwe National Monument, a UNESCO World Heritage site. This particular monument enjoys the stature of being the most significant ancient structure south of the Sahara and second only to the Pyramids of Giza in size and grandeur; and
- The Caribbea Bay Resort, which is located in Kariba on the shores of Lake Kariba, which is one of the four largest man-made lakes in the world and the second largest reservoir by volume in Africa.

THE VICTORIA FALLS HOTEL PARTNERSHIP

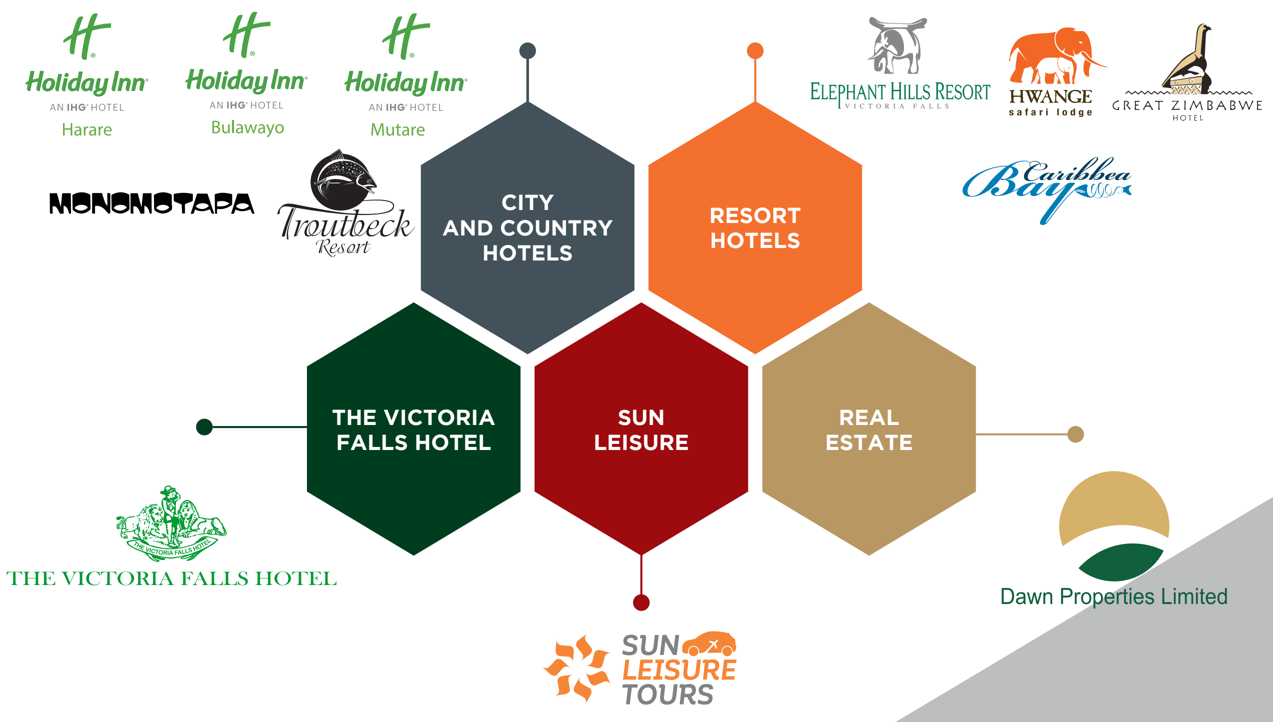
The Victoria Falls Hotel is jointly operated with Meikles Hospitality (Private) Limited on a 50/50 partnership. The hotel is an affiliate of the Leading Hotels of the World ("LHW"). The LHW is a marketing organization, representing more than 400 hotels in over 80 countries.

SUN LEISURE TOURS

The division specialises on the Group's ground handling activities. Sun Leisure Tours also provides shuttle services, destination tours and other hospitality related leisure activities.

REAL ESTATE

This division focuses on maintenance, renovation and construction activities related to the Group's hotel infrastructure. The division also holds the Group's land bank for future development.



The Group has streamlined its operations to ensure future sustainability.
We continue our quest to grow shareholder value, anchored by the four pillars, which are:

Harare

Enjoy the warmth of
the Sunshine City

AFRICAN SUN
LIMITED

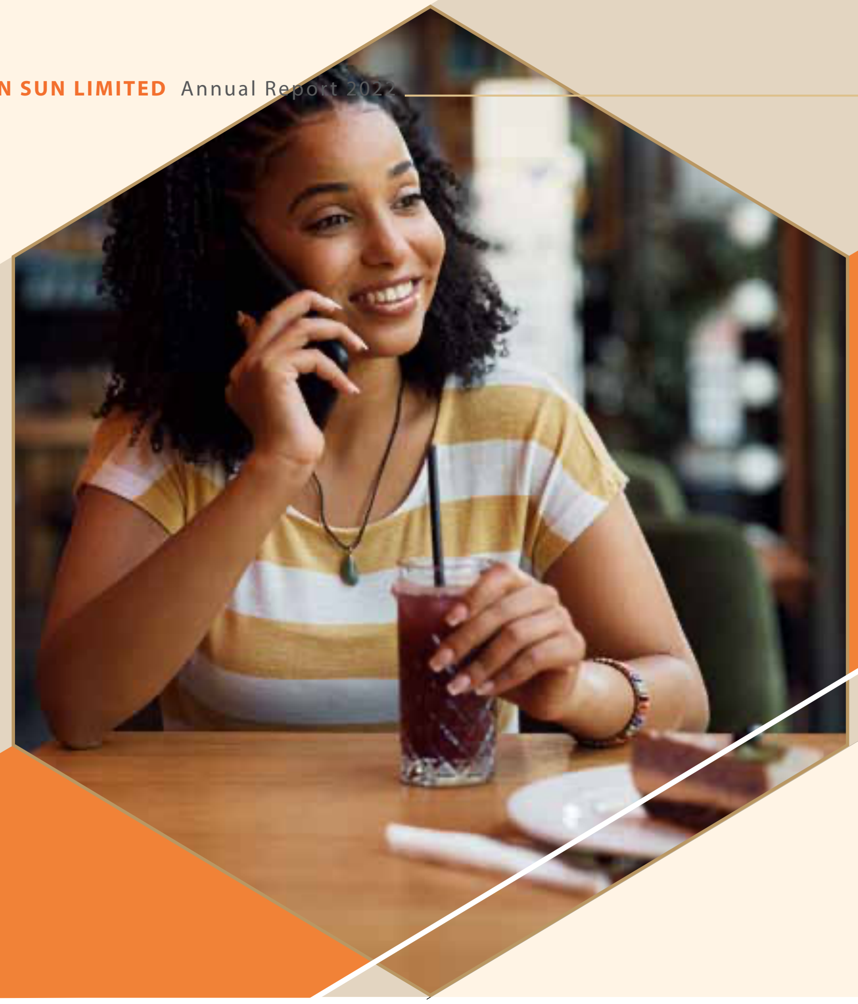
Refreshing guest rooms
at Holiday Inn Harare

MONOMOTAPA

243 ROOMS / 2 RESTAURANTS

Holiday Inn
AN IHG® HOTEL
Harare

201 ROOMS / 1 RESTAURANT



Business Overview

Statement of Vision

To be the leading provider in hospitality and leisure operations in Africa.

Mission

We provide outstanding hospitality experiences that our guests love.

- **To our Guests**
  Exceeding their expectations through the provision of a delightful service, as they are our reason for existence.
- **To our Employees**
  Creating opportunities for personal growth and balanced lifestyles for all our staff to enable them to positively influence lives around them and delight our guests.
- **To our Community and Environment**
  To be a model corporate citizen in the society in which we operate from where we derive our identity and being.
- **To our Business Partners**
  Establishing ethical and honest relationships with our business partners and suppliers who enable us to meet and exceed our guest expectations.
- **To our Shareholders**
  Deliver real value growth to our shareholders in excess of 20% return on equity per annum.

Our Core Values and Beliefs

Our five-point "ExCite" value system forms the basis of our belief system within the organization

We will do so through:

- **Excellence –** We deliver experiences beyond expectation.
- **Care –** We are each other's keeper and are mindful of the well being of all.
- **Innovation -** We explore ideas and encourage different mindsets that facilitate continous improvement.
- **Teamwork –** We believe together we achieve more.
- **Enjoyment -** We are passionate and take delight in everything we do.

Strategic themes

EXCELLENCE | CARE | INNOVATION | TEAMWORK | ENJOYMENT

Mission (Purpose)

We provide outstanding hospitality experiences that our guests love

Vision

To be the leading provider in hospitality and leisure operations in Africa.

Focus Goal

To achieve a revenue of US$100 million targeting a Profit Before Tax margin ("PBT") of 18% and 92% customer satisfaction by 2032.

Our Strategic Pillars

The Company initially aims to raise its game through refurbishment, expansion of existing operations and increasing value added activities before refocusing on growth and expansion. Thus far the Company refurbished The Victoria Falls Hotel, Caribbea bay, Great Zimbabwe Hotel, Troutbeck Resort and Hwange Safari Lodge. The Company is committed to achieve annual revenue of US$100 million, Profit Before Tax Margin of 18% and 92% customer satisfaction index by 2032, through it's unique proposition of providing outstanding hospitality experiences that its guests love, focusing on Product Portfolio, Marketing and Customer Engagement. Underpinned by revenue and channel management, adequate funding, systems and processes, people and culture, and stakeholder engagement.

AFRICAN SUN LIMITED

Introducing the completed refurbishment and revamp of our guest rooms at The Victoria Falls Hotel

VICTORIA

Victoria Falls

Explore one of the seven wonders of the world

AFRICAN SUN LIMITED

THE VICTORIA FALLS HOTEL

ELEPHANT HILLS RESORT VICTORIA FALLS

The Victoria Falls Hotel		Elephant Hills Resort	
149 ROOMS	3 RESTAURANTS	276 ROOMS	3 RESTAURANTS

Business Overview (continued)

HOTEL PORTFOLIO	LOCATION	ROOMS	CONFERENCE CAPACITY	RESTAURANTS
The Victoria Falls Hotel Partnership				
The Victoria Falls Hotel	Victoria Falls	149	60	3
Resort Hotels				
Great Zimbabwe Hotel and Campsites (Inclusive of 40 Campsites)	Masvingo	87	530	1
Elephant Hills Resort and Conference Centre	Victoria Falls	276	1 080	3
Hwange Safari Lodge	Hwange	100	260	2
Caribbea Bay Resort and Campsites (Inclusive of 35 Campsites)	Kariba	118	320	1
City and Country Hotels				
Monomotapa Harare	Harare	243	752	2
Troutbeck Resort	Nyanga	70	420	1
Holiday Inn Harare	Harare	201	690	1
Holiday Inn Bulawayo	Bulawayo	157	835	1
Holiday Inn Mutare	Mutare	96	620	1
Total	**10**	**1 497**	**5 567**	**16**

SUN LEISURE TOURS	ACTIVITIES/GAMES AVAILABLE
Sun Leisure Tours	Ground Handling, Transfers and Airport Shuttles

REAL ESTATE	PORTFOLIO
Dawn Properties Limited	Property investments and Property development

Historical Highlights

Our Journey Thus Far

- **1952 –** Rhodesia and Nyasaland Hotels (Private) Limited is formed as a wholly-owned subsidiary of Rhodesian Breweries (Private) Limited
- **1968 –** Sable Hotels (Private) Limited is established.
- **1973 –** Rhodesian Government grants first casino licence for The Victoria Falls Hotel.
- **1974 –** Development of the first four world-class hotels: Monomotapa Hotel in Salisbury, The Wankie Safari Lodge in Wankie, Caribbea Bay in Kariba, and the Elephant Hills Country Club in Victoria Falls.
- **1979 –** Meikles Southern Sun Hotels is established, becoming the largest hotel chain in Southern and Eastern Africa, with control of 13 major properties in the country.
- **1980 –** Meikles Southern Sun Hotels (Private) Limited changes its name to Zimbabwe Sun Hotels (Private) Limited after Zimbabwe's independence.
- **1988 –** Zimbabwe Sun Hotels (Private) Limited merges with Touch the Wild Safari Operations (Private) Limited, later sold to Rainbow Tourism Group (Private) Limited on 30 April 1998.
- **1990 –** Zimbabwe Sun Limited is listed on the Zimbabwe Stock Exchange ("ZSE"), at the time being the largest initial public offer in Zimbabwe, with 70 million shares offered to the public, which was over-subscribed by 28%.
- **1990 –** Opening of the timeshares built in Troutbeck, Nyanga and at Caribbea Bay, Kariba which received "Gold Crown Resorts" status from the Resort Condominium International ("RCI") in 1999.
- **1991 –** First Holiday Inn franchise in Harare.
- **1992 –** The Elephant Hills Resort and Conference Centre officially opens its doors.
- **1994 –** First regional office for reservations is established in Johannesburg.
- **1999 –** Makasa Sun is re-developed into The Kingdom at Victoria Falls.
- **2002 –** Zimbabwe Sun Limited is unbundled from Delta Corporation Limited.
- **2003 –** Dawn Properties Limited is unbundled from Zimbabwe Sun Limited and is listed as the first property company on the Zimbabwe Stock Exchange.
- **2003 –** The Hospitality Training Academy ("HTA") is re-launched.
- **2004 –** Zimbabwe Sun Limited acquires The Grace Hotel in Rosebank, South Africa, ranked among the "Top Ten" hotels in Africa and the Middle East by Condé Nast Traveller (USA) in its first year of operation.
- **2008 –** Zimbabwe Sun Limited adds The Lakes Hotel and Conference Centre, in Johannesburg, South Africa to its portfolio.
- **2008 –** Zimbabwe Sun Limited rebrands its name to African Sun Limited, to reflect its regional expansion strategy.
- **2008 –** African Sun Limited adds Obudu Mountain Resort to its regional portfolio.
- **2008 –** African Sun Limited takes over management of Holiday Inn Accra Airport.
- **2009 –** The Company raises US$10 million through a Rights Offer.
- **2010 –** Best Western Ikeja – Lagos Nigeria opened its doors to the public on 1 October 2010.
- **2011 –** Best Western Homeville, Benin City, Nigeria opened its doors to the public on 1 October 2011.
- **2011 -** African Sun Limited closed The Grace in Rosebank, The Lakes Hotel and Conference Centre in South Africa.
- **2012 -** African Sun Limited exits the Holiday Inn Accra Airport Hotel management contract.
- **2012 -** African Sun Amber Residence GRA Ikeja, Lagos Nigeria opened its doors to the public on 2 November 2012.
- **2013 -** African Sun exited Obudu Mountain Resort after expiry of management contract.
- **2013 -** African Sun Amber Hotel Accra Airport, Ghana opened its doors to the public on 10 December 2013.
- **2014 -** African Sun Airport Hotel Lagos, Nigeria opened its doors to the public on 15 December 2014.
- **2015 -** The Group exited all foreign operations to focus on Zimbabwe operations.
- **2015 -** Engaged a regionally based, renowned Hotel Management Company, Legacy Hospitality Management Services Limited, to manage five hotels in Zimbabwe.
- **2017 -** Declared first dividend to shareholders since 2009.
- **2018 -** Declared a second dividend since 2009 and paid 52% of it in foreign currency.
- **2019 –** Separation with Legacy Hospitality Management Services Limited.
- **2020 –** African Sun Limited makes an offer to reacquire Dawn Properties.
- **2021 –** African Sun Limited acquired Dawn Properties.
- **2022 –** African Sun Limited exits The Kingdom at the Victoria Falls Hotel.
- **2023 –** African Sun Limited delists from the Zimbabwe Stock Exchange and lists on the Victoria Falls Stock Exchange by introduction.

Bulawayo

Enjoy the warmth of the City of Kings

AFRICAN SUN LIMITED

Refreshed guest rooms at Holiday Inn Bulawayo

Holiday Inn

AN IHG® HOTEL

Bulawayo

157 ROOMS

1 RESTAURANT

Message from the Chairman

Introduction

On behalf of the Board of Directors of African Sun Limited ("African Sun" or "the Company") and its subsidiaries, together referred to as "the Group", I am pleased to present to you the Intergrated Annual Report for the year ended 31 December 2022.

Operating Environment

The operating environment during the period under review continued to be challenging, characterised by shortages in foreign currency, erratic electricity supply, high lending rates and soaring inflation. The hyperinflationary environment reduced consumers' purchasing power weighing down on domestic demand that feeds into our leisure business.

The official year-on-year inflation rate surged from 60.6% in January 2022 to a peak of 285.0% in August 2022 before decelerating to 243.8% at the end of the year. The inflation pressures eased during the second half of the year as a result of various intiatives that were introduced by the Government in order to instil economic confidence, foster market discipline, and bolster local currency demand. The initiatives included the temporary suspension of lending, introduction of the willing buyer willing seller rate pricing system, introduction of gold coins as a store of value, increase in the bank policy interest rate from 80% to 200%, carrying out value for money audits for all Government contracts, etcetera.

Despite the economic and geopolitical challenges faced on the world stage, the global tourism industry remained resilient in its recovery from the adverse impact of the COVID-19 pandemic. International tourism recorded stronger than expected results in 2022, underpinned by pent-up demand and the easing of travel restrictions across the globe.

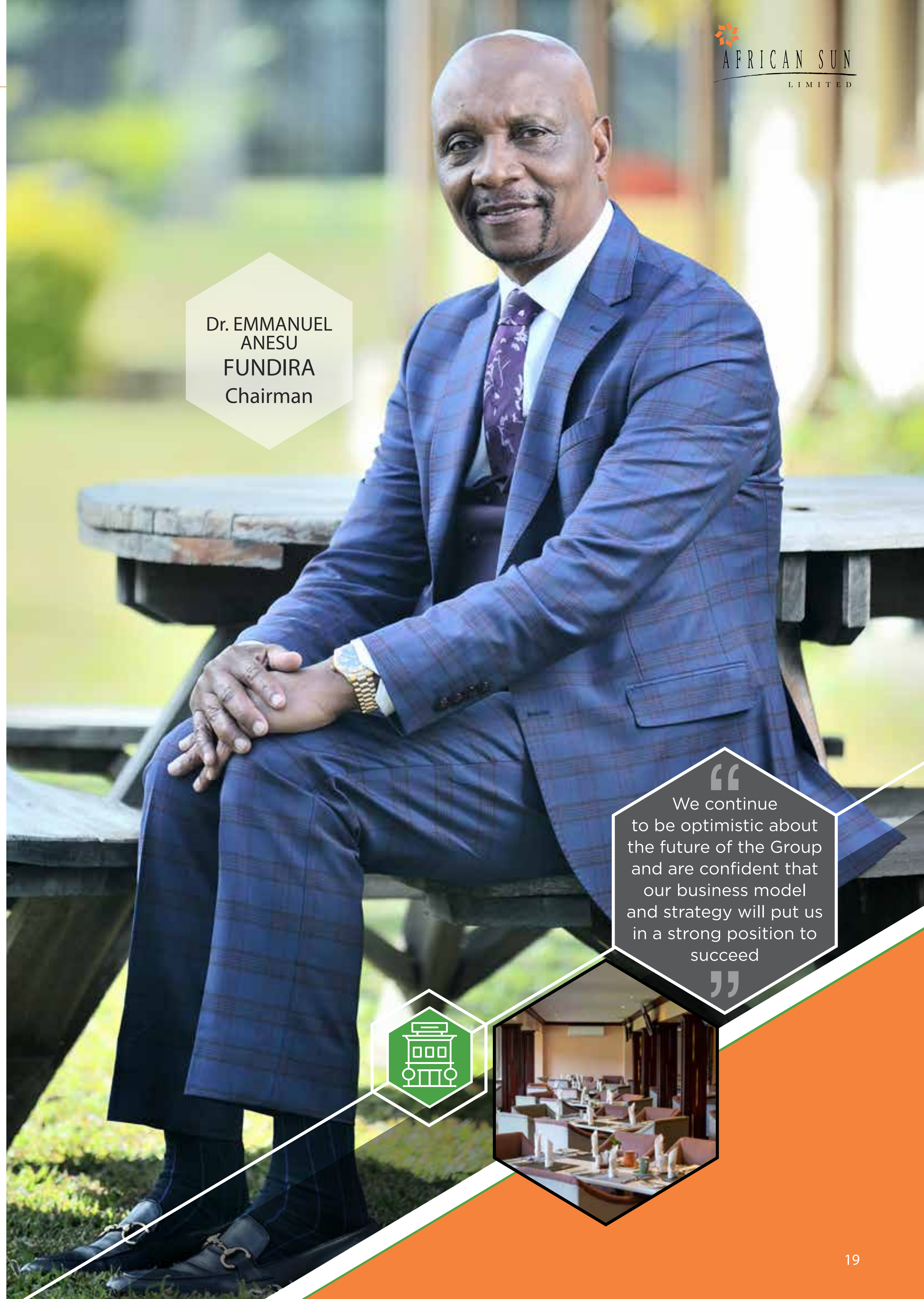
According to the United Nations World Tourism Organization, over 900 million tourists travelled internationally in 2022, double those who travelled in 2021 albeit still 37% lower than in 2019. Locally, the Zimbabwe Tourism Authority reported that the country saw a 165% increase in tourist arrivals to 693,498 from 261,415 in 2021 during the nine-month period to 30 September 2022. This however, is still far from the pre-pandemic levels with arrivals for the first nine months being 59% lower than the 1,674,303 arrivals that were received during the same period in 2019. This lag in arrivals trails the international and regional statistics due at least in part to the Country's continued COVID-19 restrictions as compared to competitor destinations.

Financial Performance

The financial performance commentary is primarily based on inflation adjusted consolidated financial statements, which are the primary financial statements in accordance with the International Accounting Standard ("IAS") 29 – *Financial Reporting in Hyperinflationary Economies*. Historical cost consolidated financial statements have been issued for information purposes only.

Revenue for the year under review was ZWL31.8 billion, which reflects a 114% increase compared with last year. In United States of American Dollar ("US$") terms as reported for internal financial reporting, Group revenue for the year ended 31 December 2022 amounted to US$53.2 million, a 62% growth from prior year. This was on the back of a 15 percentage point increase in occupancy and firmer average daily rates ("ADR"). Occupancy at 46% was 2 percentage points below the 48% that was achieved in 2019, the last normal trading year before COVID-19. 60% of the Group revenue was generated in foreign currency. Hotel revenue was split 81% and 19% between domestic and foreign arrivals respectively. The improved performance reflects recovery of both domestic and foreign business. The City and Country hotels recorded 58% occupancies (2021: 45%) whilst the Resort hotels, which have not fully recovered from the impact of COVID-19, achieved an occupancy level of 36% (2021: 19%).

The hospitality segment contributed 98% of Group revenue whilst the real estate segment contributed 2%.



Message from the Chairman (continued)

Operating Expenses

The Group's operating expenses, excluding depreciation, increased by 62% compared to last year as a result of the increase in volumes driving variable costs and inflationary pressures. The Group will continue to monitor costs and implement various cost savings initiatives.

Profitability

The Group recorded inflation adjusted earnings before interest, tax, depreciation and amortization ("EBITDA") of ZWL15.7 billion and profit before tax, depreciation and amortization of ZWL8.4 billion as a result of improved business performances.

Turning to liquidity the Group is ungeared and had cash and cash equivalents of ZWL 8.7 billion as at 31 December 2022. In US$ terms, cash and cash equivalents as at 31 December 2022 grew by 11% to US$11.2 million from US$10.2 million in the prior year. We will continue to manage cash flow and liquidity closely as the country faces rising food and fuel prices which not only affect the Group but also our guests.

Update On The Kingdom at Victoria Falls Exit

The Company ceased operations at The Kingdom at Victoria Falls hotel effective 5 January 2023. The hotel has been under the African Sun stable since 1966 and was being leased from Makasa Sun (Private) Limited. During the year under review, the hotel contributed US$5 million towards Group revenue and US$380,000 towards profit before tax. The various hotel refurbishment and expansion projects in the pipeline are expected to ease the profitability pressure that will result from the closure of this hotel.

Update On Refurbishments and Developments

Our cash deployment strategy remains unchanged, focusing mainly on targeted capital expenditure on hotel assets in order to enhance the experience of our valued guests and to preserve value. During the third quarter of 2022, we completed the refurbishment of 47 rooms and the kitchen at the majestic five-star, The Victoria Falls Hotel. The Group, together with our partner, Meikles Limited, invested approximately US$5 million towards the refurbishment of this property.

The Group also completed the refurbishment of all 70 rooms at Troutbeck Resort during the last quarter of 2022. Meanwhile, work on the Hwange Safari Lodge rooms refurbishment commenced in August 2022 and as at the date of this report, 56 rooms had already been completed with the remaining 44 rooms expected to be completed before the middle of the year. The refurbishment of the remaining rooms at Great Zimbabwe Hotel, including the conference centre is at an advanced stage and is expected to be complete by mid-year.

Dividend Declaration

The Board authorised a final dividend of 0.073027 US$ cents per share amounting to a total of US$1,079,273 with respect to the year ended 31 December 2022. A separate dividend notice will be issued, with respect to the dividend declaration.

Outlook

While we remain confident about African Sun's future prospects, our outlook is to a greater extent dependent on the political landscape prevailing in Zimbabwe ahead of the 2023 harmonized elections, the evolution of the geo-political tensions in Ukraine and the local and global macro-economic conditions.

We expect international tourism to consolidate its recovery in 2023, underpinned by pent-up demand, particularly from Asia and the Pacific as destinations and markets open up. Benefits from China, following the lifting of the zero Covid policy, are however expected to trickle to the rest of world at a slow pace as airlines and travel agencies scale up capacity.

On the domestic front we anticipate to benefit from various number of high profile events, including elections, because of our widespread geographical presence across the country, the Zimbabwe International Trade Fair where at least 45 new exhibitors and nine foreign nations have already booked, the Victoria Falls Carnival where we are hosting the event at Elephant Hills Resort and Conference Centre, Cricket tours in Harare and Bulawayo, etcetera. On the downside, expiry of Value Added Tax ("VAT") exemptions on domestic accommodation effective 1 August 2022, is expected to put pressure on domestic revenue as we may not be able to pass the full VAT cost to customers due to price sensitivities in our industry.

While we are proud of the hotel refurbishments that we are currently carrying out and those that we have completed, we acknowledge that the remaining hotels are also due for upgrades. In this regard, the Group has commenced preparatory work to upgrade all our hotels to world class standards. We estimate spending approximately US$12 million within the next year or two, depending on business and economic performance, to be funded from our own cash position and borrowings.

We are excited about our upcoming migration from the Zimbabwe Stock Exchange to the Victoria Falls Stock Exchange ("VFEX") in the second quarter of 2023. This move is set to provide us with increased capacity to raise the necessary funds to support the ongoing renovations of our hotels and the development of new projects.

Unfortunately our funding plans and initiatives have been negatively affected by the recent monetary policy statement that removed foreign currency liquidation exemptions for companies listed on the VFEX and companies in the tourism sector. This will make it more difficult for us to access the funding necessary for the extensive refurbishment projects. We will however continue to explore other funding opportunities and leverage our strong relationships with investors and financial institutions to secure the necessary resources to drive our business forward. We are confident that with our experienced team, strategic partnerships, and commitment to excellence, we will achieve our goals and deliver value to our stakeholders.

Directorate Changes

Mr. Peter Saungweme was appointed as the Chief Executive Officer, effective 1 January 2022.

Appreciation

I would like to express my sincere appreciation to our staff across the business for their commitment and hard work. To my fellow Directors, I am very grateful for your commitment and contribution to the Group as we work towards our vision of being the leading provider in hospitality and leisure operations in Africa. To our valued customers and broader stakeholders, thank you for your continued patronage and support.

Dr. E A Fundira
Chairman

24 March 2023

Hwange

Enjoy a safari adventure with the famous big five

AFRICAN SUN LIMITED

Introducing the completed refurbishment and revamp of our guest rooms at Hwange Safari Lodge

HWANGE safari lodge

100 ROOMS

2 RESTAURANTS

Chief Executive Officer's Operations Review

Business Environment

2022 was an exciting year for the hospitality industry as the sector worldwide recorded encouraging recovery towards the pre COVID-19 related business levels. With the world open for tourism again, pent-up demand across all segments fueled the recovery of the business as many of us shrugged off the COVID-19 induced isolation and social distancing to re-connect in person with business associates, family and friends.

The United Nations World Tourism Organisation ("UNWTO") Barometer estimates that over 900 million tourists travelled internationally in 2022; double the 2021 figures. Globally, international tourism recovered to 63% of the pre-pandemic levels (that is to 2019 levels), with Africa regaining 65%.

Business Environment

As part of this recovery, African Sun recorded significant strides throughout the year in not only capturing incremental demand across the leisure and business segments, but also in terms of financial performance, which ultimately resulted in African Sun declaring a total dividend of US$1,9 million and ZWL150,9 million for the financial year under review.

At a local macro-economic level, our trading environment remained challenging in 2022 characterised by unstable currency exchange rate environment, and constrained power supplies which inevitably led to rising energy costs. In particular, the weakening ZWL and the widening gap between the official and the unofficial exchange rates continued to exert significant pressure on operating margins. However, interventions by the Reserve Bank of Zimbabwe ranging from the introduction of gold coins to increasing benchmark interest rates yielded a commendable trend of declining monthly inflation and relative currency stability in the second half of 2022.

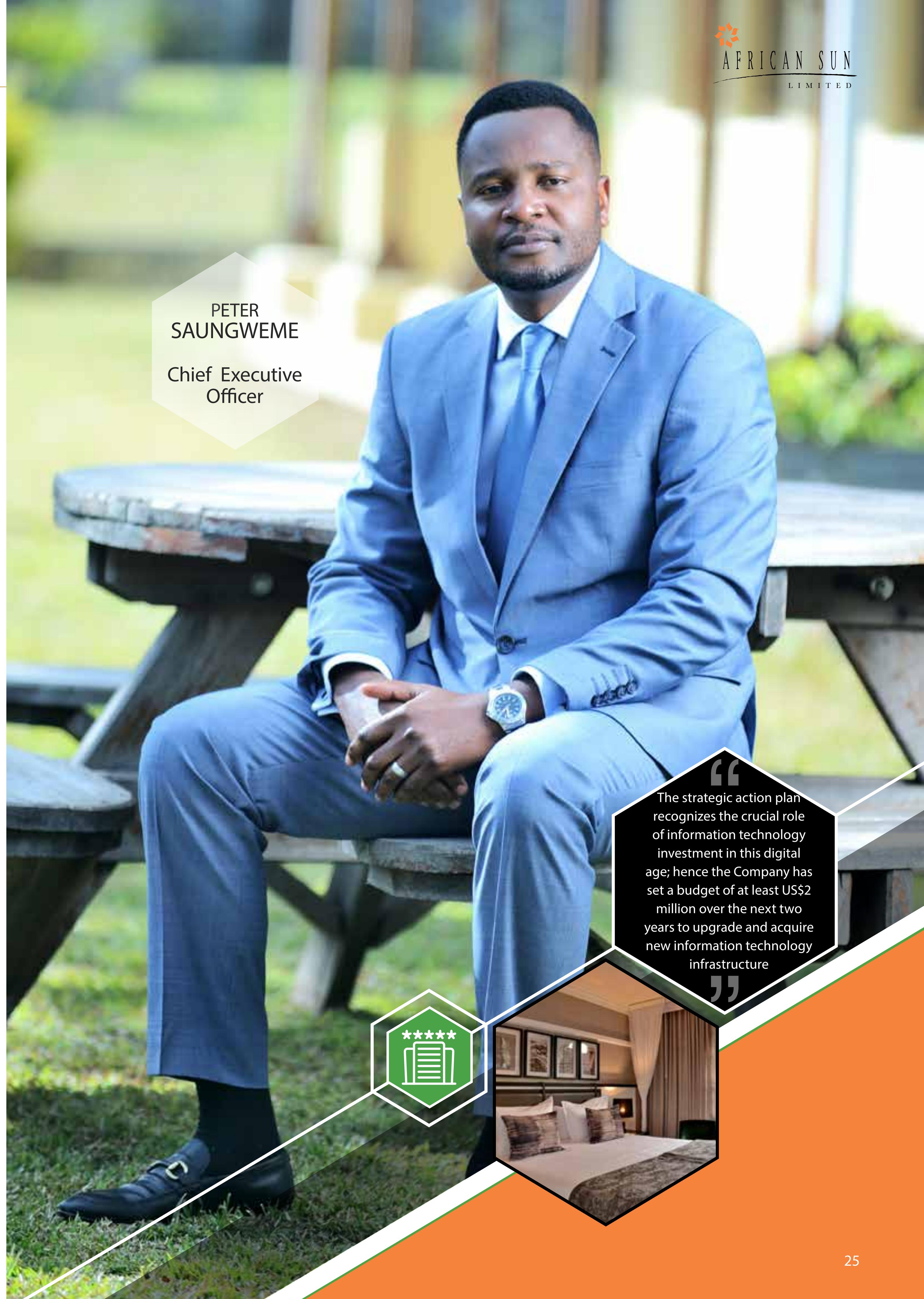
Our Strategy: Pursuing Hospitality Excellence

In October 2022, the Board adopted a strategy which aims to position the Company "To be the leading provider in hospitality and leisure operations in Africa". In line with the new vision, the Board approved new operational, financial, Environment, Social and Governance priorities for the next 10 years from 2023 to 2032.

Over the short to medium term, the Company would primarily focus on investment in its existing hotels to bring the same to international standards, optimize operating costs through strengthening the information technology infrastructure, whilst working on a solid pipeline for growth and expansion into new products over the medium to long term. More specifically, inorder to meet the strategic objectives, the Company would focus on strengthening the core strategic pillars which were identified as being hotel portfolio, marketing and customer engagement, Revenue and channel management, funding, systems and processes, people and corporate culture, as well as stakeholder engagement.

The strategic action plan recognizes the crucial role of information technology investment in this digital age; hence the Company has set a budget of at least US$2 million over the next two years to upgrade and acquire new information technology infrastructure to create an efficient business, simultaneously enhancing better guest experience.

In terms of other capital expenditure, the Company has set a budget of US$11 million, which will be deployed towards hotel refurbishment.



Chief Executive Officer's Operations Review (continued)

Focus on Environment, Social, And Governance ("ESG")

On the sustainability front, our sustainability goals are underpinned by sub-targets that closely align with the global Sustainable Development Goals ("SDGs") adopted by the United Nations in 2015. The Group will continue to seek ways to promote the ESG principles within the Group and amongst its business partners, with much of our social initiatives focused on maximising positive social impact.

I encourage you to read our detailed 2022 Sustainability Report, which provides detailed insight on the Group's activities on the sustainability aspects, priority areas around the society and environment, as well as the milestones achieved during the year under review. The 2022 Sustainability Report is disclosed on pages 160 to 182 of this integrated annual report.

Capital Allocation and Portfolio Transformation

While most of our major capital investment projects were delayed during the pandemic in order to preserve cash, I am pleased to report that we are back on track with our plan to upgrade our hotel properties. Key to the planned upgrades is our ability to generate and raise adequate funding. As part of the integration of Dawn Properties, the Board authorized the disposal of predominantly real estate assets, with an aggregate value of US$10 million considered as being non-core to the Groups' future hospitality based focus to simplify our portfolio, improve returns, whilst simultaneously raising funding for hotel refurbishment. As at 31 December 2022, the Group has raised US$3 million from disposal of some of the non-core assets, with all the proceeds being deployed towards hotel refurbishment funding.

In line with our hotel product improvement drive, the Group undertook the following key hotel refurbishment projects:

- Together with our partner Meikles Limited, we completed the US$5.2 million refurbishment of 46 rooms at 5 – Star Victoria Falls Hotel. Preparatory work has commenced for the second phase of the refurbishment program which is anticipated to be rolled out in 2024;
- Commenced and completed the US$1 million refurbishment of all 70 rooms at Troutbeck Resort Hotel; and
- Commenced and completed the refurbishment of 56 rooms at the Hwange Safari Lodge by the end of the year under review. The second phase, focusing on the remaining 44 rooms is expected to be completed by the end of June 2023 in time for our peak season. The Group anticipate to invest at least US$4.5 million on the HSL refurbishment project.

I am delighted to report that the projects above were all funded from internally generated cashflows given the challenges be-devilling the economy as far as raising debt capital is concerned

Preliminary work is underway to line up the Elephant Hills Resort and Conference Centre and the Monomotapa hotel as the next major refurbishment projects for the Group, commencing in 2024.

People and Culture

Human capital development underpins our efforts to successfully execute our Group-wide strategy. We recognize that African Sun's success is dependent on the commitment to genuine service and care that our staff deliver to our guests. Therefore, one of our strategic pillars is focused on our PEOPLE and CORPORATE CULTURE.

We are focused on cultivating the best people and fostering a diverse, equitable, and inclusive culture that supports well-being, enables colleagues to reach their fullest potential, emphasizes career opportunity and development, and creates an environment for growth for all colleagues.

Developing future executives remains a top priority and our leadership development programmes emphasizes customized experiences so that each of our team members can follow a training and career path best suited for them. The aim of our career development programmes focuses on building effective leaders across the enterprise to grow our leadership bench strength. During the first quarter of 2022, the Group engaged 21 students and in 2023 first quarter the Group further engaged 29 students on to our learnership program. The students are drawn from across the country and are gaining work experience at our hotels and other business units under our traditional graduate development program. Overall, the Group spent US$280,000 in all employee training program and activities during the year under review.

Financial Perfomance

The Group's financial performance for the year under review was remarkably better than what we had envisaged at the beginning of the year, as the pace of recovery post the COVID-19 pandemic was rather more accelerated.

In this report I will focus on financial performance for the segments as the Group's financial performance commentary is included in the Chairman Statement, which is included on page 18 to 21 of this Integrated Annual Report.

Hotel Operating Segments

The Group's hotels are classified and managed through three segments namely:

a. City and country hotels;
b. Resort hotels; and
c. The Victoria Falls Hotel Partnership.

City and country hotels

The Group's three Holiday Inn hotels, the Troutbeck Resort and the Monomotapa hotel falls under this segment. The division continues to anchor the Group business' performance, contributing 57% to the Group's total revenue for the year under review. The segment achieved an occupancy of 58% for the period under review, a 13-percentage points improvement, relative to 45% achieved last year.

The following is a summary of key performance indicators ("KPIs") for the City and country hotels segment:

	2022	2021	% Change
Occupancy	58%	45%	**29%**
Average daily rate ("ADR")	58,786	34,414	**71%**
Revenue per available room ("RevPAR")	34,290	15,603	**120%**
Total revenue per available room (Total RevPAR) ("ZWL")	64,280	31,468	**104%**

* All the numbers in the table above have been extracted from the Group's 2022 inflation-adjusted financial statements

The ADR for this segment was 71% higher than prior-year reflecting the impact of pent up demand, and general strong recovery for the segment. Stronger occupancy and ADR was also reflected in the RevPAR and Total RevPAR which both increased by over 100%.

Performance in most of the city hotels is expected to remain firm in the run-up to 2023 harmonised elections where Non-Government Organisations ("NGOs") and Government business is expected to increase.

The three branded InterContinental Hotels Group ("IHG") hotels under this segment, Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare continue to meet all the requirements of the IHG brand, having all passed brand compliance audits in 2022.

Resort hotels

The Elephant Hills Resort and Conference Centre, the Hwange Safari Lodge, Caribbea Bay Resort and the Great Zimbabwe Hotel fall under this segment.

The segment more than doubled its occupancy closing 2022 at 41%, relative to 19% recorded in 2021.The recovery in occupancy was largely driven by conferences and festive season business. We remain optimistic that the fortunes of the resort hotels will significantly improve in 2023 as the international market further opens.

The following is a summary of the KPIs for the Resort hotels:

	2022	2021	% Change
Occupancy	41%	19%	**113%**
Average daily rate ("ADR")	69,643	40,076	**74%**
Revenue per available room ("RevPAR")	28,626	7,738	**270%**
Total revenue per available room (Total RevPAR) ("ZWL")	58,794	15,971	**268%**

* All the numbers in the table above have been extracted from the Group's 2022 inflation-adjusted financial statements

Chief Executive Officer's Operations Review (continued)

The Victoria Falls Hotel Partnership

The "Grand Old Lady", as the Victoria Falls hotel is referred to, is yet to reclaim its position in the aftermath of COVID-19. However, compared to prior year, the hotel results show a pleasing upward trajectory. Occupancy increased by 93%, closing 2022 at 27% against 14% in the prior year. Occupancy is still significantly below pre pandemic levels as the hotel is heavily reliant on the international market which is yet to fully recover. Occupancy growth and firm ADR resulted in the improvement of both RevPAR and Total RevPAR.

The following is a summary of the KPIs for the Victoria Falls Hotel:

	2022	2021	% Change
Occupancy	27%	14%	**93%**
Average daily rate ("ADR")	210,765	106,555	**98%**
Revenue per available room ("RevPAR")	55,918	14,620	**282%**
Total revenue per available room (Total RevPAR) ("ZWL")	79,652	23,733	**236%**

* All the numbers in the table above have been extracted from the Group's 2022 inflation-adjusted financial statements

Sun Leisure Division

Sun Leisure tours our ground handling, tours and airport shuttles business continues to scale and increase volumes compared to the prior year due to improved travel, mainly from the local market. Increasing international flights into Victoria Falls are expected to generate demand and spur the growth of the division's touring services. The Group would be considering further expanding the bouquet of services offered by Sun Leisure.

Corporate Transaction – Acquisition of Dawn

I am pleased to report that, the Group successfully concluded the acquisition of the remaining 8.83% shareholding which was still being held by former Dawn Properties shareholders, who had not participated in the initial offer by the Company. Consequently, the Company now wholly owns Dawn Properties. The integration of Dawn Properties which commenced in 2021 is now substantially complete.

During the first quarter of 2023, the Group successfully exited its investment in Dawn Property Consultancy (Private) Limited in line with the Group's strategy to exit non-core assets.

2023 Outlook

Whilst the operating environment remains challenging, we remain positive that the hospitality sector will continue on a positive recovery trajectory to achieve full recovery by 2024 as forecasted by the UNWTO.

The Company's strategic priorities and milestones for the next ten years have been set. I have no doubt in my mind that achievement of those milestones would bring shared benefits to our shareholders, staff, communities within which our business operates and other stakeholders.

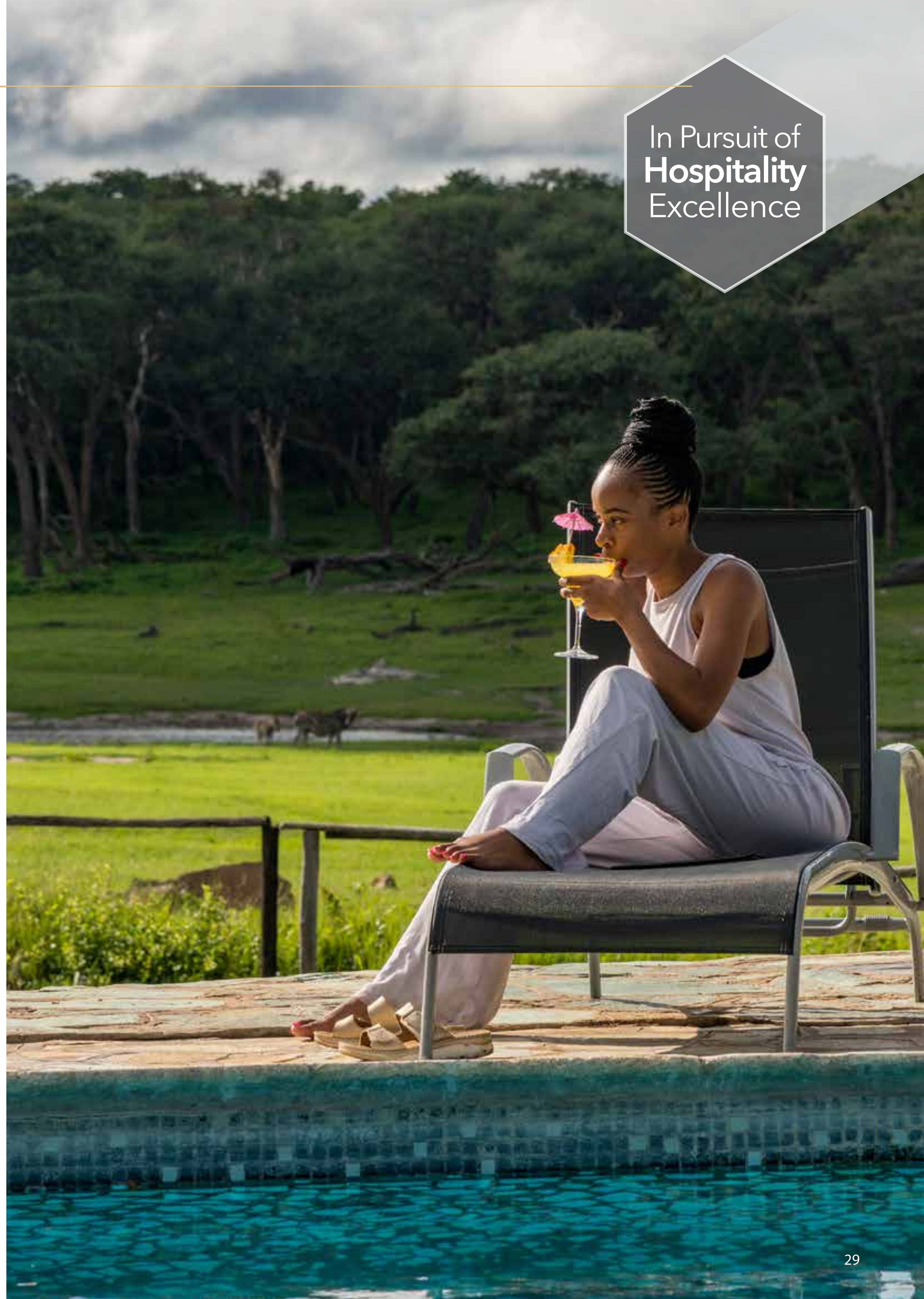
The year ahead would see among other strategic pursuits, the Company continuing with its hotel renovation program, with an anticipated total investment of US$11 million in that regard.

Appreciation

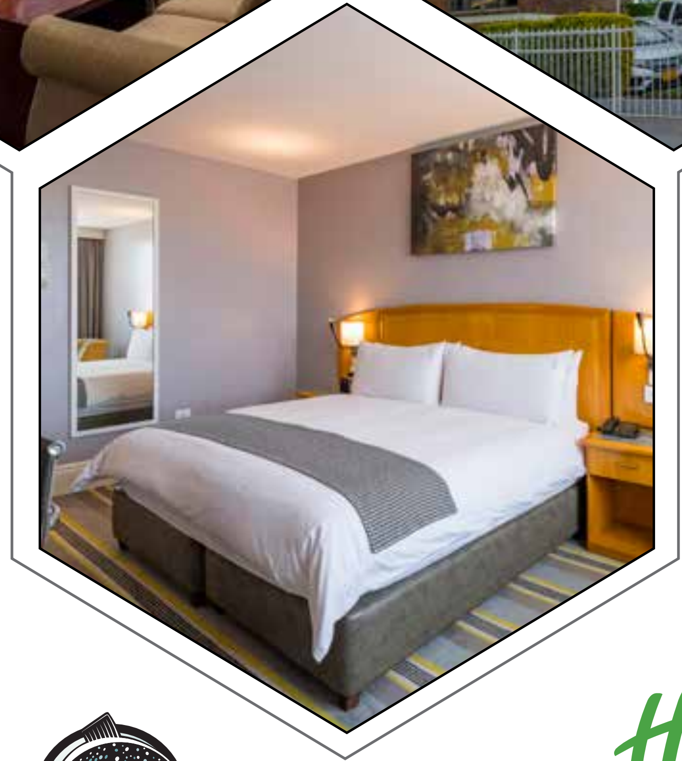
While the last few years have been especially challenging, I am so proud of the results that we have achieved as team African Sun. I would like to thank each and every one of our over 1000 employees for their dedication, hard work, enthusiasm, and passion. I would also like to acknowledge our Board, our customers, our shareholders, and all our other stakeholders for the on-going support.

P. Saungweme
Chief Executive Officer

24 March 2023



Introducing the completed refurbishment and revamp of our guest rooms at Troutbeck Resort



Eastern Highlands

Experience the misty mountain hideaway

AFRICAN SUN LIMITED

Troutbeck Resort

70 ROOMS | 1 RESTAURANT

Holiday Inn AN IHG HOTEL Mutare

96 ROOMS | 1 RESTAURANT

Accounting Philosophy

African Sun Limited is dedicated to achieving meaningful and responsible reporting through comprehensive disclosure and explanation of its financial results. This is done to ensure objective corporate performance measurement, to enable returns on investment to be assessed against the risks inherent in their achievement and to facilitate appraisal of the full potential of the Group.

The core determinant of meaningful presentation and disclosure of information is its validity in supporting management's decision making process. While the accounting philosophy encourages the pioneering of new techniques, it endorses the fundamental concepts underlying both the financial and management accounting disciplines as enunciated by the Public Accountants and Auditors Board of Zimbabwe ("PAAB"), the Institute of Chartered Accountants of Zimbabwe ("ICAZ"), the International Accounting Standards Board ("IASB") and the International Federation of Accountants ("IFAC"). The Group is committed to the regular review of financial reporting standards and to the development of new and improved accounting practices. This is practiced to ensure that the information reported to management and stakeholders of the Group continues to be internationally comparable, reliable and relevant. This includes, the early adoption of financial reporting standards, wherever it is considered appropriate.

The Group adopts all accounting standards and interpretations applicable that are issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC"). Unless otherwise stated, these standards are applied consistently to enhance comparability of financial information relating to different financial periods.

VENON
MUSIMBE
Company Secretary and Governance Executive

Certificate by the Company Secretary and Governance Executive

I, the undersigned, in my capacity as the Company Secretary and Governance Executive, hereby confirm, to the best of my knowledge and belief, that for the year ended 31 December 2022, the Company has complied with Zimbabwe Stock Exchange Listing Requirements, lodged with the Registrar of Companies all returns required of a public company in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and that all such returns are true, correct and up to date. I also confirm that the Memorandum and Articles of Association of the Company are in line with the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

V. T. Musimbe

V. T. Musimbe
Company Secretary and Governance Executive

24 March 2023

Directors' Report

For the year ended 31 December 2022

The Directors present the audited financial statements of African Sun Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2022:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Results				
Earnings before interest, tax and depreciation ("EBITDA")	15 741 955 637	36 064 268 459	20 391 464 468	7 983 865 063
Profit for the year	7 175 373 957	33 473 297 643	16 666 629 996	7 511 586 607
Headline earnings	5 073 619 103	29 424 981 653	6 986 594 331	5 299 329 573

Dividend

The board authorized an interim dividend of ZWL0.102118 per share plus an additional US$0.000545 per share, payable in respect of all ordinary shares of the Company for the year ended 31 December 2022.

The board authorized a final dividend of US$0.073027 cents per share payable in respect of all ordinary shares of the Company for the year ended 31 December 2022.

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Capital commitments				
Authorised by Directors and contracted for	1 809 735 000	32 960 563	1 809 735 000	9 588 252
Authorised by Directors but not contracted for	5 110 317 915	3 740 848 888	5 110 317 915	1 088 215 681
Total commitments	6 920 052 915	3 773 809 451	6 920 052 915	1 097 803 933
Investments				
As at 31 December 2022, the Company held equity investments in the following subsidiaries to the extent indicated below:				
African Sun Zimbabwe (Private) Limited	100.00%	100.00%	100.00%	100.00%
African Sun South African Branch	100.00%	100.00%	100.00%	100.00%
Dawn Properties	100.00%	91.17%	100.00%	91.17%

Share Capital

Issued share capital and share premium total is ZWL 12 446 711 968 as at 31 December 2022 (2021: ZWL 10 889 991 734). A total of 54 384 275 shares were issued during the year ended 31 December 2022 to the former shareholders of Dawn Properties in exchange for the remaining 8.83% equity ownership in Dawn Properties (2021: 561 745 443; 91.17%). A total of 3 543 942 shares were retained as treasury shares in lieu of transaction costs paid on behalf of the former Dawn Properties shareholders.

Reserves

The movement in the reserves of the Group is shown in the consolidated statement of changes in equity and in the relevant notes to the audited consolidated financial statements.

Directors

Pursuant to the to the Company's Memorandum and Articles of Association, all the Non-Executive Directors will be subject to re-election at the Annual General Meeting. All the Non-Executive Directors being eligible will offer themselves for re-election at the Annual General Meeting.

Independent Auditor

Members will be asked to approve the re-appointment of Grant Thornton as the independent external auditor for the Group and the auditor's remuneration for the year ended 31 December 2022.

Annual General Meeting

The Fifty-first Annual General Meeting of Shareholders of African Sun Limited will be held virtually on Wednesday, 28th of June 2023, at 1200 hours.

By order of the board:

DR. E. A. Fundira
Chairman

P. Saungweme
Chief Executive Officer

V. T. Musimbe

V. T. Musimbe
Company Secretary and Governance Executive

24 March 2023

Corporate Governance Charter

PREAMBLE

African Sun Limited personnel are committed to a long-published code of ethics which runs through the whole Group. This incorporates the Group's operating, financial and behavioural policies in a set of integrated values, including the ethical standards required of members of the African Sun Limited family in their interface with one another and with all stakeholders.

There are detailed policies and procedures in place across the Group, covering the regulation and reporting of transactions in securities of the Company by the directors and officers. The Group adheres to corporate governance policies and recommendations as enunciated in the King Reports on governance.

STAKEHOLDERS

For many years, African Sun Limited has had a formalized stakeholder philosophy and structure(s) of corporate governance to manage the interface with the various stakeholder groups. African Sun Limited has in place responsive systems of governance and practice which the Board and management regard as entirely appropriate to ensure that our commitment to good governance remains underpinned by the pillars of responsibility, fairness, transparency and accountability to all stakeholders. These pillars preserve our long term sustainability, thereby delivering value to all stakeholders.

DIRECTORATE

The Board of Directors of African Sun Limited is constituted with an equitable ratio of executive to non-executive directors and meets at least quarterly. A non-executive director chairs the African Sun Limited Board.

ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer are independent of each other and they function under separate mandates issued by the Board. This differentiates the division of responsibility within the Company and ensures a balance of authority. The Chairman is responsible for providing leadership to the Board, overseeing its efficient operation and ensuring good corporate governance practices.

The Chief Executive Officer of the Group is responsible for the management of the Group's day-to-day operations and affairs in line with the policies and strategic objectives set out and agreed to by the Board. The Chief Executive Officer is supported by the Group's Executive Committee and where the Group's results, performance and prospects are reviewed. At each Board meeting, the Chief Executive Officer provides a strategic update and reports on performance and future prospects.

INDEPENDENCE OF THE BOARD

The Board maintains its independence through:

- keeping the roles of Chairman and Chief Executive Officer separate;
- the non-executive directors not holding fixed term service contracts and their remuneration not being tied to the financial performance of the Group;
- all directors having access to the advice and services of the Company Secretary and Governance Executive;
- all directors, with prior permission from the Board, being entitled to seek independent professional advice on the affairs of the Group at the Group's expense;
- functioning Board Committees comprising mainly non-executive directors; and
- the appointment or dismissal of the Company Secretary and Governance Executive being decided by the Board as a whole and not by any individual director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The criteria used to determine whether a director is an independent non-executive director are an assessment of independence in fact and in the perception of a reasonably informed outsider. The independence of an independent non-executive director is assessed annually by the Board on the following criteria:

- is not a representative of a shareholder who has the ability to control or significantly influence management;
- does not have a direct or indirect interest in the Company (including any parent or subsidiary in a consolidated Group with the Company) which is either material to the director or to the Company. (A shareholding of 5% more is considered material);
- has not been employed in any executive capacity for the preceding three financial years by the Company or the Group;
- is not a member of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the Company or the Group in an executive capacity;
- is not a professional adviser to the Company or the Group;
- is free from any business or other relationship which could be seen to interfere materially with the individual's capacity to act in an independent manner; and
- does not receive remuneration contingent upon the performance of the Company.

The Board is satisfied with the status of the independent non-executive directors.

Corporate Governance Charter (continued)

INSURANCE

A suitable directors' liability insurance policy has been taken out by the Group. No claims have been lodged under this policy up to the date of this report.

DIRECTORS' INTERESTS

As provided by the Zimbabwe Companies and Other Business Entities Act (Charter 24:31) and the Company's Articles of Association, the directors are bound to declare any time during the year, in writing, whether they have any material interest in any contract of significance with the Company, which could give rise to a conflict of interest.

INTERNAL CONTROL

The Board of Directors is responsible for the Group's systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimize significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

The controls throughout the Group concentrate on critical risk areas. All controls relating to the critical areas in the casino and hotel operating environments are closely monitored by the directors and subjected to internal audit reviews. Furthermore, assessments of the information technology environment are also performed.

An Audit Services Manager, who reports directly to the chairman of the Risk and Audit Committee, heads the Internal Audit Department. The Internal Audit Department is designed to serve management and the Board of Directors through independent evaluations and examinations of the Group's activities and resultant business risks.

BOARD MEETINGS

The Board meets at least four times per financial year in order to monitor, consider and review, inter alia, matters of a strategic, financial, non-financial and operational nature. Special Board meetings may be convened on an ad hoc basis, when necessary, to consider issues requiring urgent attention or decision.

The Board works to a formal agenda prepared by the Company Secretary and Governance Executive in consultation with the Chairman and the Chief Executive Officer, which, inter alia, covers operations, finance, capital expenditure, acquisitions and strategy. Any Board member may request the addition of an item to the agenda and will liaise with the Company Secretary and Governance Executive in this regard.

Board papers comprising the agenda, minutes of Board and Board committee meetings and the relevant supporting documentation are circulated to all directors in advance of each meeting in order that they can adequately prepare and participate fully, openly and constructively in Board discussions and bring the benefit of their particular knowledge, skills and abilities to the Board table.

BOARD COMMITTEES

The Board is authorized to form committees to assist in the execution of its duties, powers and authorities. The Board has seven standing committees, namely:

- Risk and Audit;
- Investments;
- Human Resources and Remuneration;
- Sales, Marketing and Innovation;
- Corporate Social Responsibility
- Information Technology Governance; and
- Nominations.

The terms of reference and composition of the committees are determined and approved by the Board and have been adopted by the Board for the reporting period.

THE RISK AND AUDIT COMMITTEE

The Risk and Audit Committee ("the committee") incorporates the audit and risk oversight functions. The Committee deals, inter alia, with compliance, internal control and risk management. It is regulated by specific terms of reference and is chaired by a non-executive director. All members of the Committee not being less than three (3) at any given time are non-executive directors. Executives of the Group attend the meeting by invitation.

The committee meets with the Company's independent auditor to discuss accounting, auditing, internal control and financial reporting matters. The independent and internal auditors have unrestricted access to the Risk and Audit Committee.

The Committee's terms of reference include but are not limited to the assessment, and review of the following;

- Internal controls, accounting systems and reporting;
- Independent auditors;
- Internal auditors;
- Recommendations to the Board on the declaration and payment of dividends;
- At all times give due consideration to the relevant provisions of the Act read with the Regulations, the Listing Requirements, and the Board's approved delegation of authority framework
- Legal, regulatory and statutory compliance of the Group; and
- Compliance with the Group's code of conduct.

THE INVESTMENTS COMMITTEE

The Investment Committee consists of non-executive Chairman and at least two other non-executive directors and is regulated by a specific terms of reference. The Committee deals primarily with the review and preliminary approval of major investment decisions of the Group.

The Committee's terms of reference include but are not limited to the assessment, and review of the following;

- Treasury and Funding;
- Investment decisions; and
- Recommendations on proposed acquisitions and/or disposals of assets and any capital expenditure.

THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee, is made up of a non-executive Chairman, and at least two other non-executive directors. Executive directors and management attend its meetings by invitation. The Committee acts in accordance with the Board's written terms of reference to review remuneration of all African Sun Limited executive directors, senior management and other members of staff.

The Committee's terms of reference include but are not limited to the assessment, determination and review of the following;

- Remuneration and emoluments of the Company's executives, and to review the levels thereof from time to time;
- Grant options to acquire shares in the Company's share capital, on terms and conditions as prescribed in such share option schemes as approved by the Company's shareholders in General Meetings from time to time;
- Prescribed parameters of remuneration and other employment emoluments of executive personnel of the Group, for the guidance of management in its reviews and determinations of such remuneration and emoluments;
- Monitoring the Group's compliance with all relevant labour legislation, with special reference to employee remuneration, terms and conditions of service and allied issues; and
- Monitoring the operations of the Group's pension and group life assurance, and medical aid schemes.

Corporate Governance Charter (continued)

SALES, MARKETING AND INNOVATION COMMITTEE

The Sales, Marketing and Innovation Committee comprises a non-executive Chairman and at least two other non-executive directors. Executive directors and management attend meetings by invitation. The Committee is responsible for the review of all sales, marketing and innovation programmes of the Group.

The Committee's terms of reference include but are not limited to the assessment and review of the following;

- Participation in the development of the Group's marketing policy and strategy;
- The performance of the Group in terms of its marketing strategy;
- Supervises all innovation and applicable Information Communication Technology of the Group;
- Marketing policy to include all elements of the marketing mix undertaken by the Group;
- Corporate profile policy and issues related to branding and the image of the Group;
- Providing overall guidance and direction for the Group's marketing communications, including publications and promotional programmes, and contribute towards their implementation; and
- Advising the Board on the appropriate form of marketing infrastructure best suited to serve African Sun Limited.

CORPORATE SOCAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility consists of a non-executive Chairman and at least two other non-executive directors and is regulated by a specific terms of reference. The Committee is responsible for overseeing the development, policy formulation and annual review of a Corporate Social Responsibility plan.

The Committee's terms of reference include but are not limited to the assessment, determination and review of the following;

- Sets and monitors the implementation of the Group's CSR strategy;
- Monitoring the implementation of the policy and plan for Corporate Social Responsibility;
- Ensuring that the Corporate Social Responsibility plan is widely disseminated throughout the Group and integrated in the day to day activities of the Group; and
- Reviewing the Sustainability Report that is included in the Integrated Annual Report to ensure that same is timely, comprehensive and relevant.

THE NOMINATIONS COMMITTEE

The Nominations Committee is now a standing, as opposed to an ad hoc, committee, pursuant to the recommendations made in the King reports. It is made up of a non-executive Chairman and at least two other non-executive directors. It assists with the identification and recommendations of potential directors to the Board.

The Committee's terms of reference include but are not limited to the assessment and regular review of the following;

- The structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- Consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
- The leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
- Making recommendations to the Board concerning the formulation of plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive Officer; and
- Determining suitable candidates for the role of senior independent director membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees.

INFORMATION TECHNOLOGY (IT) GOVERNANCE COMMITTEE

The IT Governance Committee comprises a non-executive Chairman and at least two other non-executive directors. Executive directors and management attend its meetings by invitation. The Committee is responsible for the review of all IT infrastructures and programmes of the Group.

The Committee's terms of reference include but are not limited to the assessment and regular review of the following;

- Ensures that there is confidentiality, integrity and availability of the functioning of the system,
- Ensures that there is authenticity of system information
- Assurance that the system is usable, useful and relevant to the business needs of the Company.
- Ensure that prudent and reasonable steps have been taken in respect to IT governance.

EXECUTIVE COMMITTEE

The Executive Committee ("EXCO") works with the Chief Executive Officer in carrying out his responsibilities for the day to day management of the Group's operations and consists of six members as follows;

- the Chief Executive Officer;
- the Chief Finance Officer;
- the Group Operations Executive;
- the Human Resources Executive;
- the Legal Executive; and
- the Company Secretary and Governance Executive.

The EXCO is delegated with the powers conferred upon the Directors by the Articles of Association and is responsible for the following from a Company perspective:

- the implementation of strategies and policies;
- managing the day to day business affairs;
- prioritizing the allocation of capital and technical and human resources;
- establishing the best management practices and functional standards;
- enterprise wide risk management;
- ensuring that regular detailed reports are submitted to the Board on each of the Company's investments; and
- performing such other duties and responsibilities as may be directed from time to time.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is an ad hoc committee, which sits as and when it is necessary. It is made up of a non-executive Chairman and at least two other non-executive directors.

NATIONAL WORKS COUNCIL AND WORKERS' COMMITTEES

The Group holds National Works Council meetings at least twice a year. Each hotel within the Group has a Works Council representative who attends these meetings, which is a forum where employees participate in the decision-making process and also discuss employees' concerns with top management. The Group believes in and practices worker participation throughout the different levels. All hotels have Workers' Committees, which serve as a communication channel between management and shop floor employees.

ANNUAL GENERAL MEETING

The Annual General Meeting provides a useful interface with private shareholders, many of whom are also customers.

The Chairman of the Board and the Chief Executive Officer are available at the Annual General Meeting to answer questions. Information about the Group is maintained and available to shareholders at www.africansuninvestor.com

Corporate Governance Charter (continued)

DIRECTORS' ATTENDANCE OF MEETINGS IN 2022

Individual director attendance at Board and Committee meetings are tabled below. Where a director has not been able to attend a Board meeting, any comments, which he or she had arising out of the papers to be considered at that meeting, are relayed in advance to the Chairman of the Board or Committee.

	MAIN BOARD	HUMAN RESOURCES AND REMUNERATION COMMITTEE	RISK AND AUDIT COMMITTEE	SALES, MARKETING AND INNOVATION COMMITTEE	INVESTMENT COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	INFORMATION TECHNOLOGY COMMITTEE	NOMINATIONS COMMITTEE STRATGEY SESSION
Number of meetings	**10**	**5**	**6**	**4**	**5**	**2**	**2**	**-**
DR. E.A. FUNDIRA	10	3	1	-	-	-	-	-
N.Y. MUTIZWA	10	5	6	4	5	2	2	-
G. CHIKOMO	10	5	6	-	5	-	-	-
C. CHIKOSI	9	-	-	4	4	2	2	-
B.I. CHILDS	9	2	6	-	5	2	-	-
V.W. LAPHAM	9	-	5	-	-	2	1	-
L.M. MHISHI	10	5	6	-	5	-	-	-
P. SAUNGWEME	10	5	6	4	5	2	2	-
T.M. DENGA	10	-	1	4	-	2	2	-
A.E. SIYAVORA	9	5	-	3	4	-	-	-

NB: In general, the number of meetings increased during the course of the year as a result of the Company's ongoing restructuring and implementation of various strategic initiatives requiring the Boards attention.

INFORMATION AND TECHNOLOGY ("IT") GOVERNANCE AND MANAGEMENT

The Group recognises the importance of Information Systems and the need to co-opt the systems into the strategy of the business with the risks involved in Information and Technology Governance becoming significant. The King reports have highlighted that there are operational risks when one deals with a service provider because confidential information leaves the Group exposed. In IT governance and management, the Group seeks confidentiality, integrity and availability of functioning systems, authenticity of systems information and assurance that the systems are usable, useful and secure. In this regard, in exercising the duty of care, directors ensure that prudent and reasonable steps have been taken with respect to IT governance and management.

PRINCIPLES RELATING TO IT GOVERNANCE AND MANAGEMENT

In monitoring implementation and adherence to proper IT Governance and management the Group is guided by the following principles;

1. **Board Responsibility**

   This embraces establishing and promoting an ethical governance culture as well as gaining independent assurance on the effectiveness of the internal controls. The structures, processes and mechanisms that are required and guided by the IT governance framework are implemented, controlled and monitored by management who have suitable experience and qualifications. In summary, the responsibility of the Board entails:
   - Strategic Direction;
   - Evaluation; and
   - Monitoring of the use of IT to support business strategy.

2. **Performance and sustainability**

   IT is a business enabler to the Group's business and aligns to the business strategic objectives and goals. Business goals are cascaded into IT goals that in turn are translated into IT processes and procedures. Through effective controls, IT ensures that its processes are aligned to the business objectives, which in turn ensure that the business operates in a sustainable and well governed manner. Management has implemented strategic IT planning processes that are integrated with the business strategy development process and framework.

3. **IT Governance framework**

   The Board delegates to management the responsibility for the implementation of an IT governance framework for the Group, while still retaining accountability for overall IT governance.

4. **IT investments and expenditure**

   The Board's responsibilities include:
   - Monitoring and evaluating the extent to which IT actually sustains and aligns to the business strategic objectives;
   - Monitoring and evaluating the acquisition and use of IT resources to ensure that they support business requirements;
   - Monitoring and evaluating the acquisition and appropriate use of technology, processes and people;
   - Monitoring and evaluating the IT related strategic, legal and operational risks; and
   - Overseeing IT investment to ensure that IT expenditure is in proportion to the delivery of business value.

5. **Risk management**

   Risk identification does not rely solely on the perceptions of a select group of managers. The Group adopts a thorough approach to risk identification with consideration being given to reputation risk and IT legal risks.

6. **Information security**

   According to King reports, "information security deals with the protection of information assets, in its electronic and paper-based forms, as it progresses through the information lifecycle of capture, processing, acceptable use, storage, and destruction". For this reason, the Group's information security has been designed to address people, processes and technology related dimensions.

   The key core principles of information security that the Group abides by are encapsulated in the following three components;
   - Confidentiality - ensuring that information is accessible only to those authorized to have access;
   - Integrity – safeguarding the accuracy and completeness of information and processing methods; and
   - Availability - ensuring that authorised users have access to information and processing methods.

7. **Cybersecurity**

   According to a report published by Internet Security Alliance (ISA) and National Association of Co-operate Directors (NACD) there are 5 key principles to approaching cyber-risk that should be turned into action points:
   - Cyber-risk is a key component of enterprise risk management requiring board-level oversight;
   - Cyber-risks have important legal ramifications which need to be understood by both the board and management;
   - Cyber-risk should be a topic of regular discussion and engagement with expertise to address cyber related risks;
   - Implementation of an effective cyber-risk framework for the business; and
   - Assessment of cyber-risks, determination of cyber-risks to accept, avoid, mitigate or insure against.

8. **Governance structures**

   The Risk and Audit Committee assists the Board in carrying out its IT responsibilities as follows;
   - Ensures that IT risks are adequately addressed and documented;
   - Considers IT as it relates to financial reporting and business continuity of the Group;
   - Obtains appropriate assurance that controls are in place and effective in addressing IT risks; and
   - Considers the use of technology to improve audit coverage and efficiency.

Kariba

Experience the splendour of the serene lake

AFRICAN SUN
LIMITED

Introducing the completed refurbishment and revamp of our guest rooms at Caribbea Bay

Caribbea Bay

84 ROOMS	1 RESTAURANT	35 CAMPSITES

Directors' Responsibility for Financial Reporting

African Sun Limited directors are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements, to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Group at the end of the financial year, and of the profit or loss and cash flows for the year then ended. In preparing the financial statements, generally accepted accounting practices in accordance with the International Financial Reporting Standards ("IFRS") have been followed except for non-compliance with International Financial Reporting Standards ("IFRS") 13, Fair value measurements of investment property and property and equipment for the comparable period as highlighted in the basis of preparation note 2.1.1. Non-compliance with IFRS 13 for the assets of a subsidiary acquired during the year resulted in non-compliance with ("IFRS 3"), Business combinations as the assets acquired were not fair valued on the date of the acquisition. Suitable accounting policies have been used and applied consistently. Reasonable and prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the accounting philosophy of the Group stated on page 32.

The directors have reviewed the Group's budget and cash flow forecast for the twelve months to 31 December 2023. On the basis of the reviewed forecasts and in light of the current financial position, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the consolidated annual financial statements.

The Group has an Internal Audit Department, which has the objective of assisting the Risk and Audit Committee in the discharge of its responsibilities, and which monitors the effectiveness of the accounting system and related internal financial controls on a continuing basis. The Internal Audit Department performs a critical examination of the financial and operating information for management, and reports its findings and its recommendations to management and to the Risk and Audit Committee.

The Risk and Audit Committee and the Information Technology committee reviews the IT governance framework and monitors the IT function against risk and performance imperatives. In exercising its duty of care, the Committee ensures that prudent and reasonable steps have been taken in regard to IT governance.

In addition, the Group's Independent Auditor reviews and tests appropriate aspects of the internal financial control systems during the course of their statutory audit of the financial statements of the Group.

Both the Internal and Independent Auditors have unlimited access to the Risk and Audit Committee.

The Group's Risk and Audit Committee met with the Independent and Internal Auditors to discuss their reports on the results of their work, which include assessments of the relative strengths and weaknesses of key control areas.

Given the size, complexity and geographical diversity of the Group, it may be expected that occasional breakdowns in established control procedures may occur. No breakdowns involving material loss have been reported to the directors in respect of the period under review and it is believed that none of any significance exists.

The Group's Independent Auditor, Grant Thornton Chartered Accountants (Zimbabwe) , has audited the financial statements and their report appears on pages 50 to 53.

The financial statements for the twelve months ended 31 December 2022 which appear on pages 54 to 143 have been approved by the Board of Directors and are signed on their behalf by:

G. Chikomo
Risk and Audit Committee Chairperson

N.Y. Mutizwa
Chief Finance Officer

24 March 2023

Directors' Declaration

For the year ended 31 December 2022

In the opinion of the Directors of African Sun Limited, the consolidated financial statements and notes set out on pages 54 to 143 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), except for non-compliance with IFRS 3, Business combinations for the comparable year. In the prior financial year, the Group acquired a subsidiary under common control and elected to account for the transaction in accordance with the principles of IFRS 3. However, at acquisition date the investment property and property and equipment amounts used were not fair valued in compliance with IFRS 13, Fair Value Measurements and this has not been corrected. The financial statements have also been prepared in manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and give a true and fair view of the financial position of the Group as at 31 December 2022 and the results of the Group's performance and its cash flows for the year then ended.

The historical financial results and related notes have been presented as supplementary information to the audited Inflation adjusted results.

The Directors confirm that the Group has adequate resources to operate for the foreseeable future and will remain a viable going concern in the year ahead.

Dr. E.A. Fundira	P. Saungweme	V.T. Musimbe
Chairman	**Chief Executive Officer**	**Company Secretary and Governance Executive**

24 March 2023

AFRICAN SUN LIMITED

Declaration by the Chief Finance Officer

For the year ended 31 December 2022

The consolidated annual financial statements on pages 54 to 143 have been prepared under my supervision as the Chief Finance Officer of the Group. I confirm that I am a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ"), registered with the Public Accountants and Auditors Board, Public Accountant Certificate Number 1000.

N.Y. Mutizwa
Chief Finance Officer

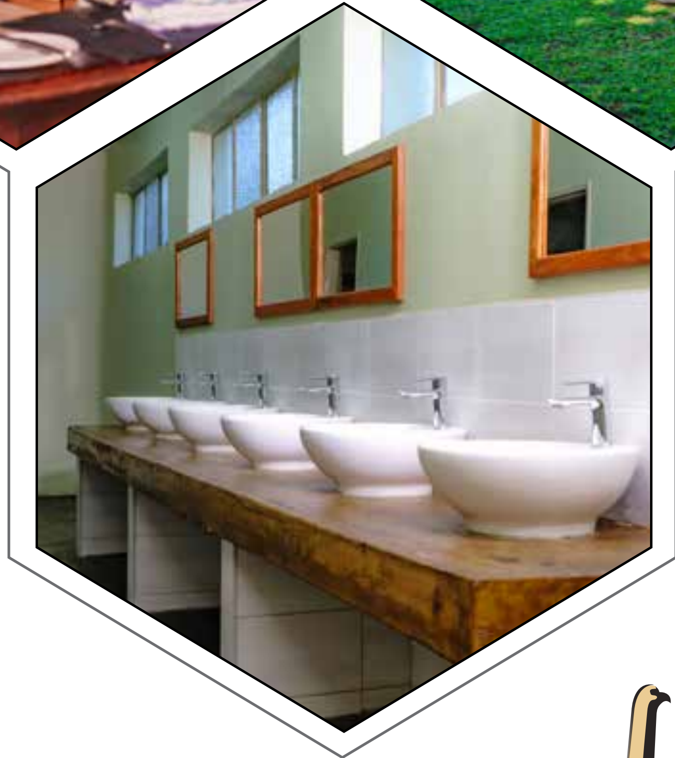
24 March 2023

Masvingo

Explore the unique world heritage cultural site

AFRICAN SUN
LIMITED

Introducing the completed refurbishment and revamp of our guest rooms at Great Zimbabwe Hotel



GREAT ZIMBABWE
HOTEL

47	1	40
ROOMS	RESTAURANT	CAMPSITES

Grant Thornton

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Independent Auditor's Report

To the members of African Sun Limited and its subsidiaries

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Qualified Opinion

We have audited the consolidated inflation adjusted financial statements of African Sun Limited and its subsidiaries set out on pages 54 to 143, which comprise of the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated inflation adjusted financial statements, including a summary of the Group's significant accounting policies.

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the consolidated inflation adjusted financial statements present fairly, in all material respects, the financial position of African Sun Limited and its subsidiaries as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with IFRS 3 "Business Combinations" with respect to measurement of gain on bargain purchase on acquisition transaction in the prior financial year.

In the prior financial year, the Group acquired a subsidiary under common control. The Group, therefore, elected to account for the acquisition in accordance with the principles of IFRS 3. The acquiree's investment property, property and equipment and non-current assets held for sale were not valued at fair values in accordance with IFRS 13 "Fair Value Measurements" as at the date of acquisition. The fair values were determined in USD and subsequently translated to ZWL using the closing auction exchange rate. Consequently, this resulted in a misstatement in the measurement of the resulting gain on bargain purchase in accordance with the requirements of IFRS 3. The opinion on the consolidated financial statements for the year ended 31 December 2021 was modified in respect of this matter, and the misstatements have not been corrected in the consolidated financial statements for the year ended 31 December 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated inflation adjusted financial statements of the current year. These matters were addressed in the context of our audit of the consolidated inflation adjusted financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated inflation adjusted financial statements:

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
IFRS 15 - Revenue from Contracts with Customers • There is a presumed risk of inappropriate revenue recognition specifically identified in ISA 240 (R), 'The auditor's responsibility to consider fraud of financial statements'. • The risk is exacerbated by the fact that the Group has several revenue sources which have different recognition criteria such as: i. Sale of room nights; ii. Sale of food and beverages; iii. Gaming; iv. Conferencing; v. Property and related consultancy services; and sundry revenue vi. Rental income and vii. Revenue from the sale of stands not recorded in the correct period. • Revenue recognition was identified as a significant risk area and accordingly a key audit matter	Our audit procedures included the following: Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Tested the design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Furthermore, we performed analytical procedures and assessed the reasonableness of explanation provided by management. • Performed cut-off tests on year end balances to ensure revenue is recognized in the correct period. • Inspected reversals and credit memos performed in the period subsequent to year end and establish if they were for valid revenue transactions. Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - Revenue from Contracts with Customers.
IFRS 13 – Fair Value Measurement • Investment property and property and equipment represent a substantial percentage (79%) of the Group's total assets as at 31 December 2022 (2021: 84%). • Property and equipment is measured using the revaluation model and investment property is measured using the fair value model which both requires determination of fair values in accordance with IFRS 13 - Fair Value Measurement. • The determination of fair values for assets is affected by the prevailing economic environment and involve significant judgements. • Property valuation depends to a large extent on estimates and assumptions such as market comparison, similar properties, knowledge of the market, historical transactions, information sources from government platforms and websites, and other reliable sources. • In view of the importance and complexity of the valuation process and its dependence heavily on a set of assumptions and estimates, we have considered this matter as a key audit matter.	Our audit procedures included the following but were not limited: • Reviewed the entities' controls relating to the determination of the fair values of the investment properties and property and equipment, including controls related to the appropriate review and approval of the valuations. • Assessed the competence, capabilities and objectivity of the valuers. • Conducted meetings with the internal and independent valuation experts to obtain an understanding of the assumptions used. • Evaluated the appropriateness of the valuation methods used to assess whether they were in line with acceptable industry practice and the requirements of IFRS. • Engaged a suitably qualified auditor's expert to independently assess the reasonableness and appropriateness of the valuation models, methodologies and inputs used by the valuers. • Verify that all assets are revalued by comparing valuation reports to asset register. • Verified rental assumptions used by independently obtaining market research. • Compared the internal valuation outcomes of those of the management's valuers for a sample of properties. Differences noted were assessed against acceptable pre-determined thresholds for reasonableness. • Assessed whether the disclosures in the consolidated financial statements are appropriate and in accordance with IFRS 13, IAS 16 and IAS 40. Based on our audit work performed and the assumptions used, we satisfied ourselves that the Group complied with the requirements of IFRS 13 – Fair Value Measurement.

Independent Auditor's Report (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted 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 inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of this report, the consolidated inflation adjusted financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Edmore Chimhowa.

Grant Thornton

Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton **30 March 2023**
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

Consolidated Statement of Financial Position

As at 31 December 2022

All figures in ZWL	Note	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
ASSETS					
Non-current assets					
Property and equipment	8.1	72 055 737 167	52 292 045 640	71 737 479 268	15 078 131 442
Investment property	10	11 228 070 000	11 595 498 484	11 228 070 000	3 373 139 000
Right of use assets	17.1	3 696 182 129	1 969 659 328	1 082 262 475	260 614 906
Biological assets	9	215 485 662	406 984 909	215 485 662	118 392 208
Deferred tax assets	23.2.5	21 933 581	-	21 933 581	-
Other financial assets	14.3	49 432 508	30 024 978	49 432 508	8 734 288
Total non-current assets		**87 266 841 047**	**66 294 213 339**	**84 334 663 494**	**18 839 011 844**
Current assets					
Assets classified as held for sale	11.7	3 077 553 034	638 590 005	3 062 023 402	185 766 300
Inventories	13	3 530 630 807	3 240 423 125	1 479 296 967	353 935 186
Trade receivables	14	1 513 784 806	799 856 326	1 513 784 806	232 678 791
Other financial assets	14.3	1 632 385 156	803 692 243	1 455 933 252	193 247 148
Cash and cash equivalents	15	8 654 891 399	4 318 738 513	8 654 891 399	1 256 324 196
Total current assets		**18 409 245 202**	**9 801 300 212**	**16 165 929 826**	**2 221 951 621**
Total assets		**105 676 086 249**	**76 095 513 551**	**100 500 593 320**	**21 060 963 465**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16.1	1 869 959 857	1 868 827 066	14 743 576	14 235 172
Share premium	16.2	10 576 752 111	9 021 164 668	1 442 429 663	723 204 747
Equity settled share based payment reserve	22	161 038 667	138 093 423	44 326 089	28 803 334
Revaluation reserve	16.3.1	31 435 776 423	16 095 955 212	50 257 080 858	7 554 302 096
Foreign currency translation reserve	16.3.2	6 243 258 237	5 997 978 307	632 026 126	394 634 158
Retained earnings		35 318 422 376	26 444 426 998	23 528 195 465	7 224 668 781
Total equity attributable to owners of the parent		**85 605 207 671**	**59 566 445 674**	**75 918 801 777**	**15 939 848 288**
Non-controlling interest	12.6	-	4 513 028 687	-	1 275 149 196
Total equity		**85 605 207 671**	**64 079 474 361**	**75 918 801 777**	**17 214 997 484**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	23.2.3	10 122 813 452	6 145 961 617	14 640 370 222	2 138 356 117
Lease liabilities	17.1	1 226 345 582	933 027 885	1 226 345 582	271 418 495
Deferred lease income	21	833 625	3 521 598	833 625	1 024 435
Total non-current liabilities		**11 349 992 659**	**7 082 511 100**	**15 867 549 429**	**2 410 799 047**
Current liabilities					
Liabilities associated with assets held for sale	11.6	115 445 672	-	108 801 867	-
Trade and other payables	18	7 138 536 629	4 259 104 772	7 138 536 629	1 238 976 697
Current income tax liabilities	19	173 321 930	170 811 024	173 321 930	49 689 052
Provisions	20	1 279 809 587	469 464 886	1 279 809 587	136 567 679
Deferred lease income	21	190 809	15 138 102	190 809	4 403 685
Lease liabilities	17.1	13 581 292	19 009 306	13 581 292	5 529 821
Total current liabilities		**8 720 885 919**	**4 933 528 090**	**8 714 242 114**	**1 435 166 934**
Total liabilities		**20 070 878 578**	**12 016 039 190**	**24 581 791 543**	**3 845 965 981**
Total equity and liabilities		**105 676 086 249**	**76 095 513 551**	**100 500 593 320**	**21 060 963 465**

G. Chikomo
Risk and Audit Committee Chairperson

N.Y. Mutizwa
Chief Finance Officer

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

All figures in ZWL	Note	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Revenue	24	31 765 894 619	14 861 175 038	23 627 679 734	3 631 824 362
Gaming income	24	51 021 902	18 551 218	42 763 684	4 463 630
Total revenue		**31 816 916 521**	**14 879 726 256**	**23 670 443 418**	**3 636 287 992**
Cost of sales	27.1	(8 635 773 433)	(4 552 028 160)	(6 348 763 756)	(962 873 834)
Gross profit		**23 181 143 088**	**10 327 698 096**	**17 321 679 662**	**2 673 414 158**
Other income	26.1	7 886 183 213	4 920 649 497	14 569 631 163	2 399 173 995
Gain on bargain purchase	12.3	-	29 544 150 741	-	4 994 893 505
Operating expenses	27.2	(17 640 392 103)	(10 861 120 569)	(13 078 975 237)	(2 521 819 192)
Net impairment (losses)/reversal on financial assets	3.1	(350 265 872)	52 252 990	(498 809 922)	(9 980 316)
Other expenses	26.2	(409 056 684)	(32 284 370)	(55 055 417)	(2 301 607)
Operating profit		**12 667 611 642**	**33 951 346 385**	**18 258 470 249**	**7 533 380 543**
Finance income	28.1	41 158 398	2 006 148	24 053 586	494 376
Finance costs	28.2	(138 667 849)	(166 398 192)	(83 924 658)	(41 437 962)
Finance costs - lease liabilities	17.2.2	(205 349 592)	(118 706 367)	(114 240 597)	(26 807 043)
Net monetary loss		(3 918 594 119)	(78 662 954)	-	-
Profit before tax		**8 446 158 480**	**33 589 585 020**	**18 084 358 580**	**7 465 629 914**
Income tax (expense)/credit	23	(813 704 642)	(116 287 377)	(1 017 880 177)	45 956 693
Profit for the year from continuing operations		**7 632 453 838**	**33 473 297 643**	**17 066 478 403**	**7 511 586 607**
Loss for the year from discontinued operations	11.4	(457 079 881)	-	(399 848 408)	-
Profit for the year		**7 175 373 957**	**33 473 297 643**	**16 666 629 995**	**7 511 586 607**
Other comprehensive income - net of tax					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations	16.3.2	245 279 930	61 843 818	237 391 968	15 403 705
Items that may not be subsequently reclassified to profit or loss					
Revaluation surplus	16.3.1	15 339 821 211	12 194 855 125	42 702 778 762	6 529 784 470
Total other comprehensive income		**15 585 101 141**	**12 256 698 943**	**42 940 170 730**	**6 545 188 175**
Total comprehensive income for the year		**22 760 475 098**	**45 729 996 586**	**59 606 800 725**	**14 056 774 782**
Profit attributable to:					
Owners of the parent		7 220 547 820	32 985 272 361	16 655 966 859	7 213 447 802
Non-controlling interests		(45 173 863)	488 025 282	10 663 136	298 138 805
		7 175 373 957	**33 473 297 643**	**16 666 629 995**	**7 511 586 607**
Total comprehensive income attributable to:					
Owners of the parent		22 805 648 961	44 434 287 259	59 596 137 589	13 333 323 514
Non-controlling interests		(45 173 863)	1 295 709 327	10 663 136	723 451 268
		22 760 475 098	**45 729 996 586**	**59 606 800 725**	**14 056 774 782**
Earnings per share attributable to:					
Owners of the parent during the year (ZWL cents)					
Basic and diluted earnings per share	29	490	2 317	1 130	507

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

				INFLATION ADJUSTED					
All figures in ZWL	**Share capital**	**Share premium**	**Equity settled share based payment reserve**	**Foreign currency translation reserve**	**Revaluation reserve**	**Retained earnings**	**Total equity attributable to owners of the parent**	**Non-controlling interest ("NCI")**	**Total equity**
Year ended 31 December 2021									
Balance as at 1 January 2021	**1,839,385,476**	**5,362,458,148**	**56,841,620**	**5,936,134,489**	**4,708,784,132**	**(6,540,845,363)**	**11,362,758,502**	**-**	**11,362,758,502**
Profit for the year	-	-	-	-	-	32,985,272,361	32,985,272,361	488,025,282	**33,473,297,643**
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	61,843,818	-	-	61,843,818	-	**61,843,818**
Revaluation surplus - net of tax	-	-	-	-	11,387,171,080	-	11,387,171,080	807,684,045	**12,194,855,125**
Total comprehensive income for the year	**-**	**-**	**-**	**61,843,818**	**11,387,171,080**	**32,985,272,361**	**44,434,287,259**	**1,295,709,327**	**45,729,996,586**
Transactions with owners in their capacity as owners:									
Share option cost	-	-	81,251,803	-	-	-	81,251,803	-	**81,251,803**
Shares issued	29,441,590	3,658,706,520	-	-	-	-	3,688,148,110	-	**3,688,148,110**
Non-controlling interest on acquisition	-	-	-	-	-	-	-	3 217 319 360	**3 217 319 360**
Balance as at 31 December 2021	**1,868,827,066**	**9,021,164,668**	**138,093,423**	**5,997,978,307**	**16,095,955,212**	**26,444,426,998**	**59,566,445,674**	**4 513 028 687**	**64 079 474 361**
Year ended 31 December 2022									
Balance as at 1 January 2022	**1,868,827,066**	**9,021,164,668**	**138,093,423**	**5,997,978,307**	**16,095,955,212**	**26,444,426,998**	**59,566,445,674**	**4 513 028 687**	**64 079 474 361**
Profit/(loss) for the year	-	-	-	-	-	7,220,547,820	7,220,547,820	(45,173,863)	**7,175,373,957**
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	245,279,930	-	-	245,279,930	-	**245,279,930**
Revaluation surplus - net of tax	-	-	-	-	15,339,821,211	-	15,339,821,211	-	**15,339,821,211**
Total comprehensive income for the year	**-**	**-**	**-**	**245,279,930**	**15,339,821,211**	**7,220,547,820**	**22,805,648,961**	**(45,173,863)**	**22,760,475,098**
Transactions with owners in their capacity as owners:									
Share options cost	-	-	22,945,244	-	-	-	22,945,244	-	**22,945,244**
Shares issued	1,211,939	1,661,360,149	-	-	-	-	1,662,572,088	-	**1,662,572,088**
Treasury shares	(79,148)	(105,772,706)	-	-	-	-	(105,851,854)	-	**(105,851,854)**
Transfer of NCI to equity attributable to owners of the parent	-	-	-	-	-	2,805,282,738	2,805,282,738	(4,467,854,824)	**(1,662,572,086)**
Dividend paid	-	-	-	-	-	(1,151,835,180)	(1,151,835,180)	-	**(1,151,835,180)**
Balance as at 31 December 2022	**1,869,959,857**	**10,576,752,111**	**161,038,667**	**6,243,258,237**	**31,435,776,423**	**35,318,422,376**	**85,605,207,671**	**-**	**85,605,207,671**

AFRICAN SUN LIMITED

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2022

All figures in ZWL	Share capital	Share premium	Equity settled share based payment reserve	Foreign currency translation reserve	HISTORICAL COST Revaluation reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest ("NCI")	Total equity
Year ended 31 December 2021									
Balance as at 1 January 2021	**8,617,716**	**25,123,685**	**8,043,669**	**379,230,453**	**1,449,830,089**	**11,220,979**	**1,882,066,591**	**-**	**1,882,066,591**
Profit for the year	-	-	-	-	-	7,213,447,802	7,213,447,802	298,138,805	**7,511,586,607**
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	15,403,705	-	-	15,403,705	-	**15,403,705**
Revaluation surplus - net of tax	-	-	-	-	6,104,472,007	-	6,104,472,007	425,312,463	**6,529,784,470**
Total comprehensive income for the year	**-**	**-**	**-**	**15,403,705**	**6,104,472,007**	**7,213,447,802**	**13,333,323,514**	**723,451,268**	**14,056,774,782**
Transactions with owners in their capacity as owners:									
Share option cost	-	-	20,759,665	-	-	-	20,759,665	-	**20,759,665**
Shares issued	5,617,456	698,081,062	-	-	-	-	703,698,518	-	**703,698,518**
Non-controlling interest on acquisition	-	-	-	-	-	-	-	551,697,928	**551,697,928**
Balance as at 31 December 2021	**14,235,172**	**723,204,747**	**28,803,334**	**394,634,158**	**7,554,302,096**	**7,224,668,781**	**15,939,848,288**	**1,275,149,196**	**17,214,997,484**
Year ended 31 December 2022									
Balance as at 1 January 2022	**14,235,172**	**723,204,747**	**28,803,334**	**394,634,158**	**7,554,302,096**	**7,224,668,781**	**15,939,848,288**	**1,275,149,196**	**17,214,997,484**
Profit for the year	-	-	-	-	-	16 655 966 859	16 655 966 859	10,663,136	**16 666 629 995**
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	237,391,968	-	-	237,391,968	-	**237,391,968**
Revaluation surplus - net of tax	-	-	-	-	42,702,778,762	-	42,702,778,762	-	**42,702,778,762**
Total comprehensive income for the year	**-**	**-**	**-**	**237,391,968**	**42,702,778,762**	**16 655 966 859**	**59 596 137 589**	**10,663,136**	**59 606 800 725**
Transactions with owners in their capacity as owners:							-		
Share options cost	-	-	15,522,755	-	-	-	15,522,755	-	**15,522,755**
Shares issued	543,843	746,152,697	-	-	-	-	746,696,540	-	**746,696,540**
Treasury shares	(35,439)	(26,927,781)	-	-	-	-	(26,963,220)	-	**(26,963,220)**
Transfer of NCI to equity attributable to owners of the parent	-	-	-	-	-	539,115,792	539,115,792	(1,285,812,332)	**(746,696,540)**
Dividend paid	-	-	-	-	-	(891,555,967)	(891,555,967)	-	**(891,555,967)**
Balance as at 31 December 2022	**14,743,576**	**1,442,429,663**	**44,326,089**	**632,026,126**	**50,257,080,858**	**23 528 195 465**	**75 918 801 777**	**-**	**75 918 801 777**

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

All figures in ZWL	Note	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Cash flows from operating activities					
Cash generated from operations	30.1	10 576 482 594	2 212 958 379	9 864 948 556	769 003 534
Finance income		42 135 508	2 006 148	24 984 984	494 376
Finance costs		-	(3 054 231)	-	(618 237)
Finance cost paid - lease liabilities		(205 727 538)	(118 706 367)	(114 618 543)	(26 807 043)
Income tax paid	19	(1 686 271 409)	(495 849 102)	(1 473 554 588)	(130 454 850)
Net cash generated from operating activities		**8 726 619 155**	**1 597 354 827**	**8 301 760 409**	**611 617 780**
Cash used in investing activities					
Acquisition of subsidiary	12.3	-	189 880 735	-	36 229 237
Purchase of property and equipment	8	(4 222 229 037)	(1 272 490 344)	(3 475 822 884)	(306 349 772)
Purchase of investment property		-	(27 424 362)	-	(6 056 794)
Proceeds from disposal of investment property		202 841 426	38 132 912	64 310 981	8 542 340
Proceeds from sale of assets held for sale		346 642 907	55 061 463	2 422 213 225	12 851 069
Proceeds from disposal of property and equipment	30.2	63 871 358	13 762 509	37 755 080	3 537 965
Net cash used in investing activities		**(3 608 873 346)**	**(1 003 077 087)**	**(951 543 598)**	**(251 245 955)**
Cash used in financing activities					
Repayment of borrowings		-	(18 491 817)	-	(3 876 673)
Repayment of lease liabilities		(34 456 405)	(23 356 404)	(27 465 209)	(5 375 634)
Dividend paid		(1 151 835 180)	-	(891 555 967)	-
Net cash used in financing activities		**(1 186 291 585)**	**(41 848 221)**	**(919 021 176)**	**(9 252 307)**
Net increase in cash and cash equivalents for the year		**3 931 454 224**	**552 429 519**	**6 431 195 635**	**351 119 518**
Cash and cash equivalents at beginning of the year		4 318 738 513	4 416 942 542	1 256 324 196	799 374 360
Exchange gains on cash and cash equivalents		967 371 568	363 802 145	967 371 568	105 830 318
Effects of restatement on cash and cash equivalents		(562 672 906)	(1 014 435 721)	-	-
Cash and cash equivalents at end of the year	15	**8 654 891 399**	**4 318 738 513**	**8 654 891 399**	**1 256 324 196**

Notes to the Financial Statements

For the year ended 31 December 2022

1 General information

African Sun Limited ("the Company") and its subsidiaries (together "the Group") manages ten hotels, operates two Lodges under a timeshare model in Zimbabwe, and operates a sales and marketing office in South Africa that focuses on international and regional sales. The Group's real estate division owns eight hotel assets, seven of which are operated by the Group, owns more than 2,000 hectares of land across Zimbabwe that is held either for capital appreciation or future development. The Company is incorporated and domiciled in Zimbabwe, and is listed on the Zimbabwe Stock Exchange (ZSE). The parent of the Company is Arden Capital Management(Private) Limited ("Arden"), which owns 60.56% (2021: 62.73%) of the ordinary share capital of the Company.

The Company's registered address is Monomotapa Hotel, Number 54 Park Lane Road, Harare, Zimbabwe.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS except for non-compliance with International Financial Reporting Standards ("IFRS") 3,Business combinations for the comparable period. During the year ended 31 December 2021, the Group acquired a subsidiary Dawn Properties Limited ("Dawn Properties") under a common control transaction and elected to account for the transaction applying the acquisition method of IFRS 3 "Business Combinations", however at acquisition date the investment property and property and equipment, were not valued in compliance with IFRS 13 "Fair Value Measurements".

The financial statements are prepared under historical cost convention as modified by the revaluation of investment property, biological assets and property and equipment and in the manner required by the Zimbabwe Companies and other Business Entities Act (Chapter 24:31). For the purposes of fair presentation in accordance with IAS 29, Financial reporting in hyperinflationary economies, the historical cost information has been restated for changes in general purchasing power of the Zimbabwe dollar ("ZWL") and appropriate adjustments and reclassifications have been made. Accordingly, the inflation-adjusted financial statements represent the primary financial statements of the Group. The historical financial results and the company's separate statement of financial position and related notes have been presented as supplementary information to the audited inflation-adjusted results.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity whose assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Going concern

The going concern assessment continues to be a significant matter due to uncertainties emanating from the COVID-19 pandemic and instability of the local and global economic environment. Despite the economic and geopolitical challenges faced on the world stage, the global tourism industry remained resilient in its recovery from the adverse impact of the COVID-19 pandemic. International tourism recorded stronger than expected results in 2022, underpinned by the high levels of pent-up demand and the easing of travel restrictions across the globe. According to the United Nations World Tourism Organization ("UNWTO"), over 900 million tourists travelled internationally in 2022, double those who travelled in 2021 albeit still 37% lower than in 2019.

The Group's hotel occupancy for the year ended 31 December 2022 at 46% (2021:31%) was 2 percentage points lower than an occupancy of 48% achieved in 2019 preCOVID-19. Preliminary forecasts from the UNWTO points to continued improvement in occupancies and international travel in 2023. However, should the Group performance be subdued, the Group has enough cash resources to meet all unavoidable operating costs and to continue operations as a going concern in a responsible and sustainable manner. In their going concern assessment, the Directors took into account the, projected performance of the tourism industry, the cash flow and liquidity projections, including key commitments for a period exceeding 12 months from the reporting date. The Directors have assessed the ability of the Group and the Company to continue as going concern and are of the view that, the preparation of these financial statements on a going concern basis is appropriate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.3 New or revised Standard or Interpretation

2.3.1 Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Effective date

January 1, 2022

2.3.2 Annual Improvements to IFRS 9, Financial Instrument

The amendment clarifies that in applying the '10 percent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity(the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Effective date

January 1, 2022

2.3.3 Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Effective date

January 1, 2022

2.3.4 Amendments to IAS 16 – Property, Plant and Equipment— Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that itis capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Effective date

January 1, 2022

2 Significant accounting policies (continued)

2.3 New or revised Standard or Interpretation (continued)

2.3.5 Reference to conceptual framework - Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. This new amendment has no impact to the financial statements of the Group.

Effective date

January 1, 2022

2.3.6 Annual Improvements to IFRS Standards 2018 - 2020

Makes amendments to the following standards

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

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

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

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Effective date

January 1, 2022

2.4 New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2022 and are relevant to the Group but have not been early adopted

2.4.1 Classification of liabilities as current or non-current - Amendment to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates, and Errors. The amendment will impact how the entity classifies liabilities between current and non-current.

Effective date

1 January 2023

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.4 New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2022 and are relevant to the Group but have not been early adopted (continued)

2.4.2 Definition of accounting estimates - Amendments to IAS 8

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. This amendment will have an impact on the company should there be changes in accounting policies or estimates.

Effective date

1 January 2023

2.5 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are fully consolidated from the date on which the Group obtains control. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred;

- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the company and its subsidiaries;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2 Significant accounting policies (continued)

2.5 Consolidation (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.Inter-company transactions, balances, and unrealised gains or losses on transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies. All subsidiaries in the Group have 31 December year ends and are consolidated in the presented financial statements. In the Company's separate financial statements, investments in subsidiaries are accounted for at Inflation adjusted cost less accumulated allowance for impairment.

(b) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group as a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest recognised is a separate reserve within equity attributable to owners of the parent.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of the joint arrangement the Group is involved. The Group determined that its investment in The Victoria Falls Hotel Partnership, which it jointly controls with Meikles Hospitality (Private) Limited is a joint operation. They have a contractual agreement of sharing of control.

For joint operations, the Group accounts for the assets, liabilities, revenues and expenses relating to it interest in a joint operation in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses. When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and interests in losses resulting from the transactions are recognised in the Group's financial statements only to the extent of the other parties' to the joint arrangement. When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to third party.

Accounting policies of the joint arrangements have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, joint arrangements are accounted for at Inflation adjusted cost less accumulated allowance for impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the "executive committee" which is made up of the Chief Executive Officer, Chief Finance Officer, Human Resources Executive, Group Operations Executive, Legal Executive and the Company Secretary and Governance Executive.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in the Zimbabwe dollar ("ZWL"), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income of the Group. When a foreign operation is sold or any borrowings forming part of the net investment repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(c) Group companies

The results and financial position of a group entity that has a functional currency different from the functional currency of the Group (none of which has the currency of a hyper-inflationary economy) are translated into the functional currency of Group as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing foreign exchange rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average foreign exchange rates(unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of the borrowings and other currency instruments designated as hedges of such investments, are taken to foreign currency translation reserve in equity. When a foreign operation is partially disposed off or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing foreign exchange rate. Foreign exchange differences arising are recognised in other comprehensive income.

2.8 Property and equipment

All property and equipment is stated at cost less accumulated depreciation and accumulated allowance for impairment on the initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the items. Property and equipment with the exception of service stocks and capital work in progress, is stated at revalued amounts less subsequent accumulated depreciation and accumulated allowance for impairment. The revalued amount is based on year, but at least annual, valuations by external valuers, less subsequent accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and net amount is restated to the revalued amount of the asset. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting year. During 2022, property and equipment were valued twice on 31 December 2022, unlike in 2021 where valuation was carried once.

2 Significant accounting policies (continued)

2.9 Property and equipment (continued)

Increases in the carrying amount arising on the revaluation of property and equipment is credited to a revaluation reserve in shareholder's equity. Decreases that offset previous increases of the same asset are charged against its revaluation reserve directly in equity to the extent of any credit balance existing in the revaluation surplus in respect of that particular asset. Any decreases that exceed the previously recognised revaluation surplus of a particular asset should be recognised as any expense in profit an loss . Increase in the carrying amount arising from revaluation shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss. The revaluation surplus included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and Company cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred. Service Stocks and Capital Work in Progress were not revalued and continued to be subsequently carried and measured at cost less subsequent accumulated depreciation and accumulated impairment. Depreciation is recognised so as to write off the Inflation adjusted cost of assets or revalued amounts (other than land) less their residual values over their useful lives using the straight line method.

Depreciation is recognised so as to write off the inflation adjusted cost of assets or revalued amounts (other than land) less their residual values over their useful lives using the straight line method.

The estimated useful lives are as below:

Leasehold properties	8-25 years
Equipment	6-15 years
Freehold properties	50 years
Motor vehicles	5 years
Hotel linen	2 years

Capital work in progress comprises items of property and equipment not yet commissioned and is not depreciated. Depreciation of an asset begins when it is available for use,i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives and residual values of assets are reviewed and adjusted if appropriate at each reporting date with the effect of the change in estimate accounted for on prospective basis. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

Profit or losses arising from the disposal of property and equipment are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income within other income or other expenses.

The Group capitalises borrowing costs directly attributable to the construction of new projects, where construction of new projects or re-development (refurbishment) of existing hotels takes a substantial year of between 6 and 12 months to complete.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.6 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in 'inventories' or value in use in 'impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

level 1, inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Group has the ability to access;

level 2, inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

level 3, inputs are unobservable inputs for the asset or liability inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair value hierarchy for property and equipment, investment property and biological assets valuations have been disclosed under notes 8, 9 and 10 respectively.

2.7 Biological assets

Timber plantation

Timber plantations are measured at their fair value less estimated point-of-sale costs. The fair value of timber plantations is determined by a professional valuer based on fair values for the stages of forest development. Changes in the carrying value of the biological asset are taken directly to the statement of comprehensive income.

2.8 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount my not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

2.9 Trade receivables

Trade receivables are amounts due from customers for food, beverages, rooms, property rentals, and property sales sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses. The effective interest method is the method of calculating the amortised cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant year.

2 Significant accounting policies (continued)

2.10 Financial instruments

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

(a) Classification

The Group classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVPL"), and
- those to be measured at amortised cost.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in theinitial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available toutilise those temporary differences and losses.Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that isDeferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets.

(b) Measurement

If the transaction price differs from fair value at initial recognition the difference is accounted for as follows;

- if fair value is evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss is released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor(including time) that market participants would consider when pricing the asset or liability.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group have transferred substantially all the risks and rewards of ownership.

(d) Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Impairment of financial assets

The Group recognize allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Group measures the expected credit loss allowance for the financial asset at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of financial asset has not increased significantly since initial recognition, Group measure the expected credit loss allowance at an amount equal to twelve month expected credit losses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.10 Financial instruments (continued)

(e) Impairment of financial assets (continued)

The Group assess all information available, including on a forward-looking basis the expected credit loss associated with their assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. A default on a financial asset is when the counterparty fails to make contractual payments within120 days of when they fall due. Expected credit losses on financial assets carried at amortized cost are reversed in subsequent years if the amount of the credit loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. The Group monitor all financial assets, contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, Group consider 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, based on the Group's historical experience and expert credit assessment including forward-looking information. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased. Financial assets are written off when the Group have no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group and Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

2.11 Inventories

Settled share based payments reserve until such time the options are exercised. The value transferred to the equity-settled share based reserve is amortised to retained earnings as the related share options are exercised or forfeited.

2.12 Cash and cash equivalents

satisfies performance obligations by transferring a good or service to a customer. The Group has determined that it generates revenues both at a point in time and over time.Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts.

2.13 Share capital

Customers at which point we satisfy the performance obligation to the customer. The transaction price is specified to the customer when they make a reservation or a booking.Customers pay upfront for the service with the exception of customers on account who pay in accordance with the pre-agreed conditions.

2.14 Trade payables

The Group recognizes revenue when a customer takes possession of the food or beverage ordered. The performance obligation would have been satisfied at that point. Thetransaction price is specified on the price list provided at the various points of sale or menus. The contract with the customer is in line with customary business practice for the

2 Significant accounting policies (continued)

2.15 Income tax

The income tax expense for the year comprise current income and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in South Africa and Zimbabwe where the Group's subsidiaries operate and generate taxable income. Management yearically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that is probable, the temporary difference will reverse in the future and there is sufficient taxable profit available against the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Provisions

Provisions are recognised when the Group have present legal or constructive obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Employee benefits

(a) Pension obligations

The Group contribute to five defined contribution plans. One of the contributions is mandatory and publicly administered whilst the others are contractual and privately administered. The publicly administered pension benefits scheme is administered by National Social Security Authority ("NSSA") which is a national scheme that was introduced through the NSSA Act (Chapter 17:04). A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the extent that a cash refund or reduction in the future payments is available.

(b)Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognise termination benefits at either of the following dates:(ii) when the Group recognise costs for a restructuring that is within the scope of IAS 37 'Provisions, contingent liabilities and contingent assets' and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.17 Employee benefits (continued)

(c) Bonus plans

The Group recognise liabilities and expenses for bonuses based on a formula that takes into consideration key performance indicators measured on a quarterly basis. The Group recognise a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share Options

The Group issued share options to managerial employees. The options are valued at fair value at the date of grant. The fair value determined is expensed on a straight-line basis over the vesting year, based on the Group's estimate of equity instruments that will eventually vest, and the liability is disclosed in a share options reserve which forms part of equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. The fair value at the grant date was calculated using the Volume Weighted Average Price ("VWAP") for the Group on the Zimbabwe Stock Exchange (ZSE) over a year of 30 days. This strike price was determined after taking into account the expected volatility of the Group's share price.

In terms of the share option rules the options vest 3 years after grant and may thereafter be exercisable in whole or in part not later than a year from the said vesting date of the option. If the options remain unexercised after a year of four years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest. Each employee share option converts into one ordinary share of African Sun Limited on exercise. The accrued value of employee services is credited to the equity settled share based payments reserve until such time the options are exercised. The value transferred to the equity-settled share based reserve is amortised to retained earnings as the related share options are exercised or forfeited.

2.18 Revenue recognition

The Group revenue is derived from sale of room nights, food, beverages, gaming, conferencing, properties, and other sundry revenues. Revenue is recognised when the Group satisfies performance obligations by transferring a good or service to a customer. The Group has determined that it generates revenues both at a point in time and over time. Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts.

(a) Revenue from sale of room nights

This revenue is recognised every night when the Group has satisfied the performance obligations relating to the revenue. This entails us providing the specified room to the customers at which point we satisfy the performance obligation to the customer. The transaction price is specified to the customer when they make a reservation or a booking. Customers pay upfront for the service with the exception of customers on account who pay in accordance with the pre-agreed conditions.

(b) Revenue from sale of food and beverages

The Group recognizes revenue when a customer takes possession of the food or beverage ordered. The performance obligation would have been satisfied at that point. The transaction price is specified on the price list provided at the various points of sale or menus. The contract with the customer is in line with customary business practice for the sale of food and beverages.

(c) Revenue from gaming

Gaming income comprises the net table and slot machine win derived by casino operations from gambling patrons. In terms of accounting standards, betting transactions concluded under gaming operations meet the definition of derivatives and therefore income from gaming operations represents the net position arising from financial instruments. The net gaming win is measured as the net cash received from betting transactions from casino operations. Due to the short-term nature of the Group's casino operations, all income is recognised in profit or loss immediately, at fair value.

(d) Revenue from conferencing

We provide conference facilities at our respective hotels and derive revenue from that. The revenue is recognised when the performance obligation is satisfied which is when we have provided a conference facility to the customer as per their request and our capability. The conference package may contain food and beverages. However, these will be allocated to revenue from sale of food and beverages, in accordance revenue recognition policy described in note 2.18 (b) above.

2 Significant accounting policies (continued)

2.18 Revenue recognition (continued)

(e) Revenue from properties and related consultancy services

The Group has a subsidiary in the real estate industry. It's core business is to acquire, develop and sale properties mainly residential properties. Revenue is generated from both leasing the properties and selling these properties. In addition, this segment also offers property consultancy services such as valuation of properties and property management and property transactions. Revenue is recognised when performance obligation has been satisfied which is at the point where title to a property has been transferred to a buyer and at a point where services has been completed according to contract terms agreed. Revenue from sale of properties and consultancy services is mainly recognised at a point in time except for time share properties where revenue recognised usually over time.

(f) Sundry revenue

This comprises a number of ancillary activities that we perform at the various hotels. The nature of the income is such that the performance obligations, though different, are satisfied at a point in time. The activities comprise inter alia, guest laundry, horse riding and game drives.

The transaction price in each of the activities is specified on the price list accessible to the customer before they utilise the given service.

2.19 Cost of sales

Cost of sales includes purchase price of goods and other costs incurred in bringing the inventories to the location and condition ready for use or sale. The costs include costs ofpurchasing, storing, transport to the extent it relates to bringing the inventories to the location and condition ready for use or sale.Salaries and wages of employees directly related to the sale of room nights, food, and beverages are included in the cost of sales.

2.20 Leases

The Group adopted IFRS 16, "Leases" from 1 January 2021 which resulted in changes in accounting policies. Until 31 December 2018, leases of property and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as financeleases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Thecorresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability andfinance cost. The finance cost was charged to profit or loss over the lease year so as to produce a constant yearic rate of interest on the remaining balance of the liability foreach year. The property and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the leaseterm if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments madeunder operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the year of the lease.Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining anoperating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respectiveleased assets are included on the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held aslessor as a result of adopting the new leasing standard.

Subsequent to 1 January 2019, liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.The Group's incremental borrowing rate is used to discount the lease payments, being the rate that the Group would have to pay to borrow the funds necessary to obtain an assetof similar value in a similar economic environment with similar terms and conditions.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.20 Leases (continued)

Right-of-use assets are measured at Inflation adjusted cost comprise the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Leases of hotels properties whose payments are associated with variable lease payments that are not based on an index or rate, short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group leases various office buildings, hotel buildings, golf course, car parks and staff housing. Rental contracts are typically made for fixed years of two years to fifteenyears. Leases for hotel buildings have extension options for renewal at the end of the lease up to five renewals at the option of the Group. The Group determined that thenon-cancellable year of the leases are the original leased term together with the years covered by options to extend the leases that the Group is reasonably certain to extendbecause of both significant leasehold improvements undertaken, and the importance of the underlying hotel buildings to the Group's operations. All hotels property leases on which right of use assets have been recognised contain variable payment terms that are linked to revenues generated from the hotels For individual hotels, variable lease payment are due when the amount calculated based percentages ranging from 5% to 15 % of sales, depending on the nature of the revenue is higher than the fixed rental for the hotel. Variable lease payments that depend on sales are recognised in profit or loss in the year in which the condition that triggers those payments occurs. Leases and recognised right-of use assets equal to the lease liabilities, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the statement of financial position on initial recognition. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 10.5%.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are declared by theCompany's Directors.

2.22 Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both and property under construction or development for future use asinvestment property. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in theordinary course of business or for use in production or administrative functions.Investment property is measured initially at cost, including transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment property is statedat fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated annually by an accredited external independent valuer, applying valuation models recommended by the International Valuation Standards Committee.

2 Significant accounting policies (continued)

2.22 Investment property (continued)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to theCompany and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property isreplaced, the cost of the replacement is included in the carrying amount of the property and the fair value is re-assessed.Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit isexpected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period ofderecognition.Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up tothe date of change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transfered to inventories. A property'sdeemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.23 Hyperinflation accounting

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 that thecorresponding figures for prior years be stated in terms of measuring unit current at the end of reporting date. Professional judgement was used and appropriate adjustmentswere made to historical financial information in preparing financial information which is IAS 29 compliant. The restatement has been calculated by means of adjusting factorsderived from the general consumer price index ("CPI") published by Zimbabwe National Statistics Agency ("ZimStats"), which is a regulatory body with the official mandate to doso.The adjustment factors used to restate the financial statements of Zimbabwe based subsidiaries as 31 December 2022, using 2021 base year are as follows:

Date	Indices	Adjusting Factor
CPI as at 31 December 2022	13,673	1.00
CPI as at 31 December 2021	3,977	3.44

The indices and adjusting factors have been applied to the Historical cost of transactions and balances. All items in the statement of comprehensive income are restated byapplying relevant monthly adjusting factors and the net effect of the inflation adjustments on the net monetary position is included in the statement of comprehensive income as amonetary loss or gain. Comparative information is restated using the inflation indices in terms of the measuring unit current at the reporting date.

Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities that arenot carried at amounts current at the reporting date and components of shareholders equity are restated by applying the relevant monthly adjusting factor.

Property and equipment were restated by applying the relevant monthly adjusting factor and then compared against the revalued amounts. A revaluation gain or impairment losswas recognised as appropriate. Property and equipment additions were restated from the date of purchase, using the relevant monthly adjusting factor. Disposals were restated from dates of sale using relevant monthly adjusting factor.

Capital work in progress was not revalued, but was restated by applying the relevant monthly adjusting factor.

Investment properties were carried at fair value, hence restated carrying amounts where only used to determine fair value gains recognised in income statement.

Prepayments were restated by applying the relevant monthly adjusting factor.

Inventories were carried at the lower of restated cost and net realisable value. Deferred tax was provided in respect of temporary differences arising from the restatement ofassets and liabilities.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 Significant accounting policies (continued)

2.24 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 saleand 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'srelevant 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 fromdiscontinued operations (see note 11).

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major lineof the business. 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 themeasurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation (see also note 11).

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks; market risk (including foreign exchange risk, fair value and cash flow interest rate risks, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group Finance Department ("Group Finance") under policies approved by the Board of Directors. The Group Finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating subsidiaries. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; foreign exchange risk, price risk and interest rate risk.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States of America dollar and South African rand.Foreign exchange risk arises from future commercial transactions, recognised cash and bank balances, trade receivables and trade payables and net investments in foreign operations denominated in a currency that is not the Company's functional currency. Management has set up a policy that allows Group Finance to manage the Group's foreign exchange risk against the various functional currencies to manage the Group's foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, Group Finance may use forward contracts and the asset and liability matching methods, where applicable.

The table below summarises the Group's exposure to foreign exchange risk as at 31 December 2022. Included in the table are the Group's cash and bank balances, trade receivables and trade payables at carrying amounts categorised by currency.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(i) Market risk (continued)

(a) Foreign exchange risk (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Assets				
United States dollar	8 122 490 908	3 552 675 381	812 249 091	103 347 587
South African rand	208 223 622	102 386 738	20 822 362	2 978 438
Euro	223 855 967	83 206 618	4 056	617
Australian dollar	40 562	21 213	22 385 597	2 420 487
	8 554 611 059	**3 738 289 950**	**855 461 106**	**108 747 129**
Liabilities				
United States dollar	(262 390 806)	(181 263 135)	(262 390 806)	(52 729 579)
South African rand	(49 886 221)	(35 607 992)	(49 886 221)	(10 358 391)
	(312 277 027)	(216 871 127)	(312 277 027)	(63 087 970)
Net currency position	**543 184 079**	**156 957 868**	**543 184 079**	**45 659 159**

The table below summarises the changes in assets and liabilities denominated in various currencies arising from a 10% (2021:10%) weakening of the Zimbabwe dollar:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Assets				
United States dollar	812 249 091	355 267 538	812 249 091	103 347 587
South African rand	20 822 362	10 238 674	20 822 362	2 978 438
Australian dollar	4 056	2 121	4 056	617
Euro	22 385 597	8 320 662	22 385 597	2 420 487
	855 461 106	**373 828 995**	**855 461 106**	**108 747 129**
Liabilities				
United States dollar	(262 390 806)	(181 263 135)	(262 390 806)	(52 729 579)
South African rand	(49 886 221)	(35 607 992)	(49 886 221)	(10 358 391)
	(312 277 027)	(216 871 127)	(312 277 027)	(63 087 970)
Net currency position	**543 184 079**	**156 957 868**	**543 184 079**	**45 659 159**

As at 31 December 2022, if the Zimbabwe dollar (weakened)/strengthened by 10% (2021 : 10%) against all the other currencies with all other variables held constant, profit for the year would have been higher/lower by ZWL 543 184 079 (2021:ZWL 156 957 868), mainly as a result of foreign exchange gain on translation of and United States of America dollar and South African rand denominated cash and bank balances, trade receivables and trade payables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(i) Market risk (continued)

(a) Foreign exchange risk (continued)

The table below summarises the changes in assets and liabilities denominated in various currencies arising from a 10% (2021:10%) weakening of the Zimbabwe dollar:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Assets				
United States dollar	(812 249 091)	(355 267 538)	(812 249 091)	(103 347 587)
South African rand	(20 822 362)	(10 238 674)	(20 822 362)	(2 978 438)
Australian dollar	(4 056)	(2 121)	(4 056)	(617)
Euro	(22 385 597)	(8 320 662)	(22 385 597)	(2 420 487)
	(855 461 106)	**(373 828 995)**	**(855 461 106)**	**(108 747 129)**
Liabilities				
United States dollar	262 390 806	181 263 135	262 390 806	52 729 579
South African rand	49 886 221	35 607 992	49 886 221	10 358 391
	312 277 027	216 871 127	312 277 027	63 087 970
Net currency position	**(543 184 079)**	**(156 957 868)**	**(543 184 079)**	**(45 659 159)**

There were no hedges in place as at 31 December 2022 (2021: ZWL nil).

(b) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from foreign exchange risk and interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

(c) Cash flow and fair value interest rate risk

Fair value interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at fixed rates with a variable element expose the Group both to cash flow interest rate risk and fair value interest risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift issued for all currencies. The scenarios are run for all interest-bearing borrowings. Currently, the Group does not undertake any hedging of its short-term loans due to the nature and terms of the loan facilities. On long-term loans, the Group assesses risks and considers hedging where necessary. as at 31 December 2022, there were no hedges in place (2021: ZWLnil).

(ii) Credit risk

a) Credit risk management

Credit risk is the risk that one party to the financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk is managed on a Group basis by the Group Finance. Credit risk arises from cash at banks, and deposits with banks and financial institutions, as well as credit exposures to hotel customers including outstanding receivables. For banks and financial institutions, only well established and reliable institutions are used. For corporate customers, the Group Finance assesses the credit quality of the customers taking into account their financial position, past experience and other factors in the market. Customer limits are set based on internal and external information. The utilisation of credit limits is regularly monitored by Group Finance. As of 31 December 2022,customers with balances of ZWL nil exceeded their credit limits (2021: ZWL nil). Only a few debtors with a good track record are allowed to exceed their credit limit under the supervision of the business unit general manager and hotel financial controller. We believe that these amounts are collectable based on the historical record of the clients in question and the controls management has in place regarding such excess amounts.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk

a) Credit risk management

Counterparty risk is further managed by constant engagement of credit customers to determine the current position and recoverability. All credit granted is subject to terms andconditions, where upon breach by the customers, the Group takes legal action where amounts are material and recovery is possible. As at 31 December 2022, customers with balances of ZWL 1 113 965 were handed over to debt collectors (2021: ZWL 3 274 062). Receivables handed over for legal action are generally written off as uncollectible and are reversed when recovered.

The Group maximum exposure to credit risk by class of financial asset is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Trade receivables	1 997 272 411	933 119 305	1 997 272 411	271 445 089
Other financial assets (excluding pre-payments)	659 515 924	256 782 289	659 515 924	74 698 156
Cash and cash equivalents	8 654 889 965	4 318 734 219	8 654 889 965	1 256 322 947
	11 311 678 300	**5 508 635 813**	**11 311 678 300**	**1 602 466 192**

b) Impairment of financial assets

The Group has five types of financial assets that are subject to IFRS 9's expected credit loss model as listed below:

- trade receivables from sale of room nights, food, beverages, conferencing, property rentals, property sales, and other related activities; trade receivables from sale of properties;
- staff receivables;
- other receivables; and
- cash and cash equivalents.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, identified expected credit loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance 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. Trade receivables have been grouped in the following categories:

- Corporates;
- Tour operators;
- Government;
- Non-governmental organisations;
- Parastatal;
- Other;
- Debtors in residence;
- Legacy Management Services; and
- Real estate.

Legacy Management Services amounts relates to trade receivables that were handled by the former manager and was still outstanding when the contract was terminated. The balance have been deemed entirely recoverable from management fees balance due to Legacy Management Services.

The expected credit loss rates are based on the payment profiles of sales over a year of 60 months before 1 January 2022 respectively. The historical expected credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Covid-19 effects, current liquidity challenges, inflation and foreign currency shortages to be the most relevant factors, and accordingly adjusted the historical credit loss rates based on expected changes in these factors.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

On that basis, the expected credit loss allowance for trade receivables as at 31 December 2022 and 31 December 2021 for the various groups was determined as follows;

As at 31 December 2022	Current	30 Days	60 Days	90 Days	120+ Days	Balance
Corporates						
Gross carrying amounts	8 654 221	789 956	929 737	-	3 003 029	13 376 943
Expected credit loss rate	5.04%	5.04%	5%	0%	100%	26%
Expected credit loss allowance	435 961	39 795	46 836	-	3 003 029	3 525 621
Tour operators						
Gross carrying amounts	128 671 449	129 344 862	69 546 607	39 320 869	113 977 989	480 861 776
Expected credit loss rate	2.05%	2.84%	3%	50%	100%	30%
Expected credit loss allowance	2 634 640	3 672 676	1 974 738	19 660 435	113 977 989	141 920 478
Government						
Gross carrying amounts	28 915 005	26 169 315	52 541 240	65 089 340	165 360 035	338 074 935
Expected credit loss rate	2.40%	2.40%	2%	50%	100%	59%
Expected credit loss allowance	692 971	627 169	1 259 193	32 544 670	165 360 035	200 484 038
Non-governmental organisation						
Gross carrying amounts	64 073 304	86 851 532	25 939 242	5 988 044	2 487 234	185 339 356
Expected credit loss rate	2.58%	2.58%	3%	50%	100%	5%
Expected credit loss allowance	1 649 965	2 236 532	667 967	2 994 022	2 487 234	10 035 720
Legacy management services						
Gross carrying amounts	-	-	-	-	283 184 909	283 184 909
Expected credit loss rate	0.00%	0.00%	0%	0%	0%	0%
Expected credit loss allowance	-	-	-	-	-	-
Real estate						
Gross carrying amounts	45 481 125	303 566	990 732	65 481 125	44 502 656	156 759 204
Expected credit loss rate	1.52%	1.85%	3%	50%	100%	50%
Expected credit loss allowance	689 698	5 624	26 529	32 740 562	44 502 656	77 965 069
Other						
Gross carrying amounts	23 768 538	6 357 395	277 149	100 000	12 591 586	43 093 766
Expected credit loss rate	13.82%	13.82%	14%	50%	100%	39%
Expected credit loss allowance	3 284 418	878 520	38 299	50 000	12 591 586	16 842 823
Debtors in residence						
Gross carrying amounts	496 581 522	-	-	-	-	496 581 522
Expected credit loss rate	6.59%	0%	0%	0%	0%	7%
Expected credit loss allowance	32 714 758	-	-	-	-	32 714 758
Total gross carrying amounts	**796 144 262**	**249 816 626**	**150 224 707**	**175 979 378**	**625 107 438**	**1 997 272 411**
Overall expected credit loss rate	5%	3%	3%	50%	55%	24%
Total expected credit losses	**42 102 411**	**7 460 316**	**4 013 562**	**87 989 689**	**341 922 529**	**483 488 507**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

As at 31 December 2021	Current	30 Days	60 Days	90 Days	120+ Days	Balance
Corporates						
Gross carrying amounts	12 675 228	6 911 756	537 668	906 192	4 065 215	25 096 059
Expected credit loss rate	2.85%	5.70%	6%	50%	100%	21%
Expected credit loss allowance	361 003	393 708	30 626	453 096	4 065 215	5 303 648
Tour operators						
Gross carrying amounts	23 831 985	16 821 597	15 562 962	10 003 605	53 866 406	120 086 555
Expected credit loss rate	1.55%	3.10%	3%	50%	100%	50%
Expected credit loss allowance	369 432	521 522	482 501	5 001 803	53 866 406	60 241 664
Government						
Gross carrying amounts	34 604 581	3 542 085	693 680	-	-	38 840 346
Expected credit loss rate	5.13%	5.13%	5%	0%	0%	5%
Expected credit loss allowance	1 774 595	181 646	35 572	-	-	1 991 813
Non-governmental organisation						
Gross carrying amounts	35 890 480	45 268 851	41 805 350	5 299 392	1 533 465	129 797 538
Expected credit loss rate	1.32%	2.65%	3%	50%	100%	5%
Expected credit loss allowance	475 420	1 199 303	1 107 546	2 649 694	1 533 465	6 965 428
Parastatals						
Gross carrying amounts	21 967 903	5 806 507	2 192 741	872 188	1 271 245	32 110 584
Expected credit loss rate	6.01%	6.01%	6%	50%	100%	11%
Expected credit loss allowance	1 320 120	348 930	131 770	436 094	1 271 245	3 508 159
Legacy management services						
Gross carrying amounts	-	-	-	-	144 508 313	144 508 313
Expected credit loss rate	0.00%	0.00%	0%	0%	0%	0%
Expected credit loss allowance	-	-	-	-	-	-
Real estate						
Gross carrying amounts	22 928 062	10 507 000	9 860 343	5 170 558	23 673 189	72 139 152
Expected credit loss rate	0.96%	2.08%	4%	6%	100%	34%
Expected credit loss allowance	221 216	218 841	350 381	299 425	23 673 189	24 763 052
Other						
Gross carrying amounts	2 560 216	5 772 639	27 477	118 167	6 279 132	14 757 632
Expected credit loss rate	33.26%	33.26%	33%	50%	100%	62%
Expected credit loss allowance	851 417	1 919 727	9 135	59 082	6 279 132	9 118 494
Debtors in residence						
Gross carrying amounts	355 783 126		-	-	-	355 783 126
Expected credit loss rate	6.01%	0.00%	0%	0%	0%	6%
Expected credit loss allowance	21 370 720	-	-	-	-	21 370 720
Total gross carrying amounts	**487 313 520**	**84 123 435**	**60 819 878**	**17 199 544**	**211 523 776**	**933 119 305**
Overall expected credit loss rate	5.49%	5.69%	4%	52%	43%	14%
Total expected credit losses	**26 743 924**	**4 783 677**	**2 147 531**	**8 899 194**	**90 688 652**	**133 262 978**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

The closing expected credit loss allowances for trade receivables as at 31 December 2022 reconcile to the opening expected credit loss allowances as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Expected credit loss allowance				
As at 1 January	133 262 978	210 263 833	38 766 298	38 053 363
Movement due to discontinued operations	53 247 255	-	39 357 873	-
Net impairment losses/(reversal) on financial assets during the year	(77 000 855)	(77 000 855)	405 364 336	712 935
As at 31 December	**350 265 872**	**133 262 978**	**483 488 507**	**38 766 298**

The closing expected credit loss allowances for trade receivables as at 31 December 2022 reconcile to the opening expected credit loss allowances as follows:

	INFLATION ADJUSTED		
All figures in ZWL	Staff and key management personnel	Other receivables	Total
Expected credit loss allowance			
As at 1 January 2021	482 464	18 332 834	18 815 298
Net impairment losses on financial assets for the the year	390 247	24 357 618	24 747 865
As at 31 December 2021	**872 711**	**42 690 452**	**43 563 163**
As at 1 January 2022	872 711	42 690 452	43 563 163
Net impairment losses on financial assets for the the year	182 642	53 104 956	53 287 598
As at 31 December 2022	**1 055 353**	**95 795 408**	**96 850 761**

	HISTORICAL COST		
All figures in ZWL	Staff and key management personnel	Other receivables	Total
Expected credit loss allowance			
As at 1 January 2021	87 316	3 317 859	3 405 175
Net impairment losses on financial assets for the the year	113 523	9 153 858	9 267 381
As at 31 December 2021	**200 839**	**12 471 717**	**12 672 556**
As at 1 January 2022	200 839	12 471 717	12 672 556
Net impairment losses on financial assets for the the year	182 642	93 262 944	93 445 586
As at 31 December 2022	**383 481**	**105 734 661**	**106 118 142**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Impairment losses/(reversal)				
Net movement in expected credit loss allowance for trade receivables	296 978 274	(77 000 855)	405 364 336	712 935
Net movement in expected credit loss allowance for other financial	53 287 598	24 747 865	93 445 586	9 267 381
Net impairment losses/(reversal) on financial assets	**350 265 872**	**(52 252 990)**	**498 809 922**	**9 980 316**

Cash and cash equivalents

There is no concentration of credit risk with respect to cash at bank as the Group holds accounts with high quality financial institutions that are adequately capitalised and have sound asset bases.

The financial institutions holding the cash and cash equivalents of the Group have the following external credit ratings:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	31 December 2022	31 December 2021	31 December 2022	31 December 2021
AA+	-	6 267 719	-	1 823 284
AA	4 850 026 705	109 513 189	4 850 026 705	31 857 467
AA-	551 562 793	277 221 667	551 562 793	80 643 986
A+	348 766 039	534 286 201	348 766 039	155 424 247
A	895 007 490	2 352 591 372	895 007 490	684 370 553
A-	1 865 902 217	938 761 064	1 865 902 217	273 086 281
BBB+	37 661 950	7 267	37 661 950	2 114
BBB	244 043	-	244 043	-
BBB-	29 591 207	17 155 134	29 591 207	4 990 441
BB-	133 611	14 130 033	133 611	4 110 437
	8 578 896 055	**4 249 933 646**	**8 578 896 055**	**1 236 308 810**

The ratings have been obtained from the latest available ratings on the financial institutions.

(iii) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash oranother financial asset.Cash flow forecasting is performed at the operating entity level of the Group and aggregated by the Group Finance. Group Finance monitors rolling forecasts of the Group'sliquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all timesso that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debtfinancing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements, for example, currencyrestrictions.Surplus cash held by the operating entities in excess of the amount required for working capital management are transferred to the Group Finance.

Group Finance invests surpluscash in interest bearing current accounts, time deposits and money markets deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficienthead-room as determined by the above-mentioned forecasts.The tables below analyse the Group's liquidity gap in to relevant maturity groupings based on the remaining year at the reporting date to the contractual maturitydate. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

The tables below analyse the Group's liquidity gap in to relevant maturity groupings based on the remaining year at the reporting date to the contractual maturitydate. The amounts disclosed in the table are the contractual undiscounted cash flows.

All figures in ZWL	INFLATION ADJUSTED Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2022				
Liabilities				
Trade and other payables	(7 138 536 629)	-	-	(7 138 536 629)
Lease liabilities	(13 581 292)	(101 248 845)	(1 125 096 737)	(1 239 926 874)
Total liabilities	**(7 152 117 921)**	**(101 248 845)**	**(1 125 096 737)**	**(8 378 463 503)**
Assets held for managing liquidity risk				
Trade and other receivables	3 146 169 962	49 432 508	-	3 195 602 470
Cash and cash equivalents	8 654 891 399	-	-	8 654 891 399
Total assets held for managing liquidity risk	**11 801 061 361**	**49 432 508**	**-**	**11 850 493 869**
Liquidity gap	**4 648 943 440**	**(51 816 337)**	**(1 125 096 737)**	**3 472 030 366**
Cumulative liquidity gap	**4 648 943 440**	**4 597 127 103**	**3 472 030 366**	**-**
As at 31 December 2021				
Liabilities				
Trade and other payables	(4 259 104 772)	-	-	(4 259 104 772)
Lease Liabilities	(19 009 306)	(31 042 765)	(901 985 120)	(952 037 191)
Total liabilities	**(4 278 114 078)**	**(31 042 765)**	**(901 985 120)**	**(5 211 141 963)**
Assets held for managing liquidity risk				
Trade receivables	1 603 548 569	30 024 978	-	1 633 573 547
Cash and cash equivalents	4 318 738 513	-	-	4 318 738 513
Total assets held for managing liquidity risk	**5 922 287 082**	**30 024 978**	**-**	**5 952 312 060**
Liquidity gap	**1 644 173 004**	**(1 017 787)**	**(901 985 120)**	**741 170 097**
Cumulative liquidity gap	**1 644 173 004**	**1 643 155 217**	**741 170 097**	**-**

The Group has a positive liquidity gap of ZWL 3 472 030 366 (2021: 714 170 097) due to cash balances and trade receivables that are in excess of its obligations.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

All figures in ZWL	HISTORICAL COST Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 December 2022				
Liabilities				
Trade and other payables	(7 138 536 629)	-	-	(7 138 536 629)
Lease liabilities	(13 581 292)	(101 248 845)	(1 125 096 737)	(1 239 926 874)
Total liabilities	**(7 152 117 921)**	**(101 248 845)**	**(1 125 096 737)**	**(8 378 463 503)**
Assets held for managing liquidity risk				
Trade and other receivables	2 969 718 058	49 432 508	-	3 019 150 566
Cash and cash equivalents	8 654 891 399	-	-	8 654 891 399
Total assets held for managing liquidity risk	**11 624 609 457**	**49 432 508**	**-**	**11 674 041 965**
Liquidity gap	**4 472 491 536**	**(51 816 337)**	**(1 125 096 737)**	**3 295 578 462**
Cumulative liquidity gap	**4 472 491 536**	**4 420 675 199**	**3 295 578 462**	**-**
As at 31 December 2021				
Liabilities				
Trade and other payables	(1 238 976 697)	-	-	(1 238 976 697)
Lease Liabilities	(5 529 821)	(9 030 363)	(262 388 132)	(276 948 316)
Total liabilities	**(1 244 506 518)**	**(9 030 363)**	**(262 388 132)**	**(1 515 925 013)**
Assets held for managing liquidity risk				
Trade receivables	425 925 939	8 734 288	-	434 660 227
Cash and cash equivalents	1 256 324 196	-	-	1 256 324 196
Total assets held for managing liquidity risk	**1 682 250 135**	**8 734 288**	**-**	**1 690 984 423**
Liquidity gap	**437 743 617**	**(296 075)**	**(262 388 132)**	**175 059 410**
Cumulative liquidity gap	**437 743 617**	**437 447 542**	**175 059 410**	**-**

The Group has a positive liquidity gap of ZWL 3 472 030 366 (2021: 714 170 097) due to cash balances and trade receivables that are in excess of its obligations.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3 Financial risk management (continued)

3.2 Capital management

(i) Risk management

The capital of the Group consists equity which comprises issued ordinary share capital and premium, retained earnings and other reserves as detailed in note 16. A total of54 384 275 shares were issued during the year ended 31 December 2022 to the former shareholders of Dawn Properties in exchange of a 8.83% equity ownership in DawnProperties (2021: 561 745 443; 91.17%).

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 forother stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.In order to maintain or adjust the shareholders' equity, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sellassets to reduce debt.

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 (includingcurrent 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 thestatement of financial position plus net debt.During the financial year ended 31 December 2022 gearing ratio was negative because the cash held by the Group exceed the debt. The gearing ratio at 31 December 2022and 2021 were as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Lease liabilities	1 239 926 874	952 037 191	1 239 926 874	276 948 316
Less cash and cash equivalents (note 15)	(8 654 891 399)	(4 318 738 513)	(8 654 891 399)	(1 256 324 196)
Net debt	(7 414 964 525)	(3 366 701 322)	(7 414 964 525)	(979 375 880)
Total equity	85 605 207 671	59 566 445 674	75 918 801 777	15 939 848 288
Total capital	**85 605 207 671**	**59 566 445 674**	**75 918 801 777**	**15 939 848 288**
Gearing ratio	**-9%**	**-6%**	**-10%**	**-6%**
Net debt reconciliation				
Lease liabilities	1 239 926 874	952 037 191	1 239 926 874	276 948 316
Less cash and cash equivalents (note 15)	(8 654 891 399)	(4 318 738 513)	(8 654 891 399)	(1 256 324 196)
Net debt	**(7 414 964 525)**	**(3 366 701 322)**	**(7 414 964 525)**	**(979 375 880)**

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
(ii) Dividends				
Final dividend for the year ended 31 December 2021 of ZWL 0.28 cents per fully paid share (2020 – ZWL nil)	405 433 628	-	197 548 970	-
Final dividend for the year ended 31 December 2021 of ZWL 0.28 cents per fully paid share (2020 – ZWL nil)	746 401 552	-	694 006 997	-
Total dividends declared and paid during the year ended 2022	**1 151 835 180**	**-**	**891 555 967**	**-**
Subsequent to year-end, a final dividend of ZWL 1.06 per fully paid share was declared (2021 – 0.28), out of the profits for the year ended 31 December 2022.	1 570 640 473	587 948 831	814 851 115	171 034 746

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to bereasonable under the circumstances.The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimatesand assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Income taxes

Significant judgement is required in determining the liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertainduring the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where thefinal tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets and liabilities in theyear in which such determination is made.

(b) Impairment of trade receivables and financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The group uses judgement in making these assumptions andselecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables above.

(c) Determination of lease terms

The Group leases various office buildings, hotel buildings, golf course, car park and staff housing. Rental contracts are typically made for fixed years of two years to fifteen years. Leases for hotel buildings have extension options for renewal at the end of the lease up to five renewals at the option of the Group.The Group determined that the non-cancellable year of the leases are the original lease terms, together with the years covered by options to extend the leases that the Group is reasonably certain to extend because of both significant leasehold improvements undertaken, and the importance of the underlying lease assets to the Group's operations.

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate ofinterest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which isbeing leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits oruncertainties in various tax jurisdictions.

(e) Principal assumptions underlying estimation of fair value of property and equipment and investment property

The property and equipment and investment property, was valued as at 31 December 2022 by Dawn Property Consultancy (Private) Limited in accordance with the relevantprofessional guidelines and statements issued under the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual, International Valuations Standards Committee("IVSC") and the Real Estate Institute of Zimbabwe ("REIZ") Standards.

Freehold properties was valued in ZWL using the market comparable approach. This method compares like with like, extracts data from properties recently sold or on offer similarto those to be valued with the same planning controls. The data is then analyzed and applied to the subject property varied by scrutiny of comparables not exactly equivalent insize, quality and location. Equipment and motor vehicles were valued in ZWL based on the depreciated replacement cost basis as there was no active market for such assets in Zimbabwe during the year.The depreciated replacement cost is derived from adjusting current prices drawn from recent transactions in general, for contractual, location and inherent differences.

Investment property was valued in ZWL, the valuation basis is a market comparison method for land and cost approach for buildings, both valuation basis conform to internationalvaluation standards.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

4 Critical accounting estimates and judgements (continued)

(f) Going concern

The Directors assess the ability of the Group to continue operating as a going concern at the end of each reporting period. As at 31 December 2022, the Directors have assessedthe ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. Someof the initiatives implemented to ensure the Group improves its profitability and continues as a going concern are discussed in note 4.

5 Definitions of non-ifrs measures

Interest cover times

This is the ratio of income before income tax and interest to finance cost.

Net assets

These are equivalent to shareholders' equity.

Net assets value per share

This is calculated by dividing the total shareholders equity by number of ordinary shares in issue.

Average daily rate ("ADR")

This is calculated by dividing the total rooms revenue by total room nights sold for the year.

Revenue per available room ("RevPAR")

This is calculated by dividing the total rooms revenue by the available rooms for the year.

Earning before interest and tax ("EBIT")

This is the profit before financing costs and income, and income tax.

Earnings before interest, tax, depreciation and amortisation ("EBITDA")

This is the profit before financing costs or income, income tax, depreciation and amortisation.

Pre-tax return on equity

This is calculated by dividing operating income plus dividend income and equity accounted earnings by closing total shareholders' equity.

Pre-tax return on total assets

This is calculated by dividing profit before financing costs and income and income tax by closing total assets.

Normalised earnings

This is earnings adjusted for unusual transaction and non-recurring items to allow comparison with prior year.

Normalised EBITDA

This is EBITDA adjusted for unusual transaction and non-recurring items to allow comparison with prior year.

Basic earnings per share

The calculations are based on the earnings attributable to ordinary shareholders. Account is taken of the number of shares in issue for the year during which they have participated in the income of the Group.

Diluted earnings per share

Diluted earnings per share are calculated by dividing the profit/ (loss) by the adjusted weighted average number of ordinary shares, assuming conversion of all dilutive potential ordinary shares.

Financial gearing ratio

This represents the ratio of interest bearing debt, less cash to total shareholders' equity.

6 Change in accounting policy

The accounting policies adopted are consistent with those of the previous reporting years.

6.1 Acquisition of Dawn Properties: Business Combination of Entities Under Common Control

On 20 January 2021, the Company acquired 91.17% shareholding of Dawn Properties, a Company previously owned by the parent company, Arden Capital Management(Private) Limited. As such, the acquisition was classified as a business combination of entities under common control.A business combination of entities under common control is scoped out of IFRS 3 - 'Business Combination". Resultantly, the Group had to develop an accounting policy to accountfor such transactions in line with IAS 8 - "Accounting Policies, Accounting Estimates and Errors"; and the Conceptual Framework. The Group elected to adopt the acquisitionmethod of IFRS 3 to account for common control transactions.

Gain on bargain purchase: Dawn Properties acquisition

The following information relate to the acquisition of Dawn Properties, acquired on 20 January 2021 through a share swap:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Identifiable net assets value	-	36 449 618 211	-	6 250 289 949
Fair value of non-monetary assets transferred as consideration	-	(3 688 148 110)	-	(703 698 516)
Non-controlling interest	-	(3 217 319 360)	-	(551 697 928)
Gain on bargain purchase	**-**	**29 544 150 741**	**-**	**4 994 893 505**
Consideration paid in cash	-	-	-	-
Cash and cash equivalents in subsidiary acquired	-	189 880 736	-	36 229 237
Net cash inflow from acquisition of subsidiary	**-**	**189 880 736**	**-**	**36 229 237**

The purchase consideration, was the market value of African Sun Limited shares issued to Dawn Properties shareholders on 20 January 2021, restated 31 December 2022 in line with IAS 29 - "*Financial Reporting in Hyperinflationary Economies*".

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

6 Change in accounting policy (continued)

6.2 Treasury shares and acquisition of the remaining Dawn Properties shares

During the year, the Group acquired the remaining 8.83% issued share capital of Dawn Properties through Tag Along (3.21%) and Drag Along (5.62%) processes in terms ofSection 239 of the Companies and Other Business Entities Act [Chapter 24:31]. In line with the provisions of the circular to Dawn Properties shareholders, the Group settled theseller's transaction costs during the process and in turn withheld a number of shares sufficient to cover such transaction costs. The shares withheld are now held by the Companyas treasury shares.

		INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**Shares**	**Share capital**	**Share premium**	**Share capital**	**Share premium**
The following relates to issued shares:					
Issued shares as at 1 January 2022	1423 517 220	1 868 827 066	9 021 164 668	14 235 172	723 204 747
Shares issued during the year	54 384 275	1 211 939	1 661 360 149	543 843	746 152 697
Treasury shares (withheld)	(3 543 942)	(79 148)	(105 772 706)	(35 439)	(26 927 781)
Issued shares as at 31 December 2022	**1 474 357 553**	**1 869 959 857**	**10 576 752 111**	**14 743 576**	**1 442 429 663**

The treasury shares were measured at the value of the transaction costs settled by the Group as this was taken as the consideration paid for the shares. The Group adopted thepar value method to record the treasury shares and the shares were deducted from equity with no gain or loss being recognised in profit or loss for the year.The transaction resulted in a change of degree of ownership in Dawn Properties from 91.17% to a 100% owned subsidiary. As a result of the change of ownership interest, theGroup derecognised non-controlling interest and recognised ZWL1,29 billion directly in equity.

7 Segment information

The Executive Committee assesses the performance of the operating segments based on: Hotel occupancies;

- Hotel revenue per available room (""RevPAR"");
- Hotel average daily room rate (""ADR""); and
- Properties occupancies and sales
- Profitability.

Operating segments are made up of five strategic business segments which are;

1. **City and Country Hotels**
   This segment comprise Troutbeck Resort, Holiday Inn Harare, Holiday Inn Bulawayo, Holiday Inn Mutare and Monomotapa Hotel. These hotels are headed by The Country and CityHotels Operations Executive who reports to the Chief Executive Officer.

2. **Resort Hotels**
   The segment is made up of the Elephant Hills Resort and Conference Centre, Hwange Safari Lodge, Great Zimbabwe Hotel, Caribbea Bay Resort and The Kingdom at VictoriaFalls Hotel. These hotels are headed by the Resort Hotels Operations Executive who reports to the Chief Executive Officer. Subsequent to year end The Kingdom at Victoria FallsHotel ceased operations refer to note 32.3.2.

3. **The Victoria Falls Hotel Partnership**
   This refers to The Victoria Falls Hotel which is jointly operated with Meikles Hospitality (Private) Limited and is an affiliate of the Leading Hotels of the World ("LHW").

4. **Real Estate**
   This segment owns eight hotels, seven of which are leased to the hotel operating segments above, two timeshare lodges, residential properties in Harare, vast undeveloped land across Zimbabwe, held either for sale or capital appreciation. This segment also includes a property consultancy business that offers property management, valuation, agency services and other property related ancillary services. Subsequent to year end the consultancy and valuation services business was disposed off refer to note 11.

5. **Other**
   This segment comprise of Sun Leisure, Central Office and the South Africa Reservation Office. Sun Leisure houses the Group's touring division (Sun Leisure Tours) and the Casinos (Sun Casinos). The South Africa Reservation Office operates a regional sales and marketing office in South Africa that focuses on international and regional sales.

Revenue from contracts with customers

Revenue from contracts with customers between segments are eliminated on consolidation. The revenue from external parties reported to the Executive Committee is measuredin a manner consistent with how revenue is measured in the statement of comprehensive income. The Group derives revenue from the transfer of goods and services at a point intime in the above segments.

The Group does not rely on any one specific customer as none of its customers contributes a minimum of 10% of its revenue.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

7 Segment information (continued)

The segment information provided to the Executive Committee for the reportable segments is as follows:

	INFLATION ADJUSTED						
All figures in ZWL	**City and Country Hotels**	**Resort hotels**	**Partnership hotels**	**Real Estate**	**Others**	**Intersegment transactions**	**Consolidated**
Year ended 31 December 2022							
Revenue:							
Sale of room nights	9 601 944 218	5 286 924 030	1 520 562 374	-	-	-	**16 409 430 622**
Sale of food and beverages	6 758 843 524	4 102 316 066	401 310 505	-	-	-	**11 262 470 095**
Management fees and commissions	-	-	-	-	383 160 554	(383 160 554)	**-**
Conferencing	356 622 295	369 360 369	-	-	-	-	**725 982 664**
Property development sales	-	-	-	211 689 662	-	-	**211 689 662**
Property rentals	-	-	-	2 564 177 200	-	(2 248 233 964)	**315 943 236**
Other income	1 282 550 138	1 100 109 046	244 076 340	-	218 177 932	(4 535 116)	**2 840 378 340**
Revenue from contracts with customers	**17 999 960 175**	**10 858 709 511**	**2 165 949 219**	**2 775 866 862**	**601 338 486**	**(2 635 929 634)**	**31 765 894 619**
Gaming income	-	-	-	-	51 021 902	-	**51 021 902**
Total revenue	**17 999 960 175**	**10 858 709 511**	**2 165 949 219**	**2 775 866 862**	**652 360 388**	**(2 635 929 634)**	**31 816 916 521**
Revenue from discontinued operations							
DPC (Private) Limited	-	-	-	804 827 281	-	(135 157 171)	**669 670 110**
The Kingdom at Victoria Falls Hotel	-	3 444 699 608	-	-	-	-	**3 444 699 608**
Material (expenses)/income							
Cost of sales	(5 009 999 006)	(2 981 872 512)	(435 145 297)	(152 082 156)	(56 674 462)	-	**(8 635 773 433)**
Employee benefit expenses	(2 136 543 542)	(1 290 792 853)	(279 374 115)	(214 478 866)	(1 827 568 198)	-	**(5 748 757 574)**
Operating lease costs	(1 671 292 569)	(1 195 682 900)	(212 533 852)	(5 508 286)	(16 092 601)	2 248 233 964	**(852 876 244)**
Fair value gains on investment property	-	-	-	15 811 636 962	-	(13 313 230 551)	**2 498 406 411**
Exchange (loss)/gain	(770 491 594)	(943 839 432)	470 684 719	1 409 977 089	5 195 455 563	-	**5 361 786 345**
	(9 588 326 711)	**(6 412 187 697)**	**(456 368 545)**	**16 849 544 743**	**3 295 120 302**	**(11 064 996 587)**	**(7 377 214 495)**
Other information							
EBITDA	**4 264 839 860**	**2 197 343 029**	**958 651 161**	**18 970 917 944**	**2 821 747 038**	**(13 471 543 395)**	**15 741 955 637**
Depreciation and impairment loss	(1 198 707 836)	(642 677 817)	(248 951 647)	(100 240 992)	(296 223 692)	(511 736 343)	**(2 998 538 327)**
Rights of use assets amortisation	(62 233 992)	(189 667)	(69 521)	-	(13 312 488)	-	**(75 805 668)**
Finance costs - borrowings (net)	(84 386 139)	(56 520 325)	-	842 810	42 554 203	-	**(97 509 451)**
Finance costs - lease liabilities	(197 183 097)	(470 844)	(182 637)	-	(7 513 014)	-	**(205 349 592)**
Monetary Loss	-	-	-	(2 140 028 241)	(1 778 565 878)	-	**(3 918 594 119)**
Profit/(loss) before tax	**2 722 328 796**	**1 497 484 376**	**709 447 356**	**16 731 491 521**	**768 686 169**	**(13 983 279 738)**	**8 446 158 480**
Total assets as at 31 December 2022	**17 755 929 475**	**12 634 059 716**	**4 655 908 092**	**71 295 730 334**	**8 649 739 174**	**(9 315 280 540)**	**105 676 086 251**
Total assets include: Additions to property and equipment	879,834,626	1,608,869,540	411,161,563	31,997,640	170,526,237	205,524,749.00	**3 307 914 355**
Total liabilities as at 31 December 2022	**5 212 315 084**	**4 291 976 826**	**546 118 089**	**1 887 268 168**	**2 262 675 593**	**5 870 524 818**	**20 070 878 578**
Key performance indicators							
Occupancy (%)	58%	41%	27%	-	-	-	**46%**
ADR (ZWL)	58,786	69,643	210,765	-	-	-	**59,676**
RevPAR (ZWL)	34,290	28,626	55,918	-	-	-	**27,391**
Total RevPAR (ZWL)	64,280	58,794	79,652	-	-	-	**52,217**

AFRICAN SUN LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

7 Segment information (continued)

	INFLATION ADJUSTED						
All figures in ZWL	**City and Country Hotels**	**Resort hotels**	**Partnership hotels**	**Real Estate**	**Others**	**Intersegment transactions**	**Consolidated**
Year ended 31 December 2021							
Revenue:							
Sale of room nights	4 374 714 440	2 236 898 694	296 167 037	-	-	-	**6 907 780 171**
Sale of food and beverages	3 555 762 744	1 747 333 597	101 363 083	-	-	-	**5 404 459 424**
Management fees and commissions	-	-	-	-	152,188,878	(152 188 878)	**-**
Conferencing	144 103 859	122 678 581	-	-	-	-	**266 782 440**
Property development sales	-	-	-	486,368,370	-	-	**486 368 370**
Valuation and consultancy services	-	-	-	334,970,769	-	(16 470 722)	**318 500 047**
Property rentals	-	-	-	943,950,594	-	(871 131 272)	**72 819 322**
Other income	748 392 427	510 275 388	83 254 672	-	64,854,545	(2,311,768)	**1 404 465 264**
Revenue from contracts with customers	**8 822 973 470**	**4 617 186 260**	**480 784 792**	**1 765 289 733**	**217 043 423**	**(1 042 102 640)**	**14 861 175 038**
Gaming income	-	-	-	-	18 551 218	-	**18 551 218**
Total revenue	**8 822 973 470**	**4 617 186 260**	**480 784 792**	**1,765,289,733**	**235 594 641**	**(1 042 102 640)**	**14 879 726 256**
Revenue from discontinued operations							
Dawn Property Consultancy (Private) Limited	-	-	-	547 203 677	-	2 750 000 000	**3 297 203 677**
The Kingdom at Victoria Falls Hotel	-	2 867 536 773	-	-	-	-	**2 867 536 773**
Material (expenses)/income							
Cost of sales	(2 469 537 225)	(1 420 988 754)	(98 588 765)	(546,881,422)	(16 031 994)	-	**(4 552 028 160)**
Employee benefit expenses	(981 735 865)	(694 612 438)	(98 088 481)	(278,236,921)	(824 611 606)	-	**(2 877 285 311)**
Operating lease costs	(803 717 248)	(758 564 924)	(45 303 420)	(21,266,877)	(3 343 474)	871 131 272	**(761 064 671)**
Fair value gains on investment property	-		-	15,700,109,581	-	(11 699 530 676)	**4 000 578 905**
Exchange (loss)/gain	(27 930 538)	(234 844 613)	52 860 740	80,175,494	639 080 987	-	**509 342 070**
	(4 282 920 876)	**(3 109 010 729)**	**(189 119 926)**	**14,933,899,855**	**(204 906 087)**	**(10 828 399 404)**	**(3 680 457 167)**
Other information							
EBITDA	**2 594 614 386**	**(21 605 948)**	**21 889 632**	**16,172,997,882**	**(518 115 856)**	**17 814 488 363**	**36 064 268 459**
Depreciation and impairment loss	(732 845 979)	(494 258 900)	(186 947 893)	(106 363 940)	(219 981 894)	(319 537 955)	**(2 059 936 561)**
Rights of use assets amortisation	(33 482 112)	(1 101 847)	(169 811)	-	(18 231 745)	-	**(52 985 515)**
Finance costs - borrowings (net)	(71 923 828)	(91 420 134)	-	(1 359 849)	311 767	-	**(164 392 044)**
Finance costs - lease liabilities	(110 293 867)	(2 854 606)	(450 019)	-	(5 107 873)	-	**(118 706 365)**
Monetary (loss)/gain	-	-	-	(142 792 631)	64 129 677	-	**(78 662 954)**
Profit/(loss) before tax	**1 646 068 600**	**(611 241 435)**	**(165 678 091)**	**15,922,481,462**	**(696 995 924)**	**17 494 950 408**	**33 589 585 020**
Total assets as at 31 December 2021	**12 245 019 997**	**7 267 147 461**	**1 424 739 855**	**53 902 923 201**	**8 824 285 442**	**(7 555 908 711)**	**76 108 207 245**
Total assets include: Additions to property and equipment	319 314 836	275 523 462	561 861 621	42,813,337	72 977 062	-	**1 272 490 318**
Total liabilities as at 31 December 2021	**2 911 835 905**	**2 408 771 839**	**173 266 477**	**1,830,587,334**	**2 270 261 756**	**2 434 009 572**	**12 028 732 883**
Key performance indicators							
Occupancy (%)	45%	19%	14%	-	-	-	**31%**
ADR (ZWL)	34 414	40 076	106 555	-	-	-	**37 195**
RevPAR (ZWL)	15 603	7 738	14 620	-	-	-	**11 715**
Total RevPAR (ZWL)	31 468	15 971	23 733	-	-	-	**23 743**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

7 Segment information (continued)

	HISTORICAL COST						
All figures in ZWL	**City and Country Hotels**	**Resort hotels**	**Partnership hotels**	**Real Estate**	**Others**	**Intersegment transactions**	**Consolidated**
Year ended 31 December 2022							
Revenue:							
Sale of room nights	6,947,115,224	3,978,591,767	1,252,389,475	-	-	-	**12 178 096 466**
Sale of food and beverages	4,920,919,329	3,152,650,370	326,530,401	-	-	-	**8 400 100 100**
Management fees and commissions	-	-	-	-	278,803,746	(278,803,746)	**-**
Conferencing	261,257,880	278,119,485	-	-	-	-	**539 377 365**
Property development sales	-	-	-	129,992,705	-	-	**129 992 705**
Property rentals	-	-	-	1,934,885,324	-	(1,684,624,656)	**250 260 668**
Other income	939,561,487	842,194,005	184,066,198	-	168,162,671	(4,131,931)	**2 129 852 430**
Revenue from contracts with customers	**13 068 853 920**	**8 251 555 627**	**1 762 986 074**	**2 064 878 029**	**446 966 417**	**(1 967 560 333)**	**23 627 679 734**
Gaming income	-	-	-	-	42,763,684	-	**42 763 684**
Total revenue	**13 068 853 920**	**8 251 555 627**	**1 762 986 074**	**2 064 878 029**	**489 730 101**	**(1 967 560 333)**	**23 670 443 418**
Material (expenses)/income							
Cost of sales	(3 675 061 872)	(2 273 273 166)	(344 412 745)	(10 668 072)	(45 347 901)	-	**(6 348 763 756)**
Employee benefit expenses	(1 552 812 870)	(941 745 738)	(207 528 120)	(150 890 486)	(1 323 420 156)	-	**(4 176 397 370)**
Operating lease costs	(1 249 830 773)	(916 774 537)	(174 641 737)	(3 164 967)	(13 121 844)	1 684 624 656	**(672 909 202)**
Fair value gains on investment property	-	-	-	51 084 373 402	-	(40 338 061 279)	**10 746 312 123**
Exchange (loss)/gain	(530 086 898)	(612 510 752)	351 700 603	982 249 692	3 514 277 534	-	**3 705 630 179**
	(7 007 792 413)	**(4 744 304 193)**	**(374 881 999)**	**51 901 899 569**	**2 132 387 633**	**(38 653 436 623)**	**3 253 871 974**
Other information							
EBITDA	**2 888 811 417**	**1 781 295 082**	**783 466 944**	**53 588 494 645**	**1 809 378 050**	**(40 459 981 670)**	**20 391 464 468**
Depreciation and impairment loss	(872 772 538)	(468 046 854)	(178 035 769)	(16 002 505)	(193 457 629)	(361 778 473)	**(2 090 093 768)**
Rights of use assets amortisation	(34 293 352)	(104 437)	(38 281)	-	(8 464 381)	-	**(42 900 451)**
Finance costs - borrowings (net)	(51 549 336)	(34 613 937)	-	280 184	26 012 017	-	**(59 871 072)**
Finance costs - lease liabilities	(108 586 380)	(258 848)	(100 436)	-	(5 294 933)	-	**(114 240 597)**
Profit/(loss) before tax	**1 821 609 811**	**1 278 271 006**	**605 292 458**	**53 572 772 324**	**1 628 173 124**	**(40 821 760 143)**	**18 084 358 580**
Total assets as at 31 December 2022	**13 349 938 835**	**9 499 019 732**	**3 500 582 064**	**69 275 873 941**	**6 503 376 184**	**(1 628 197 436)**	**100 500 593 320**
Total assets include: Additions to property and equipment	968 627 411	1 771 236 425	452 655 929	14 359 677	187 735 721	81 207 721	**3 475 822 884**
Total liabilities as at 31 December 2022	**5 212 315 084**	**4 291 976 826**	**546 118 089**	**1 738 277 108**	**1 407 981 216**	**11 385 123 219**	**24 581 791 542**
Key performance indicators							
Occupancy (%)	58%	41%	27%	-	-	-	**46%**
ADR (ZWL)	42 532	42 532	42 532	-	-	-	**50 657**
RevPAR (ZWL)	24 809	24 809	24,809	-	-	-	**23 252**
Total RevPAR (ZWL)	46 670	46 670	46 670	-	-	-	**38 868**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

7 Segment information (continued)

All figures in ZWL	HISTORICAL COST						
	City and Country Hotels	Resort hotels	Partnership hotels	Real Estate	Others	Intersegment transactions	Consolidated
Year ended 31 December 2021							
Revenue:							
Sale of room nights	1 041 011 123	565 776 159	73 943 512	-	-	-	**1 680 730 794**
Sale of food and beverages	859 836 648	442 657 223	25 412 672	-	-	-	**1 327 906 543**
Management fees and commissions	-	-	-	-	36,193,044	(36 193 044)	**-**
Conferencing	34 761 027	31 767 679	-	-	-	-	**66 528 706**
Property development sales	-	-	-	117,933,271	-	-	**117 933 271**
Valuation and consultancy services	-	-	-	76,360,865	-	(3 324 563)	**73 036 302**
Property rentals	-	-	-	231,968,541	-	(214 766 853)	**17 201 688**
Other income	182 232 992	129 346 764	20 704 979	-	16,715,514	(513,191.00)	**348 487 058**
Revenue from contracts with customers	**2 117 841 790**	**1 169 547 825**	**120 061 163**	**426 262 677**	**52 908 558**	**(254 797 651)**	**3 631 824 362**
Gaming	-	-	-	-	4 463 630	-	**4 463 630**
Total revenue	**2 117 841 790**	**1 169 547 825**	**120 061 163**	**426 262 677**	**57 372 188**	**(254 797 651)**	**3 636 287 992**
Material (expenses)/income							
Cost of sales	(569 518 331)	(341 879 968)	(23 584 466)	(24 076 583)	(3 814 486)	-	**(962 873 834)**
Employee benefit expenses	(235 304 463)	(168 498 625)	(23 583 986)	(64 631 906)	(196 554 004)	-	**(688 572 984)**
Operating lease costs	(193 769 174)	(180 212 563)	(11 318 937)	(4 604 292)	(827 822)	214 766 853	**(175 965 935)**
Fair value gains on investment property	-	-	-	8 428 663 572	-	(6 284 978 276)	**2 143 685 296**
Exchange (loss)/gain	(10 614 212)	(59 539 777)	11 166 993	20 901 944	164 050 406	-	**125 965 354**
	(1 009 206 180)	**(750 130 933)**	**(47 320 396)**	**8 356 252 735**	**(37 145 906)**	**(6 070 211 423)**	**442 237 897**
Other information							
EBITDA	**650 472 316**	**57 771 747**	**9 323 229**	**8 678 343 649**	**(114 289 482)**	**(1 297 756 396)**	**7 983 865 063**
Depreciation and impairment loss	(164 924 328)	(111 882 869)	(42 035 022)	(8 926 467)	(37 427 644)	(73 243 011)	**(438 439 341)**
Rights of use assets amortisation	(7 553 326)	(248 393)	(38 281)	-	(4 205 179)	-	**(12 045 179)**
Finance costs - borrowings (net)	(17 706 318)	(23 113 407)	-	(196 297)	72 436	-	**(40 943 586)**
Finance costs - lease liabilities	(24 859 421)	(643 290)	(101 416)	-	(1 202 916)	-	**(26 807 043)**
Profit/(loss) before tax	**435 428 923**	**(78 116 212)**	**(32 851 490)**	**8 669 220 885**	**(157 052 785)**	**(1 370 999 407)**	**7 465 629 914**
Total assets as at 31 December 2021	**2 748 439 241**	**1 631 137 659**	**319 788 038**	**15 123 706 581**	**1 983 249 644**	**(739 901 846)**	**21 066 419 317**
Total assets include: Additions to property and equipment	76 728 133	66 205 507	135 009 677	10 870 798	17 535 656	-	**306 349 771**
Total liabilities as at 31 December 2021	**847 055 197**	**700 713 492**	**50 403 345**	**447 830 202**	**533 990 110**	**1 271 429 487**	**3 851 421 833**
Key performance indicators							
Occupancy (%)	45%	19%	14%	-	-	-	**31%**
ADR (ZWL)	8 189	8 189	8 189	-	-	-	**9 050**
RevPAR (ZWL)	3 713	3 713	3,713	-	-	-	**2 850**
Total RevPAR (ZWL)	7 554	7 554	7 554	-	-	-	**5 813**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8 Property and equipment

8.1 Group

	INFLATION ADJUSTED						
All figures in ZWL	**Freehold properties**	**Leasehold properties**	**Equipment**	**Service stocks**	**Motor vehicles**	**Capital work in progress**	**Total**
Year ended 31 December 2021							
Opening net book value	**1 992 227 106**	**1 675 913 495**	**5 853 487 959**	**78 382 426**	**767 785 018**	**490 157 306**	**10 857 953 310**
Additions	33 218 703	93 250 350	282 192 222	91 093 868	54 432 843	718 302 332	**1 272 490 318**
Acquisition of subsidiary	26 203 425 321	-	97 992 466	-	140 929 776	-	**26 442 347 563**
Transfers in/(out)	-	12 505 940	22 045 104	-	-	(34 551 044)	**-**
Foreign exchange difference	-	-	(1 122 489)	-	-	-	**(1 122 489)**
Disposals cost	-	(1 345 830)	(113 257 391)	-	(5 874 867)	-	**(120 478 088)**
Accumulated depreciation on disposals	-	1 345 830	81 940 629	-	4 699 885	-	**87 986 344**
Revaluation - cost	14 853 887 160	474 020 381	3 007 262 719	-	318 514 538	-	**18 653 684 798**
Revaluation - depreciation	(1 394 652 921)	(5 075 319)	(1 603 859 311)	-	172 320 811	-	**(2 831 266 740)**
Depreciation and usage	(340 349 167)	(481 653 848)	(964 370 989)	(83 160 970)	(200 014 402)	-	**(2 069 549 376)**
Closing net book value	**41 347 756 202**	**1 768 960 999**	**6 662 310 919**	**86 315 324**	**1 252 793 602**	**1 173 908 594**	**52 292 045 640**
As at 31 December 2021							
Revalued cost	44 484 593 510	3 553 935 994	15 845 522 192	86 315 324	1 312 409 479	1 173 908 594	**66 456 685 093**
Accumulated depreciation and accumulated impairment	(3 136 837 308)	(1 784 974 995)	(9 183 211 273)	-	(59 615 877)	-	**(14 164 639 453)**
Net book value	**41 347 756 202**	**1 768 960 999**	**6 662 310 919**	**86 315 324**	**1 252 793 602**	**1 173 908 594**	**52 292 045 640**
Year ended 31 December 2022							
Opening net book value	**41 347 756 202**	**1 768 960 999**	**6 662 310 919**	**86 315 324**	**1 252 793 602**	**1 173 908 594**	**52 292 045 640**
Additions	205 524 749	577 609 763	672 319 405	81 229 838	240 829 968	1 510 202 135	**3 287 715 858**
Transfers in/(out)	-	646 900 051	287 211 397	401 732	-	(934 513 180)	**-**
Foreign exchange difference	-	-	4 132 470	-	-	-	**4 132 470**
Disposals cost	-	(39 428 718)	(114 205 064)	-	(1 999 633)	-	**(155 633 415)**
Accumulated depreciation on disposals	-	39 428 712	44 078 927	-	1 455 862	-	**84 963 501**
Assets held for sale	-	-	(100 247 001)		(124 075 000)	-	**(224 322 001)**
Revaluation - cost	16 475 610 046	1 511 754 790	5 992 870 296	-	206 835 386	-	**24 187 070 518**
Revaluation - depreciation	(1 302 366 976)	306 158 058	(3 505 695 538)	-	338 666 485	-	**(4 163 237 971)**
Depreciation and usage	(548 594 021)	(805 541 269)	(1 450 293 662)	(65 712 314)	(386 856 167)	-	**(3 256 997 433)**
Closing net book value	**56 177 930 000**	**4 005 842 386**	**8 492 482 149**	**102 234 580**	**1 527 650 503**	**1 749 597 549**	**72 055 737 167**
	-	-	-	-	-	-	-
As at 31 December 2022							
Revalued cost	60 846 190 343	6 250 771 879	22 822 097 902	102 234 580	1 905 018 080	1 749 597 549	**93 675 910 333**
Accumulated depreciation and accumulated impairment	(4 668 260 343)	(2 244 929 493)	(14 329 615 753)	-	(377 367 577)	-	**(21 620 173 166)**
Net book value	**56 177 930 000**	**4 005 842 386**	**8 492 482 149**	**102 234 580**	**1 527 650 503**	**1 749 597 549**	**72 055 737 167**

Included in depreciation for the year ended 31 December 2022 is an amount of ZWL 258 458 106 which relates to discontinued operations. This amount has not been included in depreciation expense in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8 Property and equipment (continued)

8.1 Group (continued)

	HISTORICAL COST						
All figures in ZWL	**Freehold properties**	**Leasehold properties**	**Equipment**	**Service stocks**	**Motor vehicles**	**Capital work in progress**	**Total**
Year ended 31 December 2021							
Opening net book value	**360 551 500**	**303 305 339**	**1 059 359 073**	**5 408 015**	**138 953 080**	**55 618 643**	**1 923 195 650**
Additions	8 409 954	22 447 867	76 260 694	23 172 150	14 562 393	161 496 713	306 349 771
Acquisition of subsidiary	4 742 272 770	-	17 677 511	-	25 239 112	-	4 785 189 393
Transfers in/(out)	-	1 896 134	3 698 146	-	-	(5 594 280)	-
Foreign exchange difference	-	-	166 273	-	-	-	166 273
Disposals	-	(243 567)	(20 551 587)	-	(1 063 226)	-	(21 858 380)
Accumulated depreciation on disposals	-	243 567	14 924 660	-	850 581	-	16 018 808
Revaluation- cost	7 555 952 887	471 237 858	2 299 424 724	-	179 999 065	-	10 506 614 534
Revaluation- depreciation	(561 160 011)	(175 905 214)	(1 305 112 026)	-	42 805 753	-	(1 999 371 498)
Depreciation and usage	(77 934 545)	(108 389 936)	(207 776 340)	(7 164 105)	(36 908 183)	-	(438 173 109)
Closing net book value	**12 028 092 555**	**514 592 048**	**1 938 071 128**	**21 416 060**	**364 438 575**	**211 521 076**	**15 078 131 442**
As at 31 December 2021							
Revalued cost	12 920 890 011	1 033 842 581	4 647 131 530	21 416 060	364 317 983	211 521 076	19 199 119 241
Accumulated depreciation and accumulated impairment	(892 797 456)	(519 250 533)	(2 709 060 402)	-	120 592	-	(4 120 987 799)
Net book value	**12 028 092 555**	**514 592 048**	**1 938 071 128**	**21 416 060**	**364 438 575**	**211 521 076**	**15 078 131 442**
Year ended 31 December 2022							
Opening net book value	**12 028 092 555**	**514 592 048**	**1 938 071 128**	**21 416 060**	**364 438 575**	**211 521 076**	**15 078 131 442**
Additions	81 207 721	945 971 874	751 683 205	76 657 872	204 712 816	1 415 589 396	3 475 822 884
Acquisition of subsidiary	-	-	-	-	-	-	-
Transfers in/(out)	-	117 180 928	51 403 286	110 500	-	(168 694 714)	-
Foreign exchange difference	-	-	7 048 306	-	-	-	7 048 306
Disposals	-	(25 109 485)	(70 977 799)	-	(1 273 431)	-	(97 360 715)
Accumulated depreciation on disposals	-	25 109 481	26 812 646	-	927 140	-	52 849 267
Asset held for sale	-	-	(100 247 000)	-	(124 075 000)	-	(224 322 000)
Revaluation- cost	48 333 229 297	4 450 930 340	18 664 316 006	-	1 096 278 451	-	72 544 754 094
Revaluation- depreciation	(3 876 438 376)	(1 441 813 344)	(11 753 008 719)	-	266 298 607	-	(16 804 961 832)
Depreciation and usage	(388 161 197)	(581 019 460)	(1 022 618 896)	(23 025 965)	(279 656 660)	-	(2 294 482 178)
Closing net book value	**56 177 930 000**	**4 005 842 382**	**8 492 482 163**	**75 158 467**	**1 527 650 498**	**1 458 415 758**	**71 737 479 268**
As at 31 December 2022							
Revalued cost	60 696 232 473	6 250 771 875	22 632 692 518	75 158 467	1 686 691 339	1 458 415 758	92 799 962 430
Accumulated depreciation and accumulated impairment	(4 518 302 473)	(2 244 929 493)	(14 140 210 355)	-	(159 040 841)	-	(21 062 483 162)
Net book value	**56 177 930 000**	**4 005 842 382**	**8 492 482 163**	**75 158 467**	**1 527 650 498**	**1 458 415 758**	**71 737 479 268**

Capital work in progress relates to refurbishment equipment and hotel furniture, fittings and equipment for the hotels that was undertaken during the financial year. This is not depreciated until it is brought to use.

Included in depreciation for the year ended 31 December 2022 is an amount of ZWL 204 388 410 which relates to discontinued operations. This amount has not been included in depreciation expense in the statement of profit or loss and other comprehensive income.

There were no contractual commitments for the acquisitions of property and equipment as at 31 December 2022 (2021: ZWLnil)

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

8 Property and equipment (continued)

8.2 Valuation processes

Property and equipment was valued as at 31 December 2022 by Dawn Property Consultancy (Private) Limited ("DPC"). The fair value was determined in accordance with the relevant professional guidelines and statements issued under the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual (the "Red Book") 6th Edition, International Valuations Standards Committee("IVSC") and the Real Estate Institute of Zimbabwe ("REIZ") Standards. The valuation basis was based on market comparison method for land and freehold property while the cost approach was used on the valuation of equipment. Both valuation approaches conform to international valuation standards. The different levels of determining the fair values have been defined as follows:

Quoted prices(unadjusted) in active markets for identical assets or liabilities (level 1) - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2) - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

There are no level 1 and level 2 assets and there were no transfers between level 1 and level 2 during the year ended 31 December 2022.

Freehold properties were valued using the market comparable approach. This method compares like with like, and extracts data from properties recently sold or on offer similar to those to be valued with the same planning controls. The data is then analysed and applied to the subject property varied by scrutiny of comparable not exactly equivalent in size, quality and location.

Leasehold properties, equipment and motor vehicles were valued based on the depreciated replacement cost basis as there was no active market for such assets in Zimbabwe during the year. The depreciated replacement cost is derived from adjusting current prices drawn from recent transactions in general, for contractual, location and inherent differences.

8 Property and equipment (continued)

8.2 Valuation processes (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value as at 31 December 2022 ZWL	Valuation technique	Unobservable inputs	Range of Unobseravble inputs (weighted average)		Relationship of unobservable inputs to fair value
Freehold properties	56 177 930 000	Market comparable Approach	ZWL rate per square meter price 760,000	Low density houses	ZWL 750 000 to ZWL 900 000 per square meter	The higher the price per square meter the higher the fair value
				High density houses	ZWL 425 000 - ZWL 620 000 per square meter	
				Boundary walls	ZWL 22 500 - ZWL 31 500 per square meter	
				Gates	ZWL 850 000 - ZWL 1 080 000 per square meter	
Leasehold properties	4 005 842 386	Gross replacement	Estimated cost of similar items		Wide cost range as the category comprises various items of hotel soft furnishings	The higher the cost of the inputs or items the higher the fairvalue
Equipment	8 492 482 149	Gross Replacement	Estimated cost of similar equipment		Wide cost range as the category comprises various items of equipment	The higher the cost of the equipment the higher the fair value
Motor vehicles	1 527 650 503	Gross Replacement	Estimated cost of similar vehicle		Cost per vehicle lowest ZWL 1 900 000 - highest ZWL 113 750 000	The higher the cost of the vehicle the higher the fair value

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

9 Biological assets

The Group owns biological assets in the form of a timber plantation. The timber is held mainly for sale as raw timber at maturity. The total area under the timber plantation as at 31 December 2022 is approximately 150.5 hectares (2021:150.50 hectares). The carrying amount of timber plantation was measured at fair value less cost to sale as at 31 December 2022. The fair value of plantation with age 14 to 29 years was determined using prices and other relevant information generatedby market transactions involving timber of the same age. Market prices were obtained from the local market, which is considered the principal market for the purpose of the valuation. Fair values for timber plantation with an age below14 years were determined using the amount that reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost). Costs to sale include the incremental selling costs including estimated costs of transport to the market but excludes finance costs and income taxes.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Timber plantations				
Mature (trees which are 14 years and older)	119 753 001	361 847 649	119 753 001	105 261 746
Immature (trees which are below 14 years)	95 732 661	45 137 260	95 732 661	13 130 462
	215 485 662	**406 984 909**	**215 485 662**	**118 392 208**

The fair value measurements of the timber has been categorised as level 3 (2021 : level 3) fair values based on the inputs to the valuation techniques used.

The following table presents the Group's biological assets that are measured at fair value, as at 31 December 2022.

All figures in ZWL	**level 1**	**level 2**	**level 3**	**Total**
Timber plantations				
-mature	-	-	119 753 001	119 753 001
-immature	-	-	95 732 661	95 732 661
	-	**-**	**215 485 662**	**215 485 662**

The following table presents the Group's biological assets that are measured at fair value, as at 31 December 2021.

All figures in ZWL	**level 1**	**level 2**	**level 3**	**Total**
Timber plantations				
-mature	-	-	361 847 649	361 847 649
-immature	-	-	45 137 260	45 137 260
	-	**-**	**406 984 909**	**406 984 909**

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**Timber plantation 31 December 2022**	**Timber plantation 31 December 2021**	**Timber plantation 31 December 2022**	**Timber plantation 31 December 2021**
The reconciliation in the fair value of biological assets is as follows:				
Fair value as at 1 January	406 984 909	158 726 675	118 392 208	28 726 214
Fair value gains less estimated point of sale costs	(191 499 247)	248 258 234	97 093 454	89 665 994
As at 31 December	**215 485 662**	**406 984 909**	**215 485 662**	**118 392 208**
Net fair value (losses)/gains for the year included in the statement of comprehensive income	**(191 499 247)**	**248 258 234**	**97 093 454**	**89 665 994**

9 Biological assets (continued)

No timber was sold during the year (2021: ZWL nil) There are no biological assets with restricted title or pledged as collateral (2021: ZWL nil).

There are no commitments for the development or acquisitions of biological assets (2021: ZWLnil).

The Group is exposed to risks arising from regulatory, supply and demand, fire, diseases, environmental and climatic changes. The plantation is not insured as the cost of insurance outweighs the current fair value of the plantation.

Observability

Since biological assets are unique in nature the valuation inputs are largely unobservable.

There are inter-relationships between unobservable inputs. Increases in prices of timber and the costs of land preparation that enhance the biological assets may result in an increase in future values.

10 Investment property

Group

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
As at 01 January	**11 595 498 484**	**-**	**3 373 139 000**	**-**
Acquisitions (excluding owner occupied hotel properties)	-	7 877 512 360	-	1 425 665 230
Additions	-	521 112 281	-	8 369 774
Transfer to assets classified as held for sale	(2 750 000 000)	(691 682 119)	(2 750 000 000)	(153 520 000)
Disposals	(211 068 565)	(51 967 322)	(61 400 000)	(9 405 000)
Fair value gains	2 593 640 081	3 940 523 284	10 666 331 000	2 102 028 996
As at 31 December	**11 228 070 000**	**11 595 498 484**	**11 228 070 000**	**3 373 139 000**

Investment property includes real estate properties which are owned to earn rentals and for capital appreciation. Investment property is initially recognised at cost and subsequently measured at fair value, with fair value gains or losses being recognised in profit or loss. As at 31 December 2022, all investment property was carried at fair value. Refer to note 4(e) for more details on underlying assumptions used in determining fair value of investment properties.

In line with the strategy to rationalise the Group's property portfolio and focus on high yielding hotel properties, the Board made a decision to dispose Beitbridge Express hotel "hotel asset" in 2021. Transfer from investment property to assets classified as held for sale disclosed above relates to the transfer of Beitbridge Express Hotel from investment property to non-current assets held for sale as the hotel asset only met the conditions to be classified as a non-current asset held for sale in 2022. During the year, the Group actively marketed the hotel asset to various parties and a sale is expected to be completed before the end of March 2024.

10.1 Valuation processes

Investment property was valued as at 31 December 2022 by Dawn Property Consultancy (Private) Limited ("DPC") in accordance with the relevant professional guidelines and statements issued under the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual (the "Red Book") 6th Edition, International Valuations Standards Committee ("IVSC") and the Real Estate Institute of Zimbabwe ("REIZ") Standards. The valuation basis was based on market comparison method for land and cost approach for freehold property. Both valuation approaches conform to international valuation standards.

DPC - was a subsidiary of the Company and a related party, therefore was not an independent valuer as encouraged but not required by IAS 40 - Investment property. The Valuer holds recognised and relevant professional qualifications and has experience in valuing similar assets in Zimbabwe.

10.2 Valuation techniques underlying management's estimation of fair value

Hotel buildings and timeshare properties with fair values of ZWL 51.5 billion and ZWL 5.3 billion, respectively as of 31 December 2022 were valued based on the depreciated replacement cost basis as there was no active market for such assets in Zimbabwe during the year and in the previous year. The timeshare properties are included in investment property valued at while all the hotel buildings were reclassified to owner-occupied property. As there is no active market for the hotel properties in Zimbabwe, current prices were drawn from recent transactions for land in general. The prices were adjusted for contractual, location and inherent differences. The following rates have been used:

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

10 Investment property (continued)

10.2 Valuation techniques underlying management's estimation of fair value (continued)

The summary of the results are as follows:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Hotel properties value indicators:				
Gross replacement cost (buildings)	167 860 313 000	128 400 862 753	167 860 313 000	6 531 378 000
Depreciated replacement cost (buildings)	45 446 840 000	34 122 313 554	45 446 840 000	9 926 206 000
Land value	11 360 000 000	8 926 790 867	11 360 000 000	3 123 950 000
Land value plus depreciated replacement cost of buildings	56 806 840 000	43 049 104 421	56 806 840 000	13 050 156 000
Market value	56 800 000 000	43 065 103 006	56 800 000 000	5 004 000 000

The gross replacement approach was used to determine the fair value of the hotels and other investment properties. This method is based on the theory of substitution and is usually termed the method of last resort. The method is used in situations where it is difficult to estimate inputs required to calculate fair value using the income approach due to volatile market factors and inaccessible or unavailable information. Under normal circumstances hotels are valued using the income method. With current turnover and occupancy rates of hotels in Zimbabwe, an offer received to purchase the hotel property at a price that is equivalent to the discounted cash flow method would not be realistic. An offer more closely representative of the depreciated replacement cost would be accepted. The most significant unobservable input into this valuation is replacement cost per square meter for buildings and improvements, and selling price per square meter of land.

The comparison method was used for the valuation of land banks and residential property. The method entailed comparing like with like thus residential must be compared with residential and industrial with industrial etc. The most significant input in this valuation method is the selling price per square metre.

(a) Construction costs figures: Based on the cost of erecting the building, or a modern substitute building having the same gross internal area as that existing the ancillary site works together with the relevant professional fees and other associated expenses directly related to the construction of the building and site works.

(b) Age of property: Based on the use to date as well as the date from commissioning of the property and the current state of structures and utilities specific to its use as investment property, and the financial obsolescence of the structure.

(c) Comparable land values: Based on the intrinsic value of the land on which the structure is built supplied by quantity surveyors taking into consideration the respective zoning conducted by the office of the Surveyor General.

The Group's investment property is measured at fair value. The Group holds four classes of investment property, that is hotel properties, residential properties, land, and timeshares properties. All these assets are situated in Zimbabwe.

All figures in ZWL	Residential Properties	Land	Timeshares	Total
Fair value hierarchy	3	3	3	
Valuation technique	Gross Replacement Cost	Market Comparable Approach	Gross Replacement Cost	
As at 1 January 2021	-	-	-	-
Acquisitions of subsidiary	2 137 511 292	2 948 766 427	491 002 631	**7 877 512 360**
Additions	-	521 112 277	-	**521 112 277**
Transfer to assets classified as held for sale	-	(691 682 119)	-	**(691 682 119)**
Disposals	(51 967 322)	-	-	**(51 967 322)**
Fair value gains	683 304 337	1 137 228 416	281 731 759	**3 940 523 288**
As at 1 January 2022	**2 768 848 307**	**3 915 425 001**	**772 734 390**	**11 595 498 484**
Additions	-	-	-	**-**
Transfer to assets classified as held for sale	-	-	-	**(2 750 000 000)**
Disposals	(211 068 565)	-	-	**(211 068 565)**
Fair value gains	(862 779 742)	2 482 574 999	62 335 610	**2 593 640 081**
As at 31 December 2022	**1 695 000 000**	**6 398 000 000**	**835 070 000**	**11 228 070 000**

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

10 Investment property (continued)

10.3 Sensitivity analysis

Sensitivity analysis is performed on valuation of assets and liabilities with significant unobservable inputs (level 3) to generate a range of reasonable alternative valuations. The sensitivity methodologies applied take account of the nature of valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative methods.

Sensitivity on managements estimates:

Change in depreciated replacement cost/square metre (cost/sqm):

All figures in ZWL	Cost approach	Sales comparison
Year ended 31 December 2022		
5% decrease in the replacement cost/sqm	**2 272 342 000**	**-**
5% increase in the replacement cost/sqm	**(2 272 342 000)**	**-**
5% decrease in the selling price/sqm	-	568 000 000
5% increase in the selling price/sqm	-	(568 000 000)

10.4 Observability

Since each property is unique in nature and the hotel real estate is illiquid, valuation inputs are largely unobservable.

There are inter-relationships between unobservable inputs. Increases in construction costs that enhance the property's features may result in an increase in future rental values and/or replacement costs.

11 Discontinued operations and assets classified as held for sale

11.1 Dawn Property Consultancy (Private) Limited ("DPC")

In line with the Board's strategy to rationalize the Group's asset portfolio in order to focus on Group's tourism and hospitality operations, a decision was made in 2021, to sell one of the Group's subsidiaries, DPC. The subsidiary is a property consultancy business that offers property management, asset valuation, agency services, and other property-related ancillary services. The Group actively marketed the sale of DPC througout the year and successfully completed the disposal of Dawn Property Consultancy (Private) Limited subsequent to year end for ZWL 379 million.

11.2 Windspike (Private) Limited ("Windspike")

On 25 July 2022, the Group completed the disposal of a wholly owned subsidiary, Windspike (Private) Limited "Windspike" for ZWL129,165,487. Windspike was a dormant subsidiary with its only asset being the 1.7 Hectares land bank in Harare, commonly known as Honister. This land bank had been classified as a non-current asset held for sale in previous reporting periods. Included in the loss from discontinued operations and disposal group is a loss of ZWL 91 855 346 from this Company.

11.3 The Kingdom at Victoria Falls Hotel ("Kingdom")

The Group mutually terminated the lease agreement of The Kingdom at Victoria Falls Hotel with Makasa Sun (Private) Limited ("the Landlord") effective 31 December 2022. This was following approval by the Board on 20 June 2022 to exit from the lease and discontinue operations by 31 December 2022. Included in the loss from discontinued operations and disposal group is a loss of ZWL 998 567 736 from this operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

11 Discontinued operations and assets classified as held for sale (continued)

11.4 Analysis of the profit for the year from discontinued operations

The results of the discontinued operations included in the profit for the year are set out as below;

	INFLATION ADJUSTED			
All figures in ZWL	**DPC 31 December 2022**	**Windspike 31 December 2022**	**Kingdom 31 December 2022**	**Total 31 December 2022**
Statement of comprehensive income				
Revenue	804 827 281	-	3 444 699 608	**4 249 526 889**
Cost of sales	-	-	(1 100 422 373)	**(1 100 422 373)**
Other income/(expenses)	156 568 379	98 916 134	(967 212 892)	**(711 728 379)**
Operating expenses	(712 703 254)	(660 788)	(2 245 948 559)	**(2 959 312 601)**
Finance income/(costs)	977 110	-	(43 510 408)	**(42 533 298)**
Net monetary loss (IAS 29)	355 012 751	-	-	**355 012 751**
Profit/(loss) before tax	**604 682 267**	**98 255 346**	**(912 394 624)**	**(209 457 011)**
Income tax expense	(19 892 587)	(6 400 000)	(86 173 112)	**(112 465 699)**
Profit/(loss) from discontinued operations before the intra-company transactions elimination	**584 789 680**	**91 855 346**	**(998 567 736)**	**(321 922 710)**
Intra-group transactions eliminated	(135 157 171)	-	-	**(135 157 171)**
Profit/(loss) for the year from discontinued operations	**449 632 509**	**91 855 346**	**(998 567 736)**	**(457 079 881)**

	HISTORICAL COST			
All figures in ZWL	**DPC 31 December 2022**	**Windspike 31 December 2022**	**Kingdom 31 December 2022**	**Total 31 December 2022**
Revenue	547 203 677	-	2 867 536 773	**3 414 740 450**
Cost of sales	-	-	(861 354 416)	**(861 354 416)**
Other income/(expenses)	32 632 142	128 000 000	(698 951 447)	**(538 319 305)**
Operating expenses	(510 645 782)	(528 364)	(1 696 119 645)	**(2 207 293 791)**
Finance income/(costs)	931 398	-	(23 715 040)	**(22 783 642)**
Profit/(loss) before tax	**70 121 435**	**127 471 636**	**(412 603 775)**	**(215 010 704)**
Income tax expense	(19 892 587)	(6 400 000)	(86 173 112)	**(112 465 699)**
Profit/(loss) for the year from discontinued operations before the intra-company transactions elimination	**50 228 848**	**121 071 636**	**(498 776 887)**	**(327 476 403)**
Intra-group transactions eliminated	(72 372 005)	-	-	**(72 372 005)**
Profit/(loss) for the year from discontinued operations	**(22 143 157)**	**121 071 636**	**(498 776 887)**	**(399 848 408)**

11 Discontinued operations and assets classified as held for sale (continued)

11.5 Analysis of cash flows from discontinued operations

	INFLATION ADJUSTED			
All figures in ZWL	**DPC 31 December 2022**	**Windspike 31 December 2022**	**Kingdom 31 December 2022**	**Total 31 December 2022**
Net cash flow generated from/(used in) operating activities	594 506 768	-	(81 361 335)	**513 145 433**
Net cash used in investing activities	(24 490 909)	-	(33 756 025)	**(58 246 934)**
Net cash used in financing activities	-	-	(67 818)	**(67 818)**
Net increase in cash and cash equivalents for the year	**570 015 859**	**-**	**(115 185 178)**	**454 830 681**

	HISTORICAL COST			
All figures in ZWL	**DPC 31 December 2022**	**Windspike 31 December 2022**	**Kingdom 31 December 2022**	**Total 31 December 2022**
Net cash generated from operating activities	85 641 211	-	703 963 375	**789 604 586**
Net cash used in investing activities	(13 924 392)	-	(10 256 915)	**(24 181 307)**
Net cash used in financing activities	-	-	(37 710)	**(37 710)**
Net increase in cash and cash equivalents for the year	**71 716 819**	**-**	**693 668 750**	**765 385 569**

11.6 Analysis of assets and liabilities from discontinued operations

The major classes of assets and liabilities associated with assets classified as held for sale are as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Assets				
Property and equipment	224 322 000	-	224 322 000	
Inventories	13 881 632	-	2 044 643	
Trade and other receivables	89 349 403	-	85 656 758	
Total assets classified as held for sale	**327 553 035**	**-**	**312 023 401**	**-**
Liabilities				
Trade and other payables	47 971 704	-	47 971 704	-
Deferred tax liabilities	52 642 767	-	45 998 962	-
Current income tax liabilities	13 799 088	-	13 799 088	-
Provisions for other liabilities	1 032 113	-	1 032 113	-
Liabilities associated with assets classified as held for sale	**115 445 672**	**-**	**108 801 867**	**-**

The assets and liabilities above relate only to Dawn Property Consultancy (Private) Limited.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

11 Discontinued operations and assets classified as held for sale (continued)

11.7 Assets classified as held for sale

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
The carrying amounts of non-current assets held for sale as at 31 December 2022 is summarised as follows:				
As at 01 January	**638 590 005**	**-**	**185 766 300**	**-**
Transfer from investment property - Note 10	2 750 000 000	691 682 119	2 750 000 000	153 520 000
Disposal group assets - note 11.6	327 553 035	-	312 023 401	-
Impairment	-	(61 152 785)	-	-
Fair value gain on assets classified as held for sale	3 682 461	60 055 621	207 981 122	41 656 300
Disposal	(642 272 467)	(51 994 950)	(393 747 421)	(9 410 000)
As at 31 December	**3 077 553 034**	**638 590 005**	**3 062 023 402**	**185 766 300**

Disposal group assets relate to Dawn Property Consultancy (Private) Limited which has been classified as held for sale as disclosed above.

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sale as required by IFRS 5 - "Non-current assets held for sale and discontinued operations". The Beitbridge Express Hotel has been measured at fair value less costs to sale while assets relating to the DPC disposal group have been measured at their carrying amount.

12 Investments

12.1 Principal subsidiaries

The Group had the following subsidiaries at 31 December 2022 and 31 December 2021:

Name	Country of incorporation and place of business	Immediate parent	Nature of Business
African Sun Zimbabwe (Private) Limited	Zimbabwe	African Sun Limited	Hotel and catering
African Sun Limited South African Branch	Republic of South Africa	African Sun Limited	Regional sales office
Dawn Properties	Zimbabwe	African Sun Limited	Real Estate

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

12 Investments (continued)

12.2 Investment in subsidiaries

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Investment in subsidiaries				
Investment in subsidiaries are as follows:				
(i) African Sun Zimbabwe (Private) Limited 100% owned (2021: 100%)				
At acquisition	988 449 561	988 449 561	4 630 991	4 630 991
Shareholders' loan	2 816 133 277	2 816 133 277	13 193 884	13 193 884
Total investment in African Sun Zimbabwe (Private) Limited	3 804 582 838	3 804 582 838	17 824 875	17 824 875
(ii) African Sun Limited South Africa Branch 100% owned (2021: 100%)				
Shareholders' loan	226 500 000	112 065 033	226 499 999	32 599 799
Total investment in African Sun Limited South Africa Branch	226 500 000	112 065 033	226 499 999	32 599 799
(iii) Dawn Properties 100% (2021: 91,17%)				
At acquisition	3 688 148 111	3 688 148 111	703 698 516	703 698 516
Additional shares acquired during the year	1 662 572 086	-	746 696 541	-
Total investment in Dawn Properties	5 350 720 197	3 688 148 111	1 450 395 057	703 698 516
Total investment in subsidiaries	**9 381 803 035**	**7 604 795 982**	**1 694 719 931**	**754 123 190**

Loan to African Sun Zimbabwe (Private) Limited and African Sun Limited South Africa Branch do not bear interest. All loans to subsidiaries are unsecured and do not have fixed repayment dates.

The investments in subsidiaries were not impaired during the year (2021: ZWLnil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

12 Investments (continued)

12.3 Investment in Dawn Properties

On 20 January 2021, the Company acquired a majority shareholding of Dawn Properties, a Company previously owned by the parent company Arden Capital Management (Private) Limited, a business combination of entities under common control.

A business combination of entities under common control is scoped out of IFRS 3 - 'Business Combination". Resultantly, the Group had to develop an accounting policy to account for such transactions in line with IAS 8, Accounting policies, accounting estimates and errors; and the Conceptual Framework. The Group however elected to account for the transaction under IFRS 3 principles.

The purchase consideration, was taken as the market value of ASL shares issued to Dawn Properties shareholders on 20 January 2022, restated to December 2022 in line with IAS 29 - "Financial Reporting in Hyperinflationary Economies".

The following assets and liabilities were recognised at the date of acquisition:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Investment property	-	33 699 070 422	-	6 098 828 000
Property and equipment	-	229 309 416	-	42 916 623
Trade and other receivables	-	676 770 307	-	35 173 707
Inventories	-	2 812 545 178	-	139 026 302
Cash and cash equivalents	-	189 880 735	-	36 229 237
Assets held for sale	-	381 867 263	-	69 110 000
Total assets	**-**	**37 989 443 321**	**-**	**6 421 283 869**

The following assets and liabilities were recognised at the date of acquisition:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Interest bearing borrowings	-	(20 317 997)	-	(3 876 673)
Deferred lease income	-	(3 342 979)	-	(637 840)
Deferred income tax liabilities	-	(1 200 313 572)	-	(106 215 132)
Trade and other payables	-	(279 968 654)	-	(53 418 008)
Provisions	-	(8 901 285)	-	(1 698 365)
Income tax	-	(26 980 623)	-	(5 147 902)
Total liabilities	**-**	**(1 539 825 110)**	**-**	**(170 993 920)**
Total identifiable assets	**-**	**36 449 618 211**	**-**	**6 250 289 949**
Non-controlling interest	-	(3 217 319 360)	-	(551 697 928)
Fair value of non-monetary assets transferred as consideration	-	(3 688 148 110)	-	(703 698 516)
Gain on bargain purchase	**-**	**29 544 150 741**	**-**	**4 994 893 505**
Consideration paid in cash	-	-	-	-
Cash and cash equivalents in subsidiary acquired	-	189 880 735	-	36 229 237
Net cash inflow from acquisition of subsidiary	**-**	**189 880 735**	**-**	**36 229 237**

On the date of the transaction, Dawn Properties's net assets were significantly above the purchase consideration resulting in a gain on bargain purchase. The gain on bargain purchase was driven by fair value adjustments to investment property and property and equipment revaluations as at 31 December 2021. The swap ratios in the original offer was determined based on the 31 December 2019 net assets values as presented in the Group's circular to shareholders published on 22 September 2020. However subsequent to the determination of the swap ratio as at 31 December 2019 the nets assets of Dawn Properties were revalued as at 31 December 2021. The transaction took place on 20 January 2021 when the net assets had significantly increased above the purchase consideration. At the acquisition date, Dawn Properties did not have any contingent liabilities. In line with the IFRS 3, the difference between the purchases consideration and net assets acquired is recognized in profit and loss as a gain on bargain purchase.

12 Investments (continued)

12.4 Interest in joint operation

The Group has a 50% interest in The Victoria Falls Hotel Partnership through its 100% owned subsidiary, African Sun Zimbabwe (Private) Limited. The Victoria Falls Hotel is a leased hotel in Victoria Falls. The following amounts represent the Group's 50% share of the assets, liabilities, revenue and performance of the joint operation that are included in the Group consolidated statement of financial position and consolidated statement of comprehensive income:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Summarised statement of financial position of The Victoria Falls Hotel				
Assets				
Non-current assets				
Property and equipment	2 753 479 779	1 850 686 824	2 751 081 225	403 848 525
Right of use assets	29 878 110	31 177 158	880 466	918 746
Total non-current assets	**2 783 357 889**	**1 881 863 982**	**2 751 961 691**	**404 767 271**
Current assets				
Cash and cash equivalents	627 719 967	216 581 789	627 719 967	63 003 801
Trade and other receivables	222 239 184	52 882 442	220 685 447	15 087 490
Intercompany	(227 955 151)	(584 459 570)	(227 955 151)	(170 019 717)
Inventories	134 185 900	28 414 728	127 511 212	6 949 191
Total current assets	**756 189 900**	**(286 580 611)**	**747 961 475**	**(84 979 235)**
Total assets	**3 539 547 789**	**1 595 283 371**	**3 499 923 166**	**319 788 036**
Liabilities				
Non-current liabilities				
Lease liabilities	984 013	3 417 365	984 013	994 114
Total non-current liabilities	**984 013**	**3 417 365**	**984 013**	**994 114**
Current liabilities				
Trade and other payables	545 134 076	160 510 359	545 134 076	46 692 581
Provision for other liabilities	-	9 338 753	-	2 716 650
Total current liabilities	**545 134 076**	**169 849 112**	**545 134 076**	**49 409 231**
Total liabilities	**546 118 089**	**173 266 477**	**546 118 089**	**50 403 345**
Net assets	**2 993 429 700**	**1 422 016 894**	**2 953 805 077**	**269 384 691**
Summarised statement of comprehensive income of The Victoria Falls Hotel				
Revenue	2 165 949 219	480 784 792	1 762 986 074	120 061 163
Cost of sales	(435 145 297)	(98 588 765)	(344 412 745)	(23 584 466)
Gross profit	1 730 803 922	382 196 027	1 418 573 329	96 476 697
Operating expenses	(1 492 041 285)	(600 734 858)	(1 162 376 320)	(140 495 180)
Other income	470 684 719	52 860 740	349 095 449	11 166 993
Profit/(loss) before tax	**709 447 356**	**(165 678 091)**	**605 292 458**	**(32 851 490)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

12 Investments (continued)

12.5 Interest in Dawn Properties

The Group has a 100% interest in Dawn Properties Limited. Dawn Properties is a Zimbabwe-domiciled company in the real estate industry. It has investments in land and buildings across the country, including seven hotels that are leased to African Sun Zimbabwe (Private) Limited, a fellow subsidiary of the Group. The following amounts represent assets and liabilities, and sales and results of the subsidiary that was consolidated into the group financial statements.

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Summarised statement of financial position of Dawn Properties				
Assets				
Non-current assets				
Property and equipment	124 544 025	264 134 261	124 544 025	76 836 850
Investment property	62 683 000 000	49 531 673 183	62 683 000 000	14 408 800 000
Total non-current assets	**62 807 544 025**	**49 795 807 444**	**62 807 544 025**	**14 485 636 850**
Current assets				
Assets held for sale	3 077 553 034	638 590 005	3 062 023 402	185 766 300
Inventories	2 080 059 422	2 258 762 599	104 852 819	116 279 549
Trade receivables	234 403 477	314 157 844	205 283 319	75 491 640
Related party receivables	2 812 906 780	186 132 367	2 812 906 780	54 146 044
Cash and cash equivalents	283 263 596	709 472 941	283 263 596	206 386 198
Total current assets	**8 488 186 309**	**4 107 115 756**	**6 468 329 916**	**638 069 731**
Total assets	**71 295 730 334**	**53 902 923 200**	**69 275 873 941**	**15 123 706 581**
Liabilities				
Non-current liabilities				
Deferred lease income	833 625	3 521 596	833 625	1 024 435
Deferred tax liabilities	1 187 645 474	1 412 226 022	1 045 298 219	326 128 590
Total non-current liabilities	**1 188 479 099**	**1 415 747 618**	**1 046 131 844**	**327 153 025**
Current liabilities				
Trade and other payables	314 700 923	340 425 417	314 700 923	99 030 003
Provision for other liabilities	40 196 585	8 728 012	40 196 585	2 538 985
Deferred lease income	190 809	15 138 102	190 809	4 403 685
Income tax	228 255 080	50 548 185	228 255 080	14 704 504
Total current liabilities	**583 343 397**	**414 839 716**	**583 343 397**	**120 677 177**
Total liabilities	**1 771 822 496**	**1 830 587 334**	**1 629 475 241**	**447 830 202**
Net assets	**69 523 907 838**	**54 317 762 916**	**67 646 398 700**	**15 244 383 758**
Summarised statement of comprehensive income of Dawn Properties				
Revenue	2 775 866 862	1 765 289 733	2 064 878 029	426 262 677
Cost of sales	(152 082 156)	(546 881 422)	(10 668 072)	(24 076 583)
Gross profit	**2 623 784 706**	**1 218 408 311**	**2 054 209 957**	**402 186 094**
Operating expenses	(789 958 610)	(935 303 455)	(520 649 738)	(188 260 452)
Finance income/(costs)	842 810	(1 359 849)	280 184	(196 297)
Other income	14 896 822 615	15 640 736 455	52 038 931 921	8 455 491 540
Profit before tax	**16 731 491 521**	**15 922 481 462**	**53 572 772 324**	**8 669 220 885**

12 Investments (continued)

12.6 Non-controlling interest

The following table summarises the information relating to the Group's Dawn Properties subsidiary that have non-controlling interests ("NCI") before inter-company eliminations:

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Summarised statement of financial position				
Current assets	8 488 186 309	4 107 115 756	6 468 329 916	638 069 731
Current liabilities	(698 789 069)	(414 839 715)	(692 145 264)	(120 677 177)
Current net assets	**7 789 397 240**	**3 692 276 041**	**5 776 184 652**	**517 392 554**
Non-current assets	62 807 544 025	49 795 807 444	6 468 329 916	638 069 731
Non-current liabilities	(1 188 479 099)	(1 415 747 619)	(1 046 131 844)	(327 153 025)
Non-current net assets	**61 619 064 926**	**48 380 059 825**	**5 422 198 072**	**310 916 706**
Net assets	**69 408 462 166**	**52 072 335 866**	**11 198 382 724**	**828 309 260**
Accumulated NCI	**-**	**4 513 028 687**	**-**	**1 275 149 196**

Refer to note 12.1 for additional key financial information relating to Dawn Properties and African Sun Limited.

13 Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
All figures in ZWL	**31 December 2022**	**31 December 2021**	**31 December 2022**	**31 December 2021**
Property inventory	2 080 059 414	2 232 141 569	104 852 819	115 520 891
Food and beverage	652 335 573	506 324 820	632 417 493	123 148 364
Shop merchandise	10 843 469	7 938 007	9 743 775	1 852 691
Consumable stocks	552 502 566	344 114 349	513 881 474	78 426 310
Maintenance stocks	234 889 785	149 904 380	218 401 406	34 986 930
Total	**3 530 630 807**	**3 240 423 125**	**1 479 296 967**	**353 935 186**

Property inventory relates to residential stands under development and completed residential units which are currently being sold to customers.

The cost of inventories recognised as expenses and included in "cost of sales" amounted to ZWL 3 196 926 642 (2021: ZWL 2 175 565 885).

There were no items of inventory impaired during the year (2021 : ZWL nil)

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

14 Trade receivables

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Trade receivables - gross	1 997 273 313	933 119 304	1 997 273 313	271 445 089
Less: expected credit losses	(483 488 507)	(133 262 978)	(483 488 507)	(38 766 298)
Trade receivables - net	**1 513 784 806**	**799 856 326**	**1 513 784 806**	**232 678 791**

The gross carrying amounts of the Group's trade receivables are denominated in the following currencies:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Zimbabwe dollars	99 930 856	364 777 692	99 930 856	106 114 098
United States dollars	1 897 342 457	568 341 612	1 897 342 457	165 330 991

14.2 Expected credit losses on trade receivables

Movements on the Group's allowance for expected credit losses are as follows:

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
As at 1 January	133 262 978	210 263 833	38 766 298	38 053 363
Movement due to discontinued operations	53 247 255	-	39 357 873	-
Net impairment (losses)/reversal on financial assets	296 978 274	(77 000 855)	405 364 336	712 935
As at 31 December	**483 488 507**	**133 262 978**	**483 488 507**	**38 766 298**

14.3 Other financial assets

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Prepayments	1119 152 501	620 498 095	942 700 597	139 955 836
Other receivables	153 238 656	79 975 993	153 238 656	23 265 075
Receivables from related parties (note 31.2)	404 466 972	111 288 090	404 466 972	32 373 787
Staff receivables	101 810 296	65 518 206	101 810 296	19 059 294
Total other financial assets	**1778 668 425**	**877 280 384**	**1602 216 521**	**214 653 992**
Less :expected credit losses allowance	(96 850 761)	(43 563 163)	(96 850 761)	(12 672 556)
	1681 817 664	833 717 221	1505 365 760	201 981 436
Less non-current portion:				
Staff receivables	49 432 508	30 024 978	49 432 508	8 734 288
Current portion	**1632 385 156**	**803 692 243**	**1455 933 252**	**193 247 148**

All non-current receivables are due within five years from the end of the reporting year

The fair value of staff receivables (both current and non-current) is based on cash flows discounted using the Group average cost of borrowing of 35% (2021: 35%).

The loans relate to car loans and housing loans which are payable over 5 years.

The effective interest rates on non-current receivables were as follows:

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Receivables from related parties	35.00%	35.00%	35.00%	35.00%
Staff receivables	35.00%	35.00%	35.00%	35.00%

14.4 Expected credit losses on other receivables

Movements on the Group's allowance for expected credit losses are as follows:

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
As at 1 January	**43 563 163**	**18 815 298**	**3 405 175**	**92 945**
Allowance for expected credit losses	53 287 598	24 747 865	93 445 586	3 312 230
As at 31 December	**96 850 761**	**43 563 163**	**96 850 761**	**3 405 175**

15 Cash and cash equivalents

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Cash at bank and on hand	8 654 889 965	4 318 734 219	8 654 889 965	1 256 322 947
Short-term bank deposits	1 434	4 294	1 434	1 249
	8 654 891 399	**4 318 738 513**	**8 654 891 399**	**1 256 324 196**
The breakdown of cash at hand by currency are as follows:				
Zimbabwe dollars	827 648 518	1 192 302 853	827 648 518	346 841 773
United States dollars	7 395 122 730	2 984 333 770	7 395 122 730	868 144 879
South African rand	208 223 622	58 833 334	208 223 622	17 114 660
Botswana pula	-	40 725	-	11 847
Euro	223 855 967	83 206 618	223 855 967	24 204 866
Australian dollars	40 562	21 213	40 562	6 171
	8 654 891 399	**4 318 738 513**	**8 654 891 399**	**1 256 324 196**
			-	
The cash and cash equivalent balance is further separated as follows:				
ZWL account balance	827 648 518	1 192 302 853	827 648 518	346 841 773
Foreign currency account balance	7 827 242 881	3 126 435 660	7 827 242 881	909 482 423
	8 654 891 399	**4 318 738 513**	**8 654 891 399**	**1 256 324 196**

Included in cash and cash equivalents are balances with Banks. These balances are used for transacting on a daily basis.

16 Share capital and other capital reserves

16.1 Share capital

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Ordinary shares	1 474 357 553	1 423 517 220	1 474 357 553	1 423 517 220
Ordinary shares at ZWL 0.01 per share	1 869 959 857	1 868 827 066	14 743 576	14 235 172

The ordinary shares above are net treasury shares. Below is a detailed breakdown of the share capital:

16.1.1 Authorised share capital

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Authorised shares	1 700 000 000	1 700 000 000	1 700 000 000	1 700 000 000
Ordinary shares at ZWL 0.01 per share	17 000 000	17 000 000	17 000 000	17 000 000

The total authorised number of ordinary shares is 1.7 billion (2021: 1.7 billion) with a par value of ZWL0.01 per share. No additional shares were authorised for issue during the year ended 31 December 2022 (2021: 200 000 000).

16.1.2 Issued Shares

	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Fully paid ordinary shares	1 477 901 495	1 423 517 220	1 477 901 495	1 423 517 220
Ordinary shares at ZWL 0.01 per share	1 870 039 005	1 868 827 066	14 779 015	14 235 172

All issued shares are fully paid.

A total of 54 384 275 were issued during the year ended 31 December 2022 to the former shareholders of Dawn Properties (2021: 561 745 443).

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

16 Share capital and other capital reserves (continued)

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
16.1 Share capital (continued)				
16.1.3 Treasury shares				
Treasury shares	3 543 942	-	3 543 942	-
Ordinary shares at ZWL 0.01 per share	79 148	-	35 439	-
A total of 3 543 942 shares were withheld from form Dawn Properties shareholders in lieu of transaction costs paid on behalf of the shareholders. As at 31 December 2022, the shares were held as treasury shares.				
16.1.4 Unissued shares				
Ordinary shares	54 384 275	222 098 505	54 384 275	222 098 505
The unissued shares are under the control of the Directors, subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.				
16.1.5 Directors' shareholdings				
As of 31 December 2022, directors held a total of 16 210 shares directly in the company (2021: nil).				
16.2 Share premium				
Share premium (ZWL)	10 576 752 111	9 021 164 668	1 442 429 663	723 204 747
Share premium increased by a total of ZWL 1 555 587 443 during the year ended 31 December 2022 (2021: ZWL 3 658 706 520). The increase during the year relates to the acquisition of the remaining 8.83% (2021: 91.17%) of shares in Dawn Properties.				
16.3 Other capital reserves				
16.3.1 Revaluation reserve				
The asset revaluation reserve is used to record increases in the fair value of property and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The revaluation surplus net of deferred tax transferred to the revaluation reserve is as follows:				
As at 01 January	**16 095 955 212**	**4 708 784 132**	**7 554 302 096**	**1 449 830 089**
The movement in revaluation reserve is as follows:				
Revaluation - gross	20 023 832 547	15 822 418 058	55 739 792 262	8 507 243 036
Deferred tax	(4 684 011 336)	(3 627 562 933)	(13 037 013 500)	(1 977 458 566)
Revaluation surplus - net of tax	15 339 821 211	12 194 855 125	42 702 778 762	6 529 784 470
Revaluation surplus attributable to non-controlling interest	-	(807 684 045)	-	(425 312 463)
As at December	**31 435 776 423**	**16 095 955 212**	**50 257 080 858**	**7 554 302 096**

16 Share capital and other capital reserves (continued)

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
16.3 Other capital reserves (continued)				
16.3.2 Foreign currency translation reserve				
On consolidation, exchange differences arising from the translation of transactions and balances of foreign operations whose functional currencies are different to the Group's presentation currency are taken to the foreign currency translation reserve.				
Movements in FCTR during the year				
As at 01 January	5 997 978 307	5 936 134 489	394 634 158	379 230 453
Exchange differences on translation of foreign operations	245 279 930	61 843 818	237 391 968	15 403 705
As at December	**6 243 258 237**	**5 997 978 307**	**632 026 126**	**394 634 158**
17 Leases				
This note provides information for leases where the Group is a lessee.				
17.1 Amounts recognised in the statement of financial position				
The recognised right-of-use assets relate to the following type of assets				
Right of use assets				
Hotel buildings	3 377 352 092	1 653 845 373	1 034 974 163	236 922 134
Office buildings	92 824 762	79 133 967	40 835 190	16 952 977
Staff houses	216 718 253	226 140 785	6 386 317	6 663 983
Land	9 287 022	10 539 203	66 805	75 812
Total right of use assets	**3 696 182 129**	**1 969 659 328**	**1 082 262 475**	**260 614 906**
Amounts recognised in the statement of financial position				
Lease liabilities				
Non-current	1 226 345 582	933 027 885	1 226 345 582	271 418 495
Current	13 581 292	19 009 306	13 581 292	5 529 821
Total lease liabilities	**1 239 926 874**	**952 037 191**	**1 239 926 874**	**276 948 316**
17.2 Amounts recognised in the statement of profit or loss				
17.2.1 Depreciation charge for right of use assets				
Hotel buildings	64 123 277	39 973 427	35 124 186	9 015 510
Office buildings	11 161 766	11 740 431	7 489 592	2 742 996
Staff houses	504 267	1 231 702	277 666	277 666
Land	16 358	39 955	9 007	9 007
Total depreciation charge for right of use assets	**75 805 668**	**52 985 515**	**42 900 451**	**12 045 179**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

17 Leases (continued)

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
17.2.1 Depreciation charge for right of use assets (continued)				

The leases that were recognised as right of use assets were the following;

- Holiday Inn Bulawayo - hotel building;
- Holiday Inn Harare - hotel building;
- Central Office - office building;
- South Africa branch - office building;
- Sun Casino - building;
- Elephant Hills - golf course; and
- Victoria Falls - staff houses

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
17.2.2 Finance costs - lease liabilities				
Interest expense for leasing arrangements	**205 349 592**	**118 706 367**	**114 240 597**	**26 807 043**

The interest expense above relates to lease liabilities recognised for the above lease with fixed payments. There was no interest recognised for variable lease payments.

17.3 Lease payments not recognised as a liability

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Leases of low value assets	5 508 286	-	3 164 967	-
Variable lease payments	852 876 244	761 064 671	672 909 202	175 965 935
	858 384 530	**761 064 671**	**676 074 169**	**175 965 935**

Expense relating to variable lease payments not included in lease liabilities were expensed directly to the Statement of Comprehensive Income and included under operating expenses.

18 Trade and other payables

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Trade payables	4 158 217 504	2 027 719 296	4 158 217 504	589 865 028
Amounts due to related parties (note 31.2)	66 522 495	52 201 027	66 522 495	15 185 317
Statutory liabilities	422 114 530	392 113 771	422 114 530	114 066 183
Accruals	99 282 654	696 319 113	99 282 654	202 559 740
Guests deposits (note 24.2)	2 123 528 016	1 194 375 110	2 123 528 016	347 444 594
Other payables	268 871 430	(103 623 545)	268 871 430	(30 144 165)
Total trade and other payables	**7 138 536 629**	**4 259 104 772**	**7 138 536 629**	**1 238 976 697**

Statutory liabilities relate to Pay As You Earn ("PAYE"), pension obligations, Value Added Tax ("VAT"), and tourism levy outstanding at the end of the year 2022.

Accruals relate to heat, light, and water obligations, goods, and services provided received but yet to be settled. This does not include provisions made for possible obligations.

Guests deposits are amounts received from hotel guests in advance on or before the booking date for reservation and these amounts are utilised in the future while refunds can be made in certain instances subject to terms and condition of the Group policy on refunds. These amounts can only be recognised in revenue upon rendering goods and services to our customers.

Included in other payables are sundry creditors who provide other goods and services which do not form part of the direct costs and services of the business.

19 Current income tax liabilities

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
As at 01 January	**170 811 024**	**79 028 450**	**49 689 052**	**14 302 499**
Acquisitions	-	28 444 731	-	5 147 902
Current income tax charged to statement of comprehensive income (note 23.1)	1 495 999 525	552 680 658	1 481 488 401	159 693 983
Income tax charged to discontinued operations	118 310 257	-	118 310 257	-
2021 Income tax payments	(122 888 135)	(94 530 305)	(47 554 607)	(21 964 011)
Quarterly provisional payments("QPDs") for current year income tax	(1 563 383 274)	(401 318 797)	(1 425 999 981)	(108 490 839)
Income tax liability associated with discontinued operations	(13 799 088)	-	(13 799 088)	-
Effects of foreign currency translation	11 187 896	3 435 942	11 187 896	999 518
Effects of IAS 29 restatements	77 083 725	3 070 345	-	-
As at 31 December	**173 321 930**	**170 811 024**	**173 321 930**	**49 689 052**
Current income tax liabilities is further analysed by jurisdiction as follows:				
Payable to Zimbabwe Revenue Authority ("ZIMRA")	174 646 523	170 811 024	174 646 523	49 689 052
Payable to South African Revenue Services ("SARS")	(1 324 593)	-	(1 324 593)	-
Current income tax liabilities as at 31 December	**173 321 930**	**170 811 024**	**173 321 930**	**49 689 052**

The effects of restatements on the Inflation adjusted numbers is a result of the applying CPI index on QPDs paid during the year.

20 Provisions

Provisions are recorded when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate can be made of the amounts of the obligations. A reliable estimate is an amount the Group would rationally pay to settle the obligation at the reporting date.

All figures in ZWL	INFLATION ADJUSTED 1 January	Current provision	Utilised/ reversed provision	31 December
31 December 2022				
The provisions balance is made up of the following:				
Leave pay	115 360 885	46 968 708	-	162 329 593
Contractual claims	9 338 753	-	(9 338 753)	-
Other provisions	344 765 248	772 714 746	-	1 117 479 994
	469 464 886	**819 683 454**	**(9 338 753)**	**1 279 809 587**

All figures in ZWL	INFLATION ADJUSTED 1 January	Current provision	Utilised/ reversed provision	31 December
31 December 2021				
The provisions balance is made up of the following:				
Leave pay	(15 087 229)	130 448 114	-	115 360 885
Contractual claims	176 227 525	(2 181 830)	(164 706 942)	9 338 753
Claims from former employees	12 737 909	-	(12 737 909)	-
Other provisions	313 763 875	31 001 373	-	344 765 248
	487 642 080	**159 267 657**	**(177 444 851)**	**469 464 886**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

20 Provisions (continued)

All figures in ZWL	1 January	Current provision	Utilised/ reversed provision	31 December
	HISTORICAL COST			
31 December 2022				
The provisions balance is made up of the following:				
Leave pay	33 558 566	128 771 027	-	162 329 593
Contractual claim	2 716 650	-	(2 716 650)	-
Other provisions	100 292 463	1 017 187 531	-	1 117 479 994
	136 567 679	**1 145 958 558**	**(2 716 650)**	**1 279 809 587**

A case against one of the Group suppliers was settled during the year through an out-of-court settlement and a total of ZWL 2 716 560 was reversed during the year ended 31 December 2022.

All figures in ZWL	1 January	Current provision	Utilised/ reversed provision	31 December
	HISTORICAL COST			
31 December 2021				
The provisions balance is made up of the following:				
Leave pay	(2 730 473)	36 289 039	-	33 558 566
Contractual claim	31 893 502	631 665	(29 808 517)	2 716 650
Claims from former employees	2 305 295	-	(2 305 295)	-
Other provisions	56 784 709	43 507 754	-	100 292 463
	88 253 033	**80 428 458**	**(32 113 812)**	**136 567 679**

The Codet litigation was settled during the year in favour of the company and no further expenses were required to settle the litigation. The provision amount of ZWL 164 706 942 was reversed during the year ended 31 December 2022.

The Partnership case with its former employees was settled during the year through an out-of-court settlement and a total of ZWL 12 737 909 was reversed.

(a) Leave pay

This amount is the Group's liability to pay employees for their outstanding annual leave days. Current provision is included in the statement of comprehensive income under operating expenses.

(b) Contractual claim

The amount represents a provision payable to a counterparty arising from a service contract. The counterparty has made an additional claim against the Group. After obtaining legal advice, the outcome of the legal claim will not give rise to any loss beyond the provision provided for the outcome of the legal claim.

(c) Claims from former employees

The Victoria Falls Hotel Partnership, in which the Group has 50% joint control, was a defendant in a legal case involving 69 dismissed employees. The employees were dismissed following their involvement in an illegal industrial action. The case was settled in full during the year ended 2021 through an out-of-court settlement.

(d) Other provisions

This amount include provision for exit costs from all foreign entities and interest on contractual obligations.

21 Deferred lease income

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Non-current portion of deferred lease income	833 625	3 521 598	833 625	1 024 435
Current portion of deferred lease income	190 809	15 138 102	190 809	4 403 685
Total deferred lease income	**1 024 434**	**18 659 700**	**1 024 434**	**5 428 120**
As at 1 January	18 659 700	-	5 428 120	-
Acquisition of subsidiary	-	2 192 638	-	637 840
Additions	-	17 293 915	-	5 030 812
Amortised in the current year	(17 635 266)	(826 853)	(4 403 686)	(240 532)
As at 31 December	**1 024 434**	**18 659 700**	**1 024 434**	**5 428 120**

Deferred lease income relates to timeshare contract sales that are spread over the contract year.

22 Equity settled share based payment reserve

In terms of the Group's share option scheme rules, options were granted on 19 March 2021 and were recognised at fair value. The Group recognised an additional expense of ZWL 22 945 244 in respect of share options granted. The options granted vest after 3 years and, accordingly, the fair value will be amortised over that year. The board resolved to accelerate the vesting of the share options for the two executives who resigned during the year ended 31 December 2022. In line with the share options scheme rules, the Group expensed immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting year.

All figures in ZWL	Number of Share Options Grante	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
As at 01 January	30 162 012	138 093 423	56 841 620	28 803 334	8 043 669
Employee share-based compensation for the year	-	22 945 244	81 251 803	15 522 755	20 759 665
As at 31 December	**30 162 012**	**161 038 667**	**138 093 423**	**44 326 089**	**28 803 334**
Exercisable at the end of the year	**19 777 662**	**91 978 318**	**91 978 318**	**20 919 061**	**19 777 662**

All options expire, if not exercised, four years after the date of grant.

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

23 Income taxes

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Current income tax:				
Income tax on current year profits	1 495 999 525	1 481 488 401	1 481 488 401	159 693 983
Deferred tax:	-	-	-	-
Originating and reversal of temporary differences	(682 294 883)	(463 608 224)	(463 608 225)	(205 650 676)
Income tax expense	**813 704 642**	**1 017 880 177**	**1 017 880 176**	**(45 956 693)**

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Profit before tax	**8 446 158 480**	**33 589 585 020**	**18 084 358 580**	**7 465 629 914**
Tax calculated at domestic tax rates applicable to profits in the respective countries	14 389 561 129	7 452 765 072	14 389 561 129	2 168 014 817
Tax effects of:				
Income not subject to tax and non-deductible expenses:				
Fair value adjustment on investment property	(11 918 876 028)	(7 579 862 690)	(11 918 876 028)	(2 204 987 607)
Unrealised exchange gain on monetary assets	(1 801 008 173)	(125 982 051)	(1 801 008 173)	(36 648 271)
gain from the disposal of property and equipment	(31 567 942)	12 430 484	(31 567 942)	3 616 037
Fair value adjustment on biological assets	(24 001 502)	(76 195 869)	(24 001 502)	(22 165 434)
Reversal of provisions	95 164 332	6 622 042	95 164 332	1 926 357
Unrecognised tax losses	163 333 338	-	163 333 338	-
Penalty and interest on taxes	1 259 570	9 690 897	1 259 570	2 819 089
Intermediary transaction tax	131 635 126	50 754 812	131 635 126	14 764 612
Equity settled share based payments costs	3 837 225	17 641 032	3 837 225	5 131 789
Finance costs Lease liabilities	28 240 276	22 847 942	28 240 276	6 646 483
Depreciation on right of use assets	10 640 577	10 558 698	10 640 577	3 071 533
Donations	13 769 497	4 280 921	13 769 497	1 245 323
Staff meals	68 779 346	41 238 490	68 779 346	11 996 307
Effects of restatement	(204 175 534)	274 268 048	-	-
Other (non-taxable)/non-deductible items	(112 886 595)	(4 770 451)	(112 886 595)	(1 387 728)
Income tax expense	**813 704 642**	**116 287 377**	**1 017 880 176**	**(45 956 693)**

The weighted average applicable tax rate was 9.63% (2021: 0.34%).

The applicable tax rates in the different countries for the year were, Zimbabwe 24.72% (2021: 24.72%); South Africa 28% (2021:28%)

23 Income taxes (continued)

23.1 Deferred taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
23.2.1	**The analysis of deferred tax assets and deferred tax liabilities is as follows:**				
	Deferred tax assets to be recovered within 12 months	843 465 994	440 471 194	977 517 726	132 184 509
	Deferred tax liabilities:				
	Deferred tax liabilities to be recovered within 12 months	(10 944 345 865)	(6 586 432 811)	(15 595 954 367)	(2 270 540 626)
23.2.2	**The net movement on the deferred tax account is as follows:**				
	As at 1 January 2022	(6 145 961 618)	(1 754 826 222)	(2 138 356 117)	(260 333 101)
	Acquisitions	-	(1 200 313 572)	-	(106 215 132)
	(Charged)/credited to statement of comprehensive income	(3 954 918 253)	(3 190 821 823)	(12 480 080 524)	(1 771 807 884)
	As at 31 December 2022	**(10 100 879 871)**	**(6 145 961 617)**	**(14 618 436 641)**	**(2 138 356 117)**
23.2.3	**Analysis of deferred tax movement**				
	Movement charged to profit or loss	682 294 883	436 393 281	463 608 224	205 650 676
	Movement charged to other comprehensive income	3 272 623 370	2 754 428 543	12 016 472 298	1 566 157 208
		3 954 918 253	**3 190 821 824**	**12 480 080 522**	**1 771 807 884**
	Deferred tax by tax jurisdiction is further analysed below				
23.2.4	**Attributable to Zimbabwean tax jurisdiction**				
	Deferred tax assets	819 599 213	420 882 804	953 650 945	126 486 232
	Deferred tax liabilities	(10 942 412 665)	(6 579 538 115)	(15 594 021 167)	(2 270 298 201)
	Deferred tax liabilities	**(10 122 813 452)**	**(6 158 655 311)**	**(14 640 370 222)**	**(2 143 811 969)**
23.2.5	**Attributable to South African tax jurisdiction**				
	Deferred tax assets	23 866 781	19 588 390	23 866 781	5 698 277
	Deferred tax liabilities	(1 933 200)	(6 894 696)	(1 933 200)	(242 425)
	Deferred tax	**21 933 581**	**12 693 694**	**21 933 581**	**5 455 852**
	Net deferred tax liabilities	**(10 100 879 871)**	**(6 145 961 617)**	**(14 618 436 641)**	**(2 138 356 117)**

AFRICAN SUN LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

23 Income taxes (continued)

23.2.6 The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	INFLATION ADJUSTED							
All figures in ZWL	**Accelerated tax depreciation**	**Leases**	**Subject to capital gainstax**	**Prepaid Expenses**	**Consumables**	**Property Inventory**	**Other**	**Total**
Deferred tax liabilities								
Year ended 31 December 2021								
As at 1 January 2021	(1 932 444 482)	(133 813 706)	(99 611 355)	(40 796 553)	(77 846 937)	-	(3 789 344)	**(2 288 302 377)**
Acquisition of subsidiary	(88 285 625)	-	(490 440 010)	(118 880 347)	(9 616 865)	(496 725 432)	-	**(1 203 948 279)**
Credit/(charged) to statement of comprehensive income	(337 153 166)	(117 696 091)	(2 766 912 540)	138 729 613	40 120 648	(55 059 965)	3 789 344	**(3 094 182 157)**
As at 31 December 2021	**(2 357 883 273)**	**(251 509 797)**	**(3 356 963 905)**	**(20 947 287)**	**(47 343 154)**	**(551 785 397)**	**-**	**(6 586 432 813)**
Year ended 31 December 2022								
As at 1 January 2022	(2 357 883 273)	(251 509 797)	(3 356 963 905)	(20 947 287)	(47 343 154)	(551 785 397)	-	**(6 586 432 813)**
(Charged)/credit to statement of comprehensive income	(4 681 181 486)	(355 655 838)	348 847 245	(15 473 120)	28 524 501	317 025 646	-	**(4 357 913 052)**
As at 31 December 2022	**(7 039 064 759)**	**(607 165 635)**	**(3 008 116 660)**	**(36 420 407)**	**(18 818 653)**	**(234 759 751)**	**-**	**(10 944 345 865)**
	HISTORICAL COST							
Deferred tax liabilities								
Year ended 31 December 2021								
As at 1 January 2021	(339 382 534)	-	18 027 575	-	-	-	(36 740 941)	**(358 095 900)**
Acquisition of subsidiary	(17 398 226)	-	(88 759 400)	(628 654)	(90 322)	-	-	**(106 876 602)**
(Charged)/credit to statement of comprehensive income	(371 896 651)	-	(1 469 185 753)	628 654	(1 855 315)	-	36 740 941	**(1 805 568 124)**
As at 31 December 2021	**(728 677 411)**	**-**	**(1 539 917 578)**	**-**	**(1 945 637)**	**-**	**-**	**(2 270 540 626)**
Year ended 31 December 2022								
As at 1 January 2022	(728 677 411)	-	(1 539 917 578)	-	(1 945 637)	-	-	**(2 270 540 626)**
(Charged)/credit to statement of comprehensive income	(2 307 797 680)	-	(11 014 016 428)	-	1 945 637	-	(5 545 269)	**(13 325 413 740)**
As at 31 December 2022	**(3 036 475 091)**	**-**	**(12 553 934 006)**	**-**	**-**	**-**	**(5 545 269)**	**(15 595 954 366)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

23 Income taxes (continued)

23.3 Deferred taxes

All figures in ZW	INFLATION ADJUSTED Assessed tax losses	Unrealised Exchange Losses	Other	Total
Deferred tax assets				
Year ended 31 December 2021				
Restated as at 1 January 2021	409 027 506	61 942 886	62 505 759	**533 476 151**
Credited to statement of comprehensive income	(346 190 920)	261 479 287	(8 293 324)	**(93 004 957)**
As at 31 December 2021	**62 836 586**	**323 422 173**	**54 212 435**	**440 471 194**
Year ended 31 December 2022				
Restated As at 1 January 2022	62 836 586	323 422 173	54 212 435	**440 471 194**
Credit(charged) to statement of comprehensive income	(39 146 205)	365 461 845	76 679 160	**402 994 800**
As at 31 December 2022	**23 690 381**	**688 884 018**	**130 891 595**	**843 465 994**

All figures in ZW	HISTORICAL COST Assessed tax losses	Unrealised Exchange Losses	Other	Total
Year ended 31 December 2021				
Restated as at 1 January 2021	74 025 437	11 210 369	12 526 991	**97 762 797**
Credited to statement of comprehensive income	(55 746 228)	82 873 378	7 294 562	**34 421 712**
As at 31 December 2021	**18 279 209**	**94 083 747**	**19 821 553**	**132 184 509**
Year ended 31 December 2022				
Restated As at 1 January 2022	18 279 209	94 083 747	19 821 553	**132 184 509**
Charged to statement of comprehensive income	5 411 172	594 800 271	245 121 774	**845 333 217**
As at 31 December 2022	**23 690 381**	**688 884 018**	**264 943 327**	**977 517 726**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. Based on forecasts, Directors are of the opinion that, the taxable profits will offset the current deferred tax asset. Unrecognised tax losses for the Group as of the end of the year 2022 amounted to ZWL 163 333 338 (2021: ZWL nil). These relate to the holding company and Dawn Properties' subsidiaries.

24 Revenue from contracts with customers

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	31 December 2021	HISTORICAL COST 31 December 2022	31 December 2021
The Group has recognised the following amounts relating to revenue in the statement of statement of comprehensive income:				
Revenue from contracts with customers	31 765 894 619	14 861 175 038	23 627 679 734	3 631 824 362
Gaming income	51 021 902	18 551 218	42 763 684	4 463 630
Total revenue	**31 816 916 521**	**14 879 726 256**	**23 670 443 418**	**3 636 287 992**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

24 Revenue from contracts with customers (continued)

24.1 Disaggregation of revenue from contracts with customers

All figures in ZW	INFLATION ADJUSTED Sale of room nights	Sale of food and beverages	Management fees and commissions	Conferencing	Property development	Valuation and consultants services	Other income	Total
Year ended 31 December 2022								
The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:								
Segment revenue	16 409 430 622	11 262 470 095	383 160 554	725 982 664	2 775 866 862	-	2 844 913 456	**34 401 824 253**
Inter-segment								
Intersegment transactions	-	-	(383 160 554)	-	(2 248 233 964)	-	(4 535 116)	**(2 635 929 634)**
Revenue from external customers	**16 409 430 622**	**11 262 470 095**	**-**	**725 982 664**	**527 632 898**	**-**	**2 840 378 340**	**31 765 894 619**
Timing of revenue recognition								
At a point in time	16 409 430 622	11 262 470 095	-	725 982 664	509 997 634	-	2 840 378 340	**31 748 259 355**
Overtime	-	-	-	-	17 635 264	-	-	**17 635 264**
Revenue from external customers	**16 409 430 622**	**11 262 470 095**	**-**	**725 982 664**	**527 632 898**	**-**	**2 840 378 340**	**31 765 894 619**
Year ended 31 December 2021								
Segment revenue	6 907 780 171	5 404 459 424	152 188 878	266 782 440	1 430 318 964	334 970 769	1 406 777 032	**15 903 277 678**
Intersegment transactions	-	-	(152 188 878)	-	(887 601 994)	-	(2 311 768)	**(1 042 102 640)**
Revenue from external customers	**6 907 780 171**	**5 404 459 424**	**-**	**266 782 440**	**542 716 970**	**334 970 769**	**1 404 465 264**	**14 861 175 038**
Timing of revenue recognition								
At a point in time	6 907 780 171	5 404 459 424	-	266 782 440	541 890 117	334 970 769	1 404 465 264	**14 860 348 185**
Overtime	-	-	-	-	826 853	-	-	**826 853**
Revenue from external customers	**6 907 780 171**	**5 404 459 424**	**-**	**266 782 440**	**542 716 970**	**334 970 769**	**1 404 465 264**	**14 861 175 038**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

24 Revenue from contracts with customers (continued)

24.1 Disaggregation of revenue from contracts with customers (continued)

	HISTORICAL COST							
All figures in ZW	**Sale of room nights**	**Sale of food and beverages**	**Management fees and commissions**	**Conferencing**	**Property development**	**Valuation and consultants services**	**Other income**	**Total**
Year ended 31 December 2022								
The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:								
Segment revenue	12 178 096 466	8 400 100 100	278 803 746	539 377 365	2 064 878 029	-	2 133 984 361	**25 595 240 067**
Inter-segment transactions	-	-	(278 803 746)	-	(1 684 624 656)	-	(4 131 931)	**(1 967 560 333)**
Revenue from external customers	**12 178 096 466**	**8 400 100 100**	**-**	**539 377 365**	**380 253 373**	**-**	**2 129 852 430**	**23 627 679 734**
Timing of revenue recognition								
At a point in time	12 178 096 466	8 400 100 100	-	539 377 365	375 849 687	-	2 129 852 430	**23 623 276 048**
Overtime	-	-	-	-	4 403 686	-	-	**4 403 686**
Revenue from external customers	**12 178 096 466**	**8 400 100 100**	**-**	**539 377 365**	**380 253 373**	**-**	**2 129 852 430**	**23 627 679 734**
Year ended 31 December 2021								
Segment revenue	1 680 730 794	1 327 906 543	36 193 044	66 528 706	349 901 812	76 360 865	349 000 249	**3 886 622 013**
Inter-segment transactions	-	-	(36 193 044)	-	(214 766 853)	(3 324 563)	(513 191)	**(254 797 651)**
Revenue from external customers	**1 680 730 794**	**1 327 906 543**	**-**	**66 528 706**	**135 134 959**	**73 036 302**	**348 487 058**	**3 631 824 362**
Timing of revenue recognition								
At a point in time	1 680 730 794	1 327 906 543	-	66 528 706	134 894 427	73 036 302	348 487 058	**3 631 583 830**
Overtime	-	-	-	-	240 532	-	-	**240 532**
Revenue from external customers	**1 680 730 794**	**1 327 906 543**	**-**	**66 528 706**	**135 134 959**	**73 036 302**	**348 487 058**	**3 631 824 362**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

24 Revenue from contracts with customers (continued)

24.2 Liabilities related to contracts with customers

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
The Group has recognised the following liabilities related to contracts with customers:				
As at 01 January	1 194 375 110	750 931 269	347 444 594	135 902 878
Revenue recognised in 2022 that was included in the contract liability balance in 2022	(1 194 375 110)	(750 931 269)	(347 444 594)	(135 902 878)
Contract liability recognised during the year	2 123 528 016	1 194 375 110	2 123 528 016	347 444 594
As at 31 December	**2 123 528 016**	**1 194 375 110**	**2 123 528 016**	**347 444 594**

25 Employee pension costs

The Group and all employees contribute to one or more of the following independently administered defined contribution pension funds:

(a) Brainwork Group Pension Fund - Zimbabwe

This fund is a defined contribution scheme. All employees, except those who are members of the Catering Industry and Pension Fund are members of this fund.

(b) Catering Industry Pension Fund - Zimbabwe

This is a defined contribution scheme which covers employees in specified occupations of the catering industry. The majority of employees of African Sun Limited are members of this fund.

(c) Provident Fund- South Africa

The Branch which is resident in South Africa has a defined contribution provident fund, of which full time employees of the Branch are members.

(d) National Social Security Authority Scheme (NSSA) - Zimbabwe

The Group and all its employees based in Zimbabwe contribute to the National Social Security Authority Scheme, promulgated under the National Social Security Act (Chapter 14:17).The Group's obligations under this scheme are limited to specific contributions legislated from time to time.

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Employee pension costs				
Group contributions to the plans during the year charged to the income statement amounted to;				
African Sun Limited Pension Fund	93 137 516	1 520 446	58 383 267	236 310
Catering Industry Pension Fund	26 931 999	1 124 655	18 977 164	237 720
Unemployment Insurance Fund - South Africa	294 740	347 239	215 487	46 810
Provident Fund - South Africa	3 627 086	2 207 110	2 491 843	320 691
National Social Security Authority Scheme	124 131 161	4 117 580	95 419 195	863 553
	248 122 502	**9 317 030**	**175 486 956**	**1 705 084**

26 Other income and expenses

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
26.1 Other income				
Sundry income	1 099 244	162 470 288	692 447	39 857 351
Fair value adjustment on investments property	2 498 406 411	4 000 578 905	10 746 312 123	2 143 685 296
Fair value adjustment on biological assets	-	248 258 234	97 093 454	89 665 994
Gain on disposal of subsidiary	24 891 213		19 902 960	
Foreign exchange gain	5 361 786 345	509 342 070	3 705 630 179	125 965 354
	7 886 183 213	**4 920 649 497**	**14 569 631 163**	**2 399 173 995**
Other income primarily consists of income received, not in the ordinary course of the business and not accounted for under IFRS 15, Revenue from contracts with customers.				
26.2 Other expenses				
Loss from sale of property and equipment	6 798 556	32 284 370	6 756 368	2 301 607
Fair value adjustment of biological assets	191 499 247	-	-	-
Loss from sale of investment property	210 758 881	-	48 299 049	-
	409 056 684	**32 284 370**	**55 055 417**	**2 301 607**

27 Expenses by nature

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
27.1 Cost of Sales				
Inventory recognised in cost of sales	3 196 926 642	2 175 565 885	2 311 985 324	382 412 017
Outside laundry in cost of sales	239 041 153	110 442 266	182 489 420	27 048 731
Employee costs in costs of sales	3 742 687 487	1 497 861 895	2 721 046 923	364 223 084
Other cost of sales	1 457 118 151	768 158 114	1 133 242 089	189 190 002
	8 635 773 433	**4 552 028 160**	**6 348 763 756**	**962 873 834**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

27 Expenses by nature (continued)

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
27.2 Operating expenses				
Employee costs in operating expenses	5 725 812 330	2 796 033 508	4 176 397 370	688 572 984
Equity settled share based payments	22 945 244	81 251 803	15 522 755	20 759 665
Directors' fees	111 980 859	81 972 812	90 377 835	19 608 958
Depreciation, usage and amortization (note 8)	2 998 538 327	2 059 936 561	2 090 093 768	438 439 341
Depreciation-right of use asset (note 17.2)	75 805 668	52 985 515	42 900 451	12 045 179
Sales and marketing	491 104 658	242 130 185	399 151 517	60 592 989
Operating lease costs: Variable lease expenses	852 876 244	761 064 671	672 909 202	175 965 935
Audit fees and other professional services;	126 199 310	120 249 821	87 516 555	28 631 203
Repairs and maintenance	834 761 014	502 488 938	639 698 820	121 225 275
Heat, light and water	1 329 663 260	772 097 159	1 038 622 022	180 425 073
Council rates	228 607 227	211 800 914	180 718 891	47 744 972
Franchise fees	909 948 565	379 977 091	687 257 970	88 239 384
Insurance	258 834 765	194 877 072	195 892 390	47 736 850
Licenses	181 859 777	119 314 406	131 358 218	27 653 031
Vehicle running expenses	173 393 445	94 232 688	109 854 680	20 284 671
Security	441 544 320	276 219 040	322 824 891	64 619 845
Bank charges	198 062 684	116 950 005	140 998 898	25 091 858
Transaction tax	651 509 613	244 731 928	520 835 933	59 669 383
Consultancy costs	64 153 657	71 102 595	35 644 500	17 753 684
Legal expenses	31 796 760	78 610 342	22 389 693	18 630 336
Subscriptions	87 188 788	70 962 039	63 874 318	16 145 194
Commissions	39 829 693	21 253 150	30 468 060	5 113 711
Travel expenses	168 040 744	61 451 035	123 453 760	14 977 145
Other	1 635 935 151	1 449 427 291	1 260 212 740	321 892 526
	17 640 392 103	**10 861 120 569**	**13 078 975 237**	**2 521 819 192**
Total cost of sales and operating expenses	**26 276 165 536**	**15 413 148 729**	**19 427 738 993**	**3 484 693 026**

28 Finance costs and income

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
28.1 Finance income				
Interest income on bank deposits	39 716 994	311 766	23 481 735	72 436
Interest on other receivables at amortised cost	1 441 404	1 694 382	571 851	421 940
	41 158 398	**2 006 148**	**24 053 586**	**494 376**
28.2 Finance costs				
Interest costs on bank borrowings	-	(3 054 231)	-	(618 237)
Interest on overdue accounts	(138 667 849)	(163 343 961)	(83 924 658)	(40 819 725)
	(138 667 849)	**(166 398 192)**	**(83 924 658)**	**(41 437 962)**
Net financing costs for the year	**(97 509 451)**	**(164 392 044)**	**(59 871 072)**	**(40 943 586)**

29 Earnings/(loss per share

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
(i) Earnings per share				
Basic and diluted earnings attributable to owners of parent (ZWL cents)	490	2 317	1 130	507
(ii) Normalised earnings per share				
Normalise basic and diluted earnings/(loss) per share (ZWL cents)	490	242	1 130	156
(iii) Reconciliation of normalised earnings used in calculating earnings per share is as follows;				
Earnings attributable to owners of the parent	7 220 547 820	32 985 272 361	16 655 966 860	7 213 447 802
Adjustments for: Gain on bargain purchase (note 12)	-	(29 544 150 741)	-	(4 994 893 505)
Normalised earnings attributable to owners of the parent	**7 220 547 820**	**3 441 121 620**	**16 655 966 860**	**2 218 554 297**
Weighted average number of shares used as the denominator	**Number**	**Number**	**Number**	**Number**
Weighted average number of shares used as the denominator				
Number of shares in issue	1 474 357 553	1 423 517 220	1 474 357 553	1 423 517 220
Weighted average number of shares in issue for basic and diluted earnings per share	1 474 357 553	1 423 517 220	1 474 357 553	1 423 517 220

For the purpose of basic earnings per share, the weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time weight factor. The time weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in a year.

Weighted average number of shares for diluted earnings are calculated by adjusting the weighted number of ordinary shares with the potentially dilutive ordinary shares. As at 31 December 2022 there were no potential dilutive share options (2021: nil).

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Net asset value per share (cents)				
Net assets	85 605 207 671	59 566 445 674	75 918 801 778	15 939 848 288
Number of ordinary shares in issue	1 474 357 553	861 771 777	1 474 357 553	861 771 777
Net asset value per share	**5 806**	**6 912**	**5 149**	**1 850**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

30 Summary of cashflow workings

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
30.1 Cash generated from operations				
Profit before tax	**8 236 701 470**	**33 589 585 020**	**17 869 347 875**	**7 465 629 914**
Adjustments for non-cash items:				
Depreciation and hotel equipment usage (note 8)	3 256 997 443	2 059 936 561	2 294 482 178	438 439 341
Depreciation: right of use assets	76 067 106	52 985 515	43 044 407	12 045 179
Loss from disposal of equipment and investment property	217 692 945	32 284 370	55 121 444	2 301 607
Provision expenses/(reversal)	811 376 814	(27 078 478)	1 143 241 908	46 616 281
Fair value adjustment on biological assets (note 9)	191 499 247	(248 258 234)	(97 093 454)	(89 665 994)
Fair value adjustment on investments property (note 10)	(2 498 406 411)	(4 000 578 905)	(10 746 312 123)	(2 143 685 296)
Foreign exchange gains	(4 551 277 219)	(509 342 070)	(3 039 376 901)	(125 965 354)
Equity settled share based payments costs (note 22)	22 945 244	81 251 803	15 522 755	20 759 665
Monetary loss - effects of restatement (IAS 29)	3 563 581 368	78 662 954	-	-
Impairment loss on assets held for sale (note 11)	-	61 152 785	-	-
Gain from disposal of subsidiary	(24 891 213)	-	(19 902 960)	-
Gain on bargain purchase (note 12)	-	(29 544 150 741)	-	(4 994 893 505)
Finance cost-lease liabilities (note 17)	205 727 538	118 706 367	114 618 543	26 807 043
Finance costs net	96 532 341	164 392 044	82 276 768	40 943 586
Cash generated from operations before changes in working capital	**9 604 546 673**	**1 909 548 991**	**7 714 970 440**	**699 332 467**
Changes in working capital:				
Inventories				
-Decrease/(Increase) in inventories	(304 089 315)	426 266 806	(1 127 406 424)	(117 319 522)
Current trade receivables ,financial assets and trade and other payables	1 276 025 236	(122 857 418)	3 277 384 540	186 990 589
-Decrease/(Increase) in current trade receivables	(1 651 378 326)	213 931 899	(2 670 147 097)	(217 475 726)
-(Decrease)/Increase in current trade payables	2 927 403 562	(336 789 317)	5 947 531 637	404 466 315
Cash generated from operations	**10 576 482 594**	**2 212 958 379**	**9 864 948 556**	**769 003 534**
30.2 Proceeds from disposal of property and equipment				
Cost of property and equipment disposed of	155 633 415	120 478 088	97 360 715	21 858 380
Accumulated depreciation of property and equipment disposed	(84 963 501)	(87 986 344)	(52 849 267)	(16 018 808)
Net book value	70 669 914	32 491 744	44 511 448	5 839 572
Loss on disposal of property and equipment	(6 798 556)	(18 729 235)	(6 756 368)	(2 301 607)
Cash proceeds from disposal of property and equipment	**63 871 358**	**13 762 509**	**37 755 080**	**3 537 965**

31 Related party transactions

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
31.1 Other related party transactions				
The following transactions occurred with related parties during the year				
Variable lease expenses charged by Dawn Properties	2 248 233 964	871 131 272	1 684 624 656	214 766 853
Consultancy fee paid to Dawn Properties	135 157 172	7 280 250	72 372 004	991 391
Management fees charge to African Sun Zimbabwe (Private) Limited	166 135 217	70 015 585	122 406 486	17 141 685
Compensation to key management personnel	111 980 859	81 972 812	90 377 835	19 608 958

Related party transactions are further explained below;

(a) Variable lease expenses payable to Dawn Properties

Lease rentals relate to the leases of 7 hotels leased from Dawn Properties a subsidiary of the Company. This is an intercompany transaction that is eliminated at consolidation.

- Elephant Hills Resort and Conference Centre - hotel building;
- Monomotapa Hotel - hotel building;
- Caribbea Bay Resort - hotel building;
- Hwange Safari Lodge - hotel building;
- Troutbeck Resort - hotel building;
- Great Zimbabwe Hotel - hotel building; and
- Holiday Inn Mutare - hotel building;

All the 7 leases were determined to be variable leases because the rentals are based on a percentage of revenue generated by the Group, and there are no base rentals, as a result no right of use assets have been recognised on these leases and the Group continues to recognise these leases as an expense in profit or loss on a straight-line basis.

(b) Consultancy fees paid to Dawn Properties

Consultancy fees relate to charges for revaluation services provided by Dawn Properties to conduct a valuation of property and equipment. This intercompany transaction was eliminated at consolidation.

(c) Management fees charge to African Sun Zimbabwe (Private) Limited

This charge relates to management fees charged to African Sun Hotels for services offered by African Sun Limited executive management. This charge is eliminated at consolidation as an intercompany transaction.

(d) Key management compensation

Key management includes directors, Human Resources Executive, the Company Secretary and Governance Executive, and Legal Executive. The compensation paid or payable to key management for employee services is as shown below:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Salaries and other short term employee benefits	-	-	-	-
Non-executive directors' fees	111 980 859	81 972 812	90 377 835	19 608 958
	111 980 859	**81 972 812**	**90 377 835**	**19 608 958**

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

31 Related party transactions (continued)

31.2 Year end balances arising from transactions with related parties

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
(a) Payables to related parties				
Meikles Hospitality (Private) Limited	66 522 495	47 539 066	66 522 495	13 829 149
Arden Capital Management (Private) Limited	-	4 661 961	-	1 356 168
	66 522 495	**52 201 027**	**66 522 495**	**15 185 317**

Payable balance to Meikles Hospitality relates to costs recovery charged to The Victoria Falls Hotel ("Partnership").

Balance due to Arden Capital Management (Private) Limited relates to secretarial fees offered to Dawn Properties.

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
(b) Receivables from related parties				
(i) Short-term receivable				
Arden Capital Management (Private) Limited	-	56 173 344	-	16 340 867
Meikles Hospitality (Private) Limited	404 466 972	55 114 746	404 466 972	16 032 920
	404 466 972	**111 288 090**	**404 466 972**	**32 373 787**

Receivables from Arden Capital Limited arose from a short-term loan extended during the year ended 31 December 2021. This balance was settled in full during the year ended 31 December 2021.

Receivable from Meikles Hospitality Limited relates to 50% of amounts owed by The Victoria Falls Hotel to other African Sun Hotels. The balance arose as cost recovery charges from other hotels in the Group for payments made on 'behalf of that hotel. This balance does not accrue interest and is usually netted off with other payments in the course of the business.

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
(ii) Long-term receivable				
Loans to executive management	**85 632 647**	**20 535 992**	**85 632 647**	**5 973 935**

The receivables from executives arose from housing and car loans advanced to them as part of their remuneration and contract of employment. Housing and car loans are payable over a 5-year period in 60 equal installments and no interest is charged. The loans are denominated in United States Dollars and bears interest of 8% per annum.
The balance on loans to executives is analysed below:

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
As at 1 January	**20 535 992**	**13 485 116**	**5 973 935**	**2 440 524**
Housing and car loans advanced during the year	96 450 118	19 191 681	86 668 596	4 373 705
Housing and car loans repaid during the year	(7 539 100)	(3 612 153)	(7 009 884)	(840 294)
Restatement effects	(23 814 362)	(8 528 652)	-	-
As at 31 December	**85 632 647**	**20 535 992**	**85 632 647**	**5 973 935**

Receivables from related parties are discounted using the Group's average cost of borrowing of 35% (2021 : 35%)

32 Commitments

All figures in ZWL	INFLATION ADJUSTED 31 December 2022	INFLATION ADJUSTED 31 December 2021	HISTORICAL COST 31 December 2022	HISTORICAL COST 31 December 2021
Capital expenditure				
Authorised by Directors and contracted for	1 809 735 000	32 960 563	1 809 735 000	9 588 252
Authorised by Directors but not contracted for	5 110 317 915	3 740 848 888	5 110 317 915	1 088 215 681
	6 920 052 915	**3 773 809 451**	**6 920 052 915**	**1 097 803 933**

Capital expenditure relates to hotel properties refurbishments acquisition of property and equipment. The greater part of capital expenditure will be financed from cash generated from operations and debt finance.

33 Events after the reporting date

33.1 Dividend

Subsequent to year-end, the Board resolved to declare a final dividend of 0.073027 US cents per share amounting to a total of USD 1 079 273 with respect to the year ended 31 December 2022.

33.2 Migration from Zimbabwe Stock Exchange ("ZSE") to Victoria Falls Stock Exchange ("VFEX")

Subsequent to year end, the Board approved the delisting of the Company from the Zimbabwe Stock Exchange, followed by a subsequent listing on the Victoria Falls Stock Exchange. Shareholders approved the proposed migration from ZSE to VFEX at an extraordinary meeting held on 28 March 2023.

33.3 Discontinued operations

33.3.1 Dawn Property Consultancy (Private) Limited

Subsequent to year end, the Group successfully disposed of a wholly owned subsidiary, Dawn Property Consultancy (Private) Limited for ZWL379 million. The subsidiary was classified as a discontinued operation in the consolidated financial statements. Dawn Property Consultancy (Private) Limited is a property consultancy business that offers property management, asset valuation, agency services, and other property-related ancillary services. For more details, refer to note 7.

33.3.2 The Kingdom at Victoria Falls Hotel Exit

On 5 January 2023, the Group exited operations at The Kingdom at Victoria Falls Hotel. Refer to note 7.3 for more details.

Group Supplementary Financial Information

For the year ended 31 December 2022

Basis of Preparation

The Group audited consolidated financial statements and related notes from pages 54 to 143 have been prepared in compliance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), except for non-compliance with IFRS 3, Business combinations in the prior year, when the Group acquired a subsidiary under common control.

These IFRS Compliant financial statements were prepared in ZWL functional currency that is a currency of a hyper inflationary economy in line with the application guidance of IAS 29 "Financial Reporting in Hyperinflationary Economies". In line with the requirements of IAS 29 the Group audited consolidated financial statements rom pages 54 to 143 have been inflation adjusted.

To achieve fair presentation with regards to usefulness and reliability of financial information to the users of the financial statements, the Group to prepare the US$ Management Accounts (The US$ Supplementary Financial Statements) as if the functional currency of the Group was US$ for the financial year 2022. The directors acknowledge that the Group audited inflation adjusted consolidated financial statements though IFRS compliant, may be difficult to understand and interpret for the users of the financial statements, hence the need to provide supplementary Group US$ financial statements. The Group US$ financials statements were prepared converting ZWL transactions and balances to US$, using entity specific exchange rates determined internally through observing various exchange rates prevailing in the market, applying the guidance of Exposure Draft ED/2021/4: Lack of Exchangeability. The Exposure Draft proposes amendments' to IAS 21 "The Effects of Foreign Exchange Rates" and provides guidance when they is long-term lack of exchangeability and proposes alternatives to determine the exchange rate for use, including approaches to estimate entity specific rates. It is the directors' view that the entity specific exchange rates faithfully represent the Groups transactions and balances for the year ended 31 December 2022.

The Group US$ supplementary financial statements on page 144 to 146 were presented to both the Risk and Audit Committee and the Board of Directors, together with the Group audited consolidated financial statements on 24 March 2023.

The US$ supplementary financial statements are not audited and are not part of the Groups audited consolidated financial statements. There are merely supplementary financial statements to aid the users of the financial statements to better understand the Groups financial performance and financial position measured in a stable presentation currency the US$.

US$ Consolidated Statement of Financial Position

As at 31 December 2022

	UNAUDITED 31 December 2022 US$
ASSETS	
Non-current assets	
Property and equipment	80 094 488
Investment property	12 419 021
Right of use assets	5 856 693
Biological assets	296 812
Other financial assets	26 439
Total non-current assets	**98 693 453**
Current assets	
Assets classified as held for sale	3 100 000
Inventories	5 066 936
Trade receivables	2 820 194
Other financial assets	2 039 182
Cash and cash equivalents	11 220 739
Total current assets	**24 247 051**
Total assets	**122 940 504**
EQUITY AND LIABILITIES	
Equity attributable to owners of the parent	
Share capital	8 686 992
Share premium	35 392 553
Equity-settled share based payment reserve	338 669
Foreign currency translation reserve	12 416 601
Revaluation reserve	34 300 939
Retained earnings	10 915 183
Total equity	**102 050 937**
Liabilities	
Non-current liabilities	
Deferred tax liabilities	3 516 346
Lease liabilities	6 020 835
Deferred lease income	878
Total non-current liabilities	**9 538 058**
Current liabilities	
Trade and other payables	10 674 400
Current income tax liabilities	313 908
Provisions	261 482
Deferred lease income	201
Lease liabilities	101 517
Total current liabilities	**11 351 508**
Total liabilities	**20 889 567**
Total equity and liabilities	**122 940 504**

US$ Consolidated Statement of Comprehensive Income

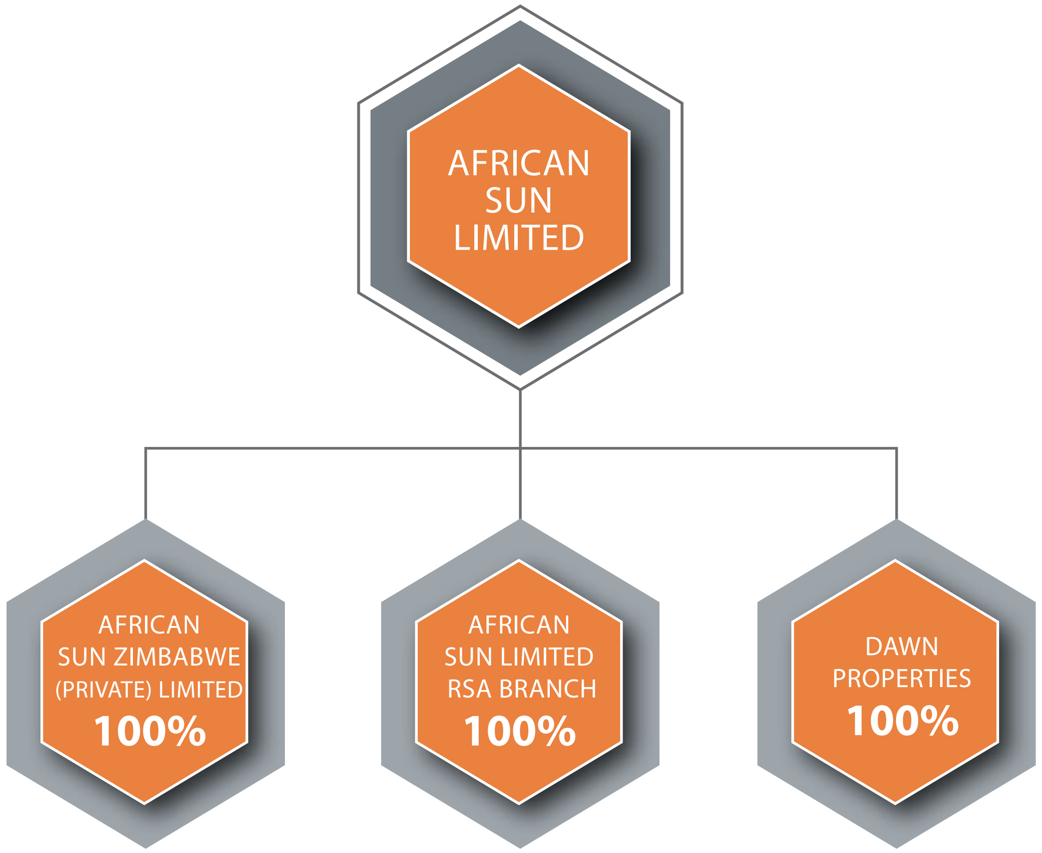
For the year ended 31 December 2022

	UNAUDITED 31 December 2022 US$
Revenue	**53 228 846**
Cost of sales	(12 950 205)
Gross profit	**40 278 641**
Other income	291 135
Operating expenses	(28 964 087)
Net impairment losses on financial assets	(771 117)
Other expenses	(1 664 096)
Operating profit	**9 170 477**
Finance income	71 889
Finance costs	(241 506)
Finance costs - lease liabilities	(611 746)
Profit before tax	**8 389 114**
Income tax expense	(3 112 671)
Profit for the year	**5 276 443**

Group Structure

As at 31 December 2022

African Sun Zimbabwe [Private] Limited is the hotel operating entity. African Sun Limited (South African) Branch is the Group's Pan African Central Reservations office, primarily servicing foreign guests into the Group's hotels. Dawn Properties Limited is the real estate arm of the Group and holds the title to 7 of the 10 hotels operated by the Group.



Shareholders' Diary

Anticipated Date

June 2023	Annual Report 2022 Published
28 June 2023	Fifty-First Annual General Meeting
September 2023	Half Year Results 2023
March 2024	Full Year Results 2023
June 2024	Annual Report 2023 Published
June 2024	Fifty-second Annual General Meeting

Shareholders' Profile

As at 31 December 2022

Shareholders analysis as at 31 December 2022 by volume

Range of holdings	Number of shares	Shares Percentage	Shareholders	Shares Percentage
1-5000	9,942,409	0.67	13,602	87.63
5001-10000	5,146,315	0.35	728	4.69
10001-25000	9,969,478	0.67	653	4.21
25001-50000	7,329,492	0.50	215	1.39
50001-100000	8,488,713	0.57	121	0.78
100001-200000	13,063,242	0.88	94	0.61
200001-500000	17,180,691	1.16	55	0.35
500001-1000000	20,113,665	1.36	28	0.18
1000001 and Above	1,386,667,490	93.83	26	0.17
TOTAL	**1,477,901,495**	**100**	**15,522**	**100**

Top ten shareholders

	As at 31 December 2022		As at December 2021	
Range of holdings	Issued shares	Shares Percentage	Issued shares	Shares Percentage
Brainworks Capital Management (Pvt) Ltd	892,899,243	60.42	892,899,243	62.72
Old Mutual Life Ass Co Zim Ltd	405,399,280	27.43	404,953,731	28.45
Mega Market (Pvt) Ltd	50,201,990	3.40	31,068,818	2.18
Stanbic Nominees (Pvt) Ltd.	16,042,443	1.09	9,265,345	0.65
Zimbabwe Sun Employee Share	12,581,032	0.85	12,581,032	0.88
Local Authorities Pension fund	-	-	4,043,310	0.28
Pickover Investments P/L	3,711,317	0.25	3,711,317	0.26
African Sun Limited (treasury shares)	3,543,942	0.24	-	-
Faanya Rose	2,283,539	0.15	2,283,539	0.16
Msasa Nominees (Pvt) Ltd	1,945,227	0.13	1,820,639	0.13
La France Holdings Limited (Nnr)	1,765,961	0.12	1,765,961	0.12
Selected shares	**1,390,373,974**	**94.08**	**1,364,392,935**	**95.85**
Non - selected shares	**87,527,521**	**5.92**	59,124,285	4.15
Issued shares	**1,477,901,495**	**100**	**1,423,517,220**	**100**

Shareholders analysis as at 31 December 2022 by type

	Number of shares	Shares Percentage	Shareholders	Shares Percentage
Local Companies	969,194,923	65.58	1,264	8.14
Insurance Companies	406,724,482	27.52	35	0.23
Local Individual Resident	46,961,306	3.18	12,970	83.56
Fund Managers	14,008,979	0.95	49	0.32
Pension Funds	12,402,354	0.84	72	0.46
Local Nominee	12,284,493	0.83	158	1.02
New Non Resident	8,001,751	0.54	371	2.39
Foreign Nominee	3,316,017	0.22	26	0.17
Other Investments & Trust	1,601,372	0.11	198	1.28
Trusts	1,578,611	0.11	89	0.57
Deceased Estates	668,569	0.05	218	1.40
Foreign Individual Resident	613,052	0.04	14	0.09
Foreign Companies	204,440	0.01	08	0.05
Charitable	197,481	0.01	38	0.24
Banks	76,084	0.01	06	0.04
Government / Quasi	67,581	0.00	06	0.04
TOTAL	**1,477,901,495**	**100.00**	**15,522**	**100.00**

Major shareholders

	As at 31 December 2022		As at December 2021	
	Issued shares	Percentage	Issued shares	Percentage
Brainworks Hotels (Private) Limited	892 899 243	60.42	892 899 243	62,72
Old Mutual Life Ass Co Zim Limited	405,399,280	27.43	404 953 731	28,45
Total	**1 298 298 523**	**87.85**	**1 297 852 974**	**91,17**

Resident and non-resident shareholders

	As at 31 December 2022	
	Issued shares	Percentage
Resident	1,448,908,169	98.04
Non Resident	28,993,326	1.96
Total	**1,477,901,495**	**100**

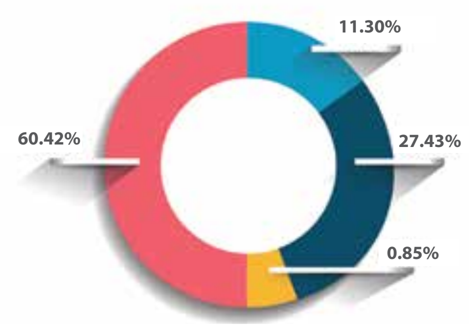
Range of holdings	Number of shareholders	Percentage	Issued shares	Percentage
Public	15,468	99.65	1,465,304,253	99.15
Directors	2	0.01	16,210	0.00
Non-public	52	0.34	12,581,032	0.85
Total	**15,522**	**100**	**1,477,901,495**	**100**

Non-Public includes Employee Share Participation Trust and managerial employees who hold shares in the Company in their individual capacities.

Public refers to Local Companies, Insurance Companies, Nominees, Banks, Investments, Trusts, Pension Funds and other organisations.
Directors mean Company directors who hold shares in the Company directly and indirectly.

Major shareholders

Percentage Shareholding for Chart	Percentage
Brainworks Capital Management (Pvt) Ltd	60.42
Old Mutual Life Ass Co Zim Ltd	27.43
Public Investors	11.30
Zimbabwe Sun Employee Share	0.85
Total	**100**



AFRICAN SUN
LIMITED

Offering a professional and reliable airport transfers in Victoria Falls and Bulawayo

Sun Leisure

Let us drive you there in comfort and style

AFRICAN SUN
LIMITED

SUN
LEISURE
TOURS

35 & 14	8
SEATER LUXURY BUSES	LUXURY SEDANS

Board of Directors

"Experienced, effective and diverse leadership"

Our business is led by our Board of Directors.

Board of Directors (continued)

1

DR. EMMANUEL ANESU FUNDIRA
Independent non-executive Chairman

Dr. Fundira was appointed to the Board of African Sun on the 17th of October 2012. He is a doctor of Philosophy –PhD, Ecology and also a holder of a BSc (Hons) in Economics and Finance and Strategic Management and a Diploma in Marketing as well as other qualifications attained from various Universities. He is the founder of a diversified tourism-based leisure group with an interest in photographic and non-photographic safaris operating on the shores of Lake Kariba and in the Victoria Falls.

Dr. Fundira is a past and current recipient of the Private Sector Tourism Personality of the Year Award (2009) and (2023), the Zimbabwe Tourism Authority ("ZTA") Tourism Image Builder of the Year Award (2010) and the ZTA Tourism Personality of the Year Award (2010).

He sits on the Safari Club International ("SCI") Board and the African Wildlife Consultative Board ("AWCF) as well as serves as a Trustee of several charitable organisations.

2

MR. PETER SAUNGWEME
Chief Executive Officer

Peter is a Chartered Accountant (Zimbabwe). He holds Bachelor of Accounting Science Honours and Bachelor of Accounting Science degrees from the University of South Africa (UNISA), Certificate of Theory in Accounting (CTA), and an Advanced Diploma in Auditing. Peter has notable external audit background in banking, insurance, tourism, and power generation sectors, having worked as an Audit Manager for both KPMG Zimbabwe Inc. and KPMG Namibia Inc. for a combined period of 5 years. Before assuming his current role, he was the CEO of Arden Capital Limited, where he hitherto held the role of CFO. Peter has previously served as Finance Director of Dawn Properties, Financial Controller for Ecobank Zimbabwe Limited and Chief Finance Officer at Cell Holdings (Private) Limited(a holding company with subsidiaries and associates with interests in short-term and medical insurance).

3

MR. NDANGARIRO MUTIZWA
Chief Financial Officer

Mr. Mutizwa was appointed as the CFO on 1 December 2021. He is a Chartered Accountant and a Chartered Financial Analyst by training. He has over 15 years of experience in various finance and operations management roles across geographies and industries. Ndangariro possesses considerable expertise in financial reporting, taxation planning, corporate governance, change management, administration and leadership, investments target screening, capital raise, deal structuring and strategy formulation and implementation.

Before joining African Sun, Ndangariro held several leadership roles, including being the Finance Director of Dawn Properties, CFO of Mashonaland Holdings Limited, and other senior roles at Masawara PLC in the Finance and Investments departments.

4

MRS. GEORGINA CHIKOMO
Independent non-executive Director

Mrs. G. Chikomo was appointed to the African Sun Board on the 30th of August 2018. Gina is an Accountant by training with a wealth of experience in prudent financial management. Mrs. Chikomo has previously worked as the Finance Director and later the Managing Director of ZB Bank Limited. She has a Master's in Business Leadership, from the University of South Africa, a Bachelor's degree with Honours in Business Studies from the University of Zimbabwe and is an ACCA fellow member.

5

MR. BRETT CHILDS
Non-executive Director

Brett was appointed to the African Sun Board on the 16th of March 2017. A Chartered Accountant originally from Zimbabwe, Brett is a business veteran with 25 years of experience in capital raising, initial public offering (IPOs), managing investments, and corporate exits. Brett spent 15 years in London, where he helped to build a successful venture business, listed assets on the London Stock Exchange (LSE), Johannesburg Stock Exchange (JSE) and Mauritius Stock Exchange (SEM). He is a former CE O of the major shareholder, Arden Capital Limited.

6

MR. VERNON WRIGHT LAPHAM
Independent non-executive Director

Mr. Lapham was appointed to the African Sun Board on 8 November 2021. He is a registered Public Accountant and is a member of the Institute of Chartered Accountants of Zimbabwe, he received the W. A. Duff Award for the highest marks in Zimbabwe in the final qualifying exams of ICAZ. Mr. Lapham also holds a Postgraduate Diploma in Applied Accounting (DAA). Vernon has vast corporate finance and business experience, having previously been the Audit Partner at Ernst and Young and CEO at MedTech Holdings Limited. He is currently the CEO of Bridgefort Capital Limited.

7

MR. LLOYD MHISHI
Independent non-executive Director

Lloyd was appointed to the African Sun Board on 1 May 2021. Lloyd has a legal career stretching back to 1993, which includes a published book entitled "The Law & Practice of Conveyancing in Zimbabwe" (Legal Resources Foundation, August 2005). He is the Founder and current Senior Partner of the law firm – Mhishi Nkomo Legal Practice based in Harare.

8

MR CONSTANTINE CHIKOSI
Independent non-executive Director

Constantine was appointed to the African Sun Board on 1 May 2021. Constantine is a senior business executive with over 25 years of experience in emerging markets and high-level global relationships in both public and private sectors. After gaining a Masters Degree in Economics, Mr. Chikosi joined the Anglo-American mining group, before moving to the London office of the Commonwealth Secretariat in 1990, qualifying as a Chartered Management Accountant and becoming Chief Economics Officer. From 2000 to 2019 he held various leadership roles at its Washington DC headquarters and in its offices in Africa and South East Asia, eventually becoming the Regional Director of Portfolio & Operations (Southeast Asia). Constantine serves on the Board and the Strategy Committee of MCB Group, owner of Mauritius Commercial Bank, the bank in Mauritius and listed on the local stock exchange, and as a Board Member at Strand Hanson Ltd, a London-based merchant bank.

9

MRS. THANDIWE MIRANDA DENGA
Independent non-executive Director

Thandi Denga has over 25 years of corporate experience spearheading Marketing and Business Development initiatives across Africa in financial services, information technology, hospitality, and media. She is a previous board member of TBWA Zimbabwe. A Chevening scholar, Thandi holds an MBA from the Graduate School of Business at the University of Strathclyde in Glasgow, Scotland, and a Bachelor of Commerce Honours degree in Marketing from the National University of Science & Technology (NUST). She is also a Sales Coach & Trainer as well as being Certified Trainer for IBDL (international Business Drivers Licence) and a member of the Marketers Association of Zimbabwe (MAZ) as a Marketing Fellow.

10

MR. ALEX EDGAR SIYAVORA
Independent non-executive Director

Mr. Siyavora was appointed to the African Sun Board on 8 November 2021. Á Chartered Accountant by profession, Alex has previously worked as The Chief Executive Officer of OK Zimbabwe Limited a listed company with a network of sixty-eight stores around Zimbabwe. Before that, he was the Finance Director of the same company. Prior to his employment at OK Zimbabwe Limited, he held the position of Finance Director at Merspin/Merlin Limited Group of companies and was Finance Manager at Coca-Cola Swaziland. Alex is a member of The Institute of Chartered Accountants of Zimbabwe. He holds a Masters degree in Business Leadership and an Honours Bachelors degree in Accounting Science (University of South Africa).

Executive Management

Experienced, effective and diverse leadership

E **MR. PETER SAUNGWEME**
Chief Executive Officer

C **MR. NDANGARIRO MUTIZWA**
Chief Finance Officer

A **MR. MARKUS de KLERK**
Legal Executive

B **MR. VENON MUSIMBE**
Company Secretary and Governance Executive

D **MRS MEMORY MACHEKA**
Human Resources Executive

Not in the picture

MR. LAWRENCE WARD
Group Operations Executive
(Joined 1 April 2023)

Corporate Information

DIRECTORATE

Chairman
Dr. E. A. Fundira

Non-executive Directors
G. Chikomo
C. Chikosi
B. Childs
T.M. Denga
V.W. Lapham
L.M. Mhishi
A.E. Siyavora

Executive Directors

P. Saungweme	Chief Executive Officer
N.Y. Mutizwa	Chief Financial Officer

BOARD COMMITTEES

Risk and Audit Committee
G. Chikomo (Chairman)
B. Childs
V.W. Lapham
L.M. Mhishi

Investment Committee
B. Childs (Chairman)
G. Chikomo
C. Chikosi
L.M. Mhishi
A.E. Siyavora

Nominations Committee
Dr. E.A. Fundira (Chairman)
G. Chikomo
C. Chikosi

Human Resources and Remuneration Committee
L.M. Mhishi (Chairman)
G. Chikomo
Dr. E.A. Fundira
A.E. Siyavora

Sales, Marketing and Innovation Committee
T.M. Denga (Chairman)
C. Chikosi
A.E. Siyavora

Corporate Social Responsibility Committee
C. Chikosi (Chairman)
B. Childs
V.W. Lapham
T.M. Denga

Information Technology Governance Committee
V.W. Lapham (Chairman)
C. Chikosi
T.M. Denga

Company Secretary and Governance Executive
V.T. Musimbe

GROUP AND DIVISIONAL OPERATIONS HEADS

L. Ward*	Group Operations
D. Kung	Resort Hotels Division
I. Katsidzira	City and Country Hotels Division

* Joined the Group on 1 April 2023.

HOTEL AND RESORT GENERAL MANAGEMENT

Property General Managers

Resort Hotels

C. Mulinde	Elephant Hills Resort and Conference Centre
J. Kuwanda	Hwange Safari Lodge
K. Mupfigo	Caribbea Bay Resort
A. Takaza	Great Zimbabwe Hotel

City and Country Hotels

A. Matema	Monomotapa Hotel
R. Mavhumashava	Troutbeck Resort
C. Chinwada	Holiday Inn Harare
C. Chimbira	Holiday Inn Bulawayo
N. Moyo	Holiday Inn Mutare

The Victoria Falls Hotel Partnership

F. Chimba	The Victoria Falls Hotel

Sun Leisure Division

D. Kung	Sun Leisure Tours

Real Estate

R. Mudehwe*	Real Estate Division

*Acting

Independent Auditor
Grant Thornton Chartered Accountants (Zimbabwe)
Camelsa Business Park, 135 Enterprise Road, Highlands, Harare

Main Bankers
FBC Bank Limited
5th Floor, FBC Centre, Nelson Mandela Avenue, Harare, Zimbabwe

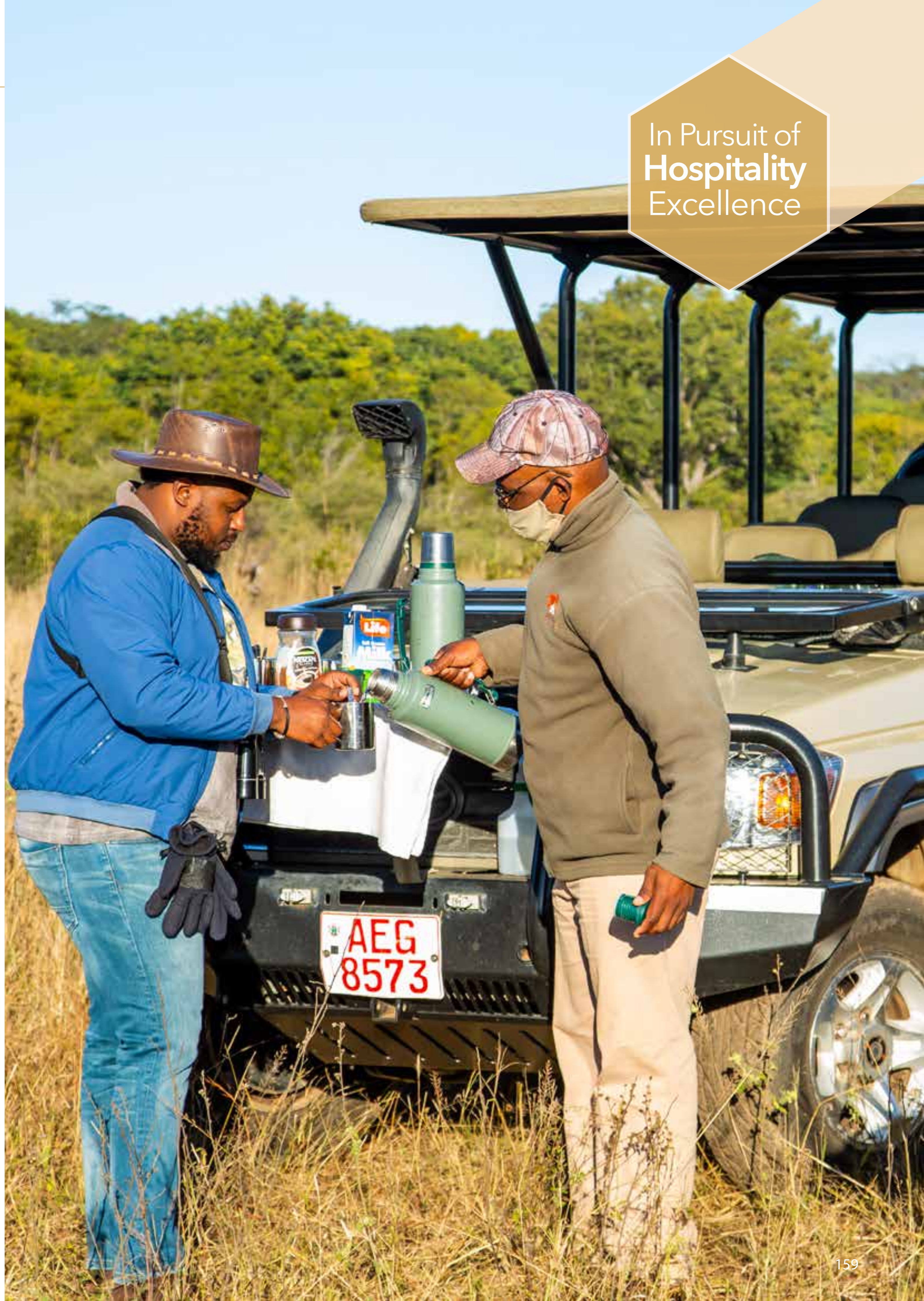
Nedbank Zimbabwe Limited
16th Floor, Old Mutual Centre, Third Street, Harare, Zimbabwe

Legal Advisors
Dube, Manikai and Hwacha Commercial Law Chambers
DMH House, Number 4 Fleetwood Road, Alexandra Park,
Harare, Zimbabwe.

Gill, Godlonton and Gerrans Legal Practitioners
7th Floor, Beverley Court,
100 Nelson Mandela Avenue, Harare, Zimbabwe

Registered Office
African Sun Limited
c/o Monomotapa Harare, 54 Parklane, Harare, Zimbabwe

Physical Address
African Sun Limited
Bally House, Mount Pleasant Business Park,
870 Endeavour Crescent, Off Norfolk Road, Harare
P.O. Box CY 1211, Causeway, Harare, Zimbabwe



Sustainability Report

REPORT FREQUENCY AND CONTENT

The African Sun Limited

African Sun Limited ("the Company" or "the Group", or "African Sun") Sustainability Report, published annually, is part of the annual report for the Company.

Sustainability Overview

African Sun Limited is Zimbabwe's leading hotel asset management company with a portfolio of hotels that is unparalleled in variety, location, and size. The Group operates hotels, resorts, and restaurants with a rich history dating back to 1968. It is listed on the Victoria Falls Stock Exchange, a subsidiary of the Zimbabwe Stock Exchange and has established itself as a top-tier player in the African hospitality industry. Our portfolio of hotels includes popular leading brands such as the InterContinental Hotels Group (IHG). We cater to both business and leisure guests across a range of budgets.

African Sun is committed to sustainable business practices. The company recognises the importance of the natural and human environment in which we operate. The Group is proud to have been an early adopter of sustainability-focused approaches throughout our hotel chains and is continuously refining our sustainability efforts to maximise our impact. Our sustainability approach is integrated throughout all our operations and processes, driven by our team's shared concern.

With a focus on operational excellence and guest satisfaction, African Sun is dedicated to delivering exceptional hospitality experiences that are both memorable and sustainable. Our commitment to sustainable business practices and continuous improvement ensures that we remain a standard bearer in the hospitality industry. The Group always aims to provide our guests with outstanding service and experiences while minimizing our environmental impact. In all this, the company ensures that we make a positive contribution to the communities in which we operate.

The company recognises the importance of the natural and human environment in which we operate.

> "Our commitment to sustainable business practices and continuous improvement ensures that we remain a standard bearer in the hospitality industry."

Sustainability Report (continued)

Our Hotels

The Group has a total of 10 hotels and resorts across Zimbabwe. It operates hotels under a range of brands, including international brands such as the IHG franchised Holiday Inn hotels and The Victoria Falls Hotel which is a member of the Leading Hotels of the World (LHW), operated jointly with the Meikles Hospitality (Private) Limited. As such, the Company caters to the diverse needs of both local and international guests. African Sun currently has five divisions which are:

City and Country Hotels

Resorts

The Victoria Falls Partnership

Sun Leisure

Real Estate

Our Values

ASL's values and corporate culture are represented by our **"ExCite"** value system, which influences how we interact with guests and other stakeholders. **ExCite** encompasses;

ExCite is engrained in our daily operations. ASL is committed to driving sustainability as we live up to our core values where we show concern and seek the well-being of everyone; give back to the community and gain customers' trust through creating brand love and a positive brand image; improve stakeholder management and investor relations.

The Impact of Sustainability on our Stakeholders

Staff:

The Group is cognisant of the role we play as a major employer within the hospitality industry. African Sun's sustainability focus positively impacts on our people by providing a safe and healthy work environment, fair wages and benefits, as well as opportunities for personal and professional growth. A sustainable approach also helps to create a sense of pride and purpose among our people. They become more engaged and motivated knowing that they are part of a company that is committed to making a positive impact on the world.

Guests:

Our sustainability focus enhances guest experiences by providing comfortable and eco-friendly accommodation, as well as responsible and ethical services. Sustainable practices such as energy and water conservation, waste reduction, and the use of locally sourced products also contribute to a more authentic and meaningful guest experience. Ultimately, this leads to greater loyalty and positive word-of-mouth promotion.

Business Partners:

We continue to enhance our relationships with our business partners to promote transparency, accountability, and ethical business practices. By engaging with suppliers, vendors, and other partners who share our sustainability values, African Sun has built stronger and more mutually beneficial relationships. This contributes to the long-term success of the Company and its business partners.

Local Communities:

As a responsible corporate citizen, our sustainability focus is designed to have a positive impact on the communities that sustain us. Through partnerships and initiatives that address local needs such as job creation, skills development, environmental protection, and social development, African Sun is helping to build stronger and more resilient communities. This ultimately benefits both the Company and its stakeholders in lasting, impactful ways.

Shareholders:

Our sustainability focus delivers value to our shareholders by creating a more resilient and profitable business model that is aligned with the vision and expectations of shareholders.

Sustainable practices such as energy and resource efficiency, waste reduction, and responsible sourcing contribute to cost savings and enhanced brand reputation, which eventually lead to increased shareholder value and long-term success.

Sustainability Report (continued)

Significance of our Human and Natural Environment

The Group pays homage to the natural habitats within which our properties operate, and we are committed to preserving them for future generations. Protecting the environment, whilst providing memorable guest experiences is at the core of our sustainability efforts. We are dedicated to minimising the impact of our activities on the natural environment. We promote environmental awareness among our stakeholders through various programmes undertaken by our staff and partnering with other environmentally conscious organisations. Our environmental sustainability efforts focus on a range of initiatives across our hotels, such as responsible water and energy usage, achieving material and resource efficiency to minimise waste production, lowering carbon emissions from our operations, and supporting sustainable sourcing. By focusing on environmentally sustainable practices, we continue to demonstrate our commitment to environmental protection, building trust among our stakeholders including guests, employees, investors, and the local communities.

African Sun recognises the importance of the human environment, particularly the role of our people who are at the centre of everything we do in achieving our goals. The Group is committed to creating a safe and inclusive work environment that supports the well-being and growth of our people to realise their full potential. We offer training and development opportunities, encourage diversity and inclusion, and promote fair compensation. In addition, African Sun strives to empower the people in our communities and improve their lives through a range of social investment initiatives, including support for education, health, and environmental conservation. Through our commitment to social responsibility and sustainability, we seek to create long-term value for all our stakeholders while also contributing to making the world better for future generations.

Sustainability Report (continued)

Timeline of Activities (2015 to 2021)

01 — 2015
- Best Sanganai / Hlanganani Stand - African Sun Hotels and Resorts

02 — 2016
- Best Sanganai / Hlanganani Stand - African Sun Hotels and Resorts

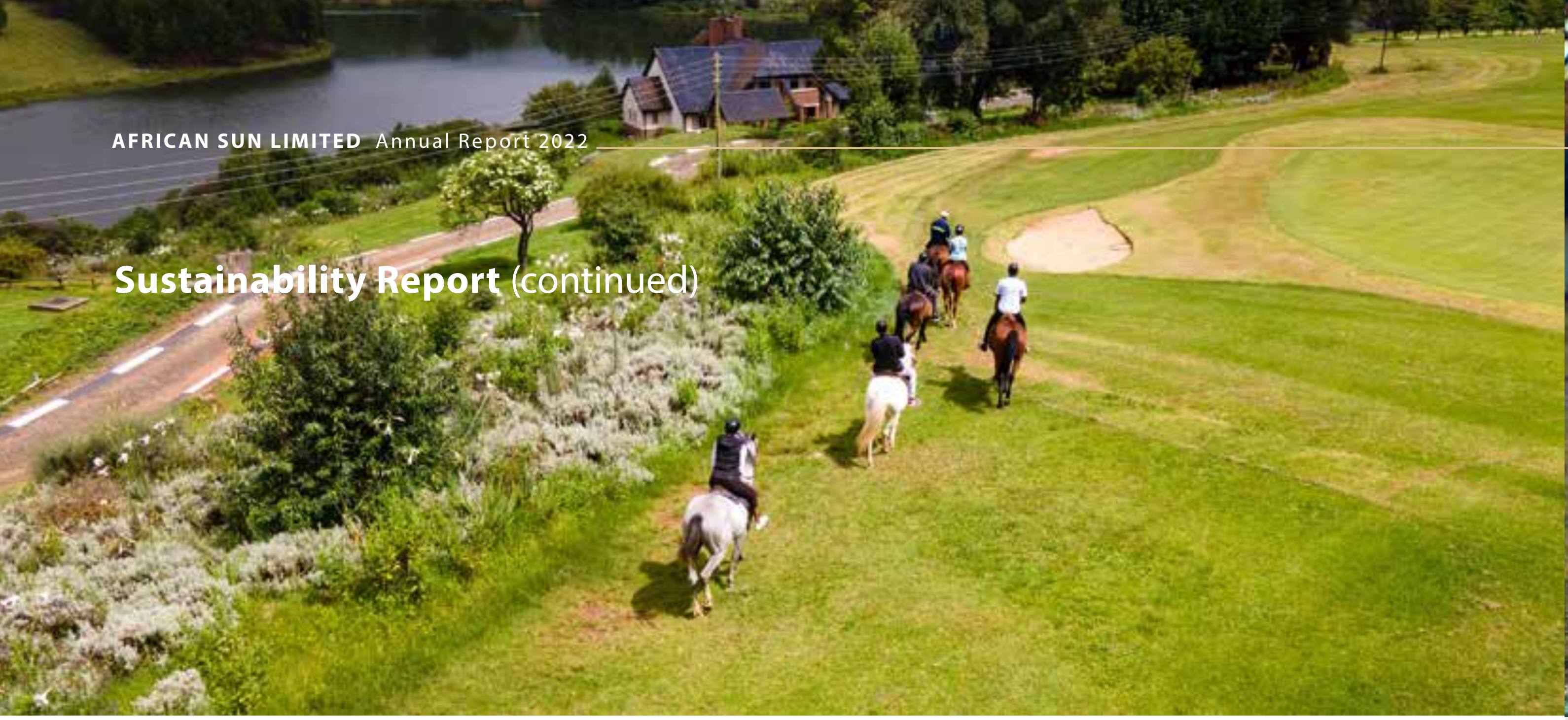
03 — 2017
- African Sun Hotels and Resorts - Winner in Hotels Sector for Superbrand 2017

04 — 2018
- Zimbabwe Independent Quoted Companies Award
- Highest Return on Investment Award
- Best Sanganai / Hlanganani Stand - African Sun Hotels and Resorts
- IHG Winner in the Hotels Sector for Superbrand 2018

05 — 2019
- Best Sanganai / Hlanganani Stand - African Sun Hotels and Resorts

06 — 2020
- Old Mutual's Top Companies Survey 2020 - Tangible Investor Returns Category
- Top Companies Tangible Investor Returns Award - African Sun Hotels and Resorts
- IHG Winner in the Hotels Sector for Superbrand 2020

07 — 2021
- Holiday Inn Harare Trip Advisor Accolade Rated #1 out of 6 Clean Hotels
- CSR Network Zimbabwe: Excellence in Community - Children Support - Caribbea Bay
- CSR Network Zimbabwe: Mashonaland West Environmental Champion of the year - Caribbea Bay
- 2nd Runner Up Award in the Tourism and Hospitality Sector at ZITF - African Sun Hotels and Resorts
- Exceptional Southern Region Customer Experience of the Year 2021 - Holiday Inn Bulawayo
- CSR Network Zimbabwe: Excellence in Community Empowerment and Social Impact - African Sun Hotels and Resorts
- 2nd Runner Up in the Hospitality Sector - CCAZ Service Excellence Awards - Elephant Hills Resort and Conference Center
- Excellence in Community Empowerment and Social Impact - African Sun Limited
- 2nd Prize in the category of Best Stakeholder Practices: Sustainability Reporting Disclosure, Chartered Governance and Accountancy Institute Corporate Governance Award - African Sun Limited



Sustainability Report (continued)

Environmental, Social and Governance (ESG) Overview

Adherence to Environmental, Social and Governance (ESG) principles is important to assess an organisation's business practices and performance on various sustainability and ethical issues. It also provides a way to measure business risks and opportunities in those areas. While the Company has already started infusing various ESG elements in its business, it has also taken a deliberate step as one of its strategic imperatives to develop an ESG framework which will ensure that the Company is more structured and transparent in its approach to ESG.

Environmental, Social and Governance Highlights in 2021

Zero Poverty - Donations to Kukosha Group and Nyarai Children's home.

Life on Land - Various environmental initiatives such as tree planting, waste management and wildlife conservation.

Zero Hunger - Donations of maize meal to Bumhudzo Old People's Home and various Christmas luncheons.

Clean Water and Sanitation - VIVREAU water purification.

Good Health and Wellness - staff COVID-19 vaccination programme and donations to hospitals in Bulawayo, Victoria Falls, Mutare and Masvingo.

Gender Equality - appointment of capable female managers and monthly mentorship sessions for male and female employees.

Quality Education – paid fees for primary, secondary and tertiary students.

AFRICAN SUN LIMITED

Environmental, Social and Governance Highlights in 2022

Zero Poverty - Donations to various old people's and children's homes.

Life on Land - Various environmental initiatives such as tree planting, waste management and wildlife conservation.

Zero Hunger – Various food donations and luncheons.

Clean Water and Sanitation - VIVREAU water purification.

Good Health and Wellness – refurbishment and support of multiple clinics/hospitals.

Gender Equality – sponsorship of Julia Tungamirai, a young, talented tennis player.

Quality Education – paid fees for primary, secondary and tertiary students.

Sustainability Report (continued)

Our Sustainability Partnerships and Memberships

Our three Holiday Inn hotels are members of InterContinental Hotels Group (IHG) and adhere to global policy standards which promote responsible business practices. These incorporate the United Nations' Sustainable Development Goals (SDGs) and address Environmental, Social and Governance (ESG) issues. IHG has various initiatives and programmes to support its ESG and SDG commitments, such as IHG Academy, IHG Green Engage System, True Hospitality for Good, and Diversity, Equity and Inclusion. The Victoria Falls Hotel is a member of the Leading Hotels of the World (LHW), with a collection of more than 400 independent luxury hotels around the world. LHW encourages its members to adopt eco-friendly and socially responsible practices.

Sustainability Report (continued)

Environmental, Social and Governance (ESG) Overview

SDG 1
NO POVERTY

2022 Achievements

We believe Sustainable Development Goal (SDG) 1, which aims to eradicate poverty, remains critically important for Zimbabwe.

African Sun acknowledges that poverty is a multifaceted problem that affects every aspect of human life, including health, education, and economic opportunities. As such, we prioritise our contribution to the reduction of poverty.

According to the Reserve Bank of Zimbabwe, inflation, one of the key drivers behind poverty in 2022, stood at 255% year on year in November 2022, down from a peak in August of 285%. In our push towards achieving SDG 1, we work with non-profit making organisations to support their activities, as well as sourcing of hotel inputs locally and ensuring that there is equitable/sustainable procurement to support and protect local companies and help them create jobs and reduce poverty.

2022 Activities

The Company through its various units:

- Donated gas to Victoria Falls Old People's Home.
- Donated blankets and linen towards the Mayor's Cheer Fund. The team also hosted a Christmas Party for children at Tony White Home in Kariba.
- Hosted a Christmas luncheon for Nyararai Children's Home.
- Donated Groceries to the Zimbabwe Prisons and Correctional Services and Zimbabwe Youth Council.

SDG 2
ZERO HUNGER

2022 Achievements

Sustainable Development Goal (SDG) 2, which aims to eliminate hunger and achieve food security, is of importance to African Sun.

The Group is a caring, community-focused organisation that seeks to play its part in tackling social challenges relevant to our stakeholders and our human environment. A key monitor of access to food and adequate nutrition in Zimbabwe is the World Food Program's Hunger Map LIVE monitoring platform. About 5.8 million rural and urban Zimbabweans were reported to have insufficient food during the last week of November 2022, up from 5.3 million in October 2022. This illustrates key access to nutrition challenges that remain within our communities. African Sun is committed to supporting communities and working with partners to provide food aid, donations, and charitable gifts.

2022 Activities

Under SDG 2, the Group:

- Donated cooking oil, mealie meal and sugar to Kariba District Fundraising Committee towards Independence Day Commemoration.
- Provided lunch to the elderly patients at Chisuma Clinic.
- Continues to donate diesel to the community Chief monthly.
- Donated cash towards the Amai Mnangagwa Cookout project.
- Donated groceries to Rekai Tangwena Old People's Home.

SDG 3
GOOD HEALTH AND WELLBEING

2022 Achievements

In 2022, Zimbabwe faced significant health-related challenges. Zimbabwe has a high burden of communicable diseases which have impacted the country's overall health outcomes. In 2022, with COVID-19 and becoming less of a focus, various other health challenges rose to the forefront. These included a rise in mental health challenges, prompting the launch of a national response for mental health by the Ministry of Health and Child Care. Medical facilities, especially in rural areas, were limited in the quality and reliability of healthcare they could offer. This put a strain on both patients and healthcare workers.

The Group continues to support the health sector in the communities around our hotels. Our support of local health institutions allows us to positively impact the working conditions of health workers and the health outcomes of patients. At African Sun, we are dedicated to promoting the health of our communities, our guests and our staff.

2022 Activities

Under SDG 3, the Group;

- Adopted and rehabilitated a ward at the Harare Hospital.
- Partnered with Zim Heart Trust to meet the healthcare needs of people living with heart conditions.
- Sponsored accommodation vouchers towards World Heart Commemoration Day.
- Handed over a renovated ward to Morgenster Hospital and donated linen to Nemamwa Clinic.
- Supplied welding rods for use at Kariba Hospital.
- Donated food and linen to Nyanga Hospital.
- Organised a mental health awareness symposium for Harare staff as a way of observing Mental Health Month.
- Collaborated with the Girl Child Network and donated sanitary pads to vulnerable girls in the community.
- Facilitated the refurbishment of Mpilo Hospital Ward 8.
- Participated in and supported the Karanga Village Marathon to increase awareness of the importance of fitness in both physical and mental health.

SDG 4
QUALITY EDUCATION

2022 Achievements

Quality education shapes the future of individuals and communities. It is a key driver of positive economic change. According to the United Nations Children's Fund (UNICEF), in 2022 close to 1.9 million children needed education assistance. The Quality Education Sustainable Development Goal (SDG 4) is crucial for achieving sustainable development globally. Education is a fundamental human right and an essential component of human development. Access to quality education can empower individuals and communities, promote gender equality, reduce poverty, and support economic growth.

In 2022, the education sector was less disrupted by the COVID-19 pandemic than before. A return to in-class schooling benefited less privileged students for whom online learning during lockdowns was not an option.

We continue to identify disadvantaged but gifted students across the spectrum from primary to tertiary education and offer them financial support, laying the foundation for a bright future for impoverished communities.

2022 Activities

Under SDG 4, the Group:

- Continues to pay school fees for selected pupils at Nemamwa Primary School.
- Sponsored accommodation vouchers to the best-graduating students.
- Sponsored accommodation vouchers to St. Francis Primary School.
- Donated 200 blankets to Kutama College students as a response to a fire that had destroyed a hostel housing 185 Form 2 students in September 2022.
- Donated bags of cement towards the building of a classroom block at Sir Roy Welensky School.
- Paid fees for the best female student at Nechibi Primary School and select students at Chinotimba Primary School.

Sustainability Report (continued)

Environmental, Social and Governance (ESG) Overview (continued)

SDG 5 GENDER EQUALITY

2022 Achievements

We value and remain committed to our gender equality goals.

Achieving our gender equality targets will allow us to enhance creativity, innovation, and problem solving. This can improve business performance and ultimately;

- increase profits through diversity within the workforce,
- improve customer satisfaction, as a diverse workforce can better understand and meet the needs of a diverse customer base,
- create a more welcoming and supportive work environment that can attract and retain employees through gender-inclusive policies and practices,
- and improve our reputation and attract customers who value socially responsible and ethical business practices.

2022 Activities

Under SDG 5, the Group:

- Donated packs of sanitary pads to female students at Detema Secondary School.
- Partnered with the Able Woman's Association and donated sanitary wear to Ndlovu Secondary School in Victoria Falls.
- Sponsored Julie Tungamirai a young talented tennis player to assist her in reaching greater heights. The sponsorship covered the costs of international travel, competition fees, equipment, attire, accommodation and food.

SDG 6 CLEAN WATER AND SANITATION

2022 Achievements

As an operator within the hospitality sector, The Group is reliant on clean water and sanitation to ensure the well-being of guests and staff. The United Nations' goal for Clean Water and Sanitation SDG (SDG 6) is crucial for Zimbabwe as the country faces challenges related to water scarcity and inadequate sanitation in certain areas.

In 2022, UNICEF reported that a total of 2.5 million people required safe water and sanitation. As African Sun, we place a high value on sustainable water use and limiting water waste as we acknowledge the importance and scarcity of potable water in our communities as well as the importance of clean water to our environments.

2022 Activities

Under SDG 6, the Group:

- Installed a borehole at Gimboki Satellite.
- Advocates for sustainable water usage by promoting limiting water waste.

SDG 15 LIFE ON LAND

2022 Achievements

Preserving and protecting nature by limiting the impact of human activities is a necessary step to ensuring the long-term sustainability of our resorts. Local communities also rely on the natural environment around our resorts, giving us a common interest in environmental conservation and making it key to our community engagements.

The Zimbabwe Parks and Wildlife Management Authority (Zimparks) was actively engaged in anti-poaching activities to protect endangered wildlife. ZimParks Anti-Poaching Unit rangers arrested 36 armed poachers inside the country's national parks in 2022 as the number of endangered rhinos killed for their horns had risen sharply. The Group continues to work with conservation and animal research partners and expand our long-term environmental sustainability activities. Additionally, we work to reduce the impact of our hotels on their natural environment.

2022 Activities

Under SDG 15, the Group:

- Continued to take part in the monthly National clean-up campaign which is done on the first Friday of each month.
- Supported the Victoria Falls Anti-Poaching Unit.

Sustainability Report (continued)

Environmental, Social and Governance (ESG)

Environmental

Presidential Elephants Research Trust

2,329.75 hectares of land was availed to the Presidential Elephants Research Trust for scientific research purposes aimed at conserving and monitoring the iconic Presidential Elephants Herd in the Hwange/Dete area. In addition, a monthly donation of USD$1,000 was done to support the activities of the Trust.

2,329.75 ha
LAND DONATED

US$1,000
MONTHLY DONATION

All three of our Holiday Inn HOTELS are compliant with IHG Green Engage Certificate Level 1.

IHG Green Engage

The Green Engage Certificate Level 1 is a key requirement for hotel compliance with the IHG Green Engage standard. It aims to propagate the latest green building technologies and recognised sustainable hotel standards to support IHG hotels in driving utility efficiency, reducing environmental impact and creating commercial value. All three of our Holiday Inn hotels, (Holiday Inn Harare, Holiday Inn Bulawayo and Holiday Inn Mutare) are compliant with IHG Green Engage Certificate Level 1.

All Holiday Inns input electricity data, water data and gas data on a monthly basis for review by the IHG Green Engage

Carbon Footprint

Our carbon footprint is a key metric, essential to our efforts to limit our impact on the environment. Carbon footprint is the total amount of greenhouse gases, particularly carbon dioxide, emitted by an individual, organization, event, or product during its life cycle. It is a measure of the impact human activities have on the environment in terms of their contribution to global warming and climate change. This includes emissions from various sources, such as energy use, transportation, food production, and waste disposal.

The carbon footprint is typically measured in units of carbon dioxide equivalent (CO2e) and can be reduced by implementing sustainable practices and using renewable energy sources. As members of IHG, all our Holiday Inn hotels must reduce energy usage to meet key targets that are based on 2019 energy use as a baseline. Each hotel's energy-saving target is developed based on current performance versus other hotels in the region, brand and climate. To evaluate our energy saving, all Holiday Inns input electricity data, water data and gas data on a monthly basis for review by the IHG Green Engage team which then calculates each hotel's Carbon footprint.

Refrigerant Emissions

We continue in our proactive approach towards reducing the usage of hydrochlorofluorocarbon (HCFC)-22 at all our facilities throughout the country. HCFC-22 is a refrigerant gas that was identified as a key contributor to stratospheric ozone depletion, which can result in increased ultraviolet radiation reaching the Earth's surface. This can lead to health risks for humans and other living organisms causing ailments such as skin cancer, cataracts, and reduced immunity. In addition to the ozone depletion potential, HCFCs also have a high global warming potential. Such gases can trap heat in the Earth's atmosphere and contribute to climate change, which can result in a range of negative impacts on the environment, including rising sea levels, extreme weather events, and changes in ecosystems. Our HCFC-22 reduction programme continued through 2022. We aim to completely phase out the HCFC-22 in the foreseeable future.

Green Refurbishment

African Sun has embarked on refurbishment programmes for some of our hotels using eco-friendly materials, which have so far cost US$ 11.5 million since the refurbishment drive commenced in 2019. This multi-year process will see our hotels reduce their resource usage and waste, allowing us to be more sustainable and reduce the impact on our environment. Some of the furniture for the refurbished hotels was sourced locally, supporting Zimbabwean businesses and crucially, contributing towards the reduction of shipping carbon emissions.

Sustainability Report (continued)

Environmental, Social and Governance (ESG) continued)

Social

The "S" in ESG stands for "Social." It refers to the social and ethical issues we consider in our operations and how they impact society. This includes issues related to employee welfare, human rights, community engagement, diversity and inclusion, labour practices, and consumer protection. It is essential to consider the social impact of our actions as they can affect our reputation, customer loyalty, and financial performance.

Our key social activities in 2022 included the following;

- Continuing to build and grow talent as the chosen method of succession to provide internal staff opportunities to grow within our organisation.
- Recruitment of young talent for the Graduate Development Programme, comprising twenty-one management trainees in total from the following disciplines: Front Office, Food & Beverage, Housekeeping, Human Resources, Internal Audit, Finance and Legal.
- Continued support of Zimbabwe's technical and tertiary institutions through book awards that are issued to the overall best-performing students in the field of Hospitality and Tourism. We partnered with Bulawayo Polytechnic, Chinhoyi University of Technology and the University of Zimbabwe for the book award programme.
- Giving back to the community by providing training to upcoming talent in the industry through attachment and apprenticeship, a cause the Group is committed to.
- Investment in providing direction and guidance to the youth, through career guidance fairs with high school students as well as university students. We aim to provide students with adequate information from specialists in different fields to inspire them in their choice of career.
- Continued focus on achieving gender equality within our team, which currently stands at a female-to-male ratio of 35% to 65%.

Governance

As a sustainability focused hospitality company, African Sun recognises the importance of good corporate governance as a critical element of our overall ESG strategy. The "G" in ESG stands for Governance, referring to the way we are directed and controlled, including our management structures, decision-making processes, and ethical standards.

For ASL, good governance is key to ensuring we operate responsibly, transparently, and accountably while creating value for our stakeholders. This includes adopting robust policies and procedures to prevent corruption, ensuring compliance with laws and regulations, promoting diversity and inclusion, and fostering a culture of ethical behaviour. By prioritising good governance as part of our ESG approach, we aim to build trust with our customers, employees, investors, and other stakeholders, while mitigating risks and maximising opportunities for sustainable growth.

To this end, the Company adheres to certain aspects of the recommendations provided under the King Reports and has put in place proper governance structures through its Corporate Governance and Board Charters (which are all living documents that are continually changed, in line with evolving and emerging governance trends. The Company has also revised its Articles of Association so as to infuse pertinent elements from the progressive Companies and Other Business Entities Act (24:31).

we operate responsibly, transparently, and accountably while creating value for our stakeholders

"ASL recognises the importance of good corporate governance as a critical element of our overall ESG strategy"

Sustainability Report (continued)

Awards and Recognition

The Group's passion for sustainability is driven by our values and appreciation of the pivotal importance of our human and natural environment. Sustainability awards and accolades allow us to track our sustainability performance and offer benefits such as;

- recognition for our sustainability efforts,
- enhanced reputation and brand image for African Sun Limited,
- improved employee morale and motivation by celebrating our achievements,
- attraction and retention of environmentally conscious customers, and
- opportunities for partnerships and collaborations with other sustainability focused companies and organisations.

We are proud to add the following 2022 awards to our growing list of accolades.

MONTH	AWARDS AND ACHIEVEMENTS
March 2022	Winner in the Hospitality sector - CCAZ Awards- **Holiday Inn Bulawayo.**
	Winner in the Hospitality sector - CCAZ Awards- **The Victoria Falls Hotel.**
May 2022	The Environmental Management Agency (EMA) and the Corporate Social Responsibility Network Zimbabwe (CSRNZ) together with the office of the Minister of Provincial Affairs and Devolution for Mashonaland West, awarded Caribbea Bay Resort, the winner of the Responsible Investment and Social Impact Award at the 2022 Provincial Environmental Stewardship, Responsible Business and CSR Awards.
September 2022	Excellence in Community Empowerment and Social Impact Award - Matabeleland North CSR Awards - **African Sun Limited.**
	Outstanding Hospitality Group -Platinum Winner - Zimbabwe CEO Network - **African Sun Limited**.
	2nd Runner Up in the Hotel sector - Azta Awards - **Blue Swallow Lodges.**
October 2022	Best Hotel Stand - Sanganai/Hlanganani - **African Sun Limited.**
	Best Overall Stand - Sanganai/Hlanganani - **African Sun Limited.**
	Winner in the Hospitality sector - CCAZ Awards - **African Sun Limited.**
November 2022	Winner in the Hotel sector - MAZ Super brands Awards - **Holiday Inn.**
	Excellence in Community Empowerment and Social Impact Award-National CSR Awards - **African Sun Limited.**

African Sun's hospitality accolades show that sustainability, business success and guest satisfaction can be achieved together to deliver market-leading experiences with minimised impact.

Our Vision for continued Sustainability

African Sun has a long history of sustainability activities, dating back to well before the publication of our inaugural sustainability report. We are focused on impactful sustainability interventions that are tailor-made to suit the Zimbabwean situation and the needs of our communities and environment.

As such, our sustainability approach has evolved over the years as we introduced new elements such as annual sustainability reports and the Presidential Elephants Research Project, whilst retaining the long-term programmes that we see bearing fruit for our communities and environment, such as the Anti-Poaching initiative support, IHG green programmes and HCFC reduction.

As part of our commitment to continuous improvement, we evaluated our '7 rays of the sun' SDG approach and identified key areas wherein we have the potential to be significantly more impactful on our communities and environments. We have updated the objectives for our sustainability and CSR programmes, and we aim to:

- contribute towards the conservation of biodiversity within our communities,
- reduce energy and material consumption, applying the motto 'reduce, reuse and recycle,
- contribute towards human development through investing in people and health,
- improve the Company's public image, brand recognition, and brand strength and ultimately, deliver sustainable financial performance for the Company.

Achieving the above goals will allow us to ensure we make the greatest impact on our communities and environment with our available resources. This will require a refocusing of our strategic approach to sustainability, with a greater emphasis on local needs and ASL's key sustainability strengths.

Sustainability Report (continued)

Strategic Focus Areas

In 2020, African Sun reimaged the key UN Sustainable Development Goals as '7 rays of the sun' to facilitate a sustainability approach focused on SDGs relevant to our human and natural environment. From 2023, we will be refining our strategic focus around the three pillars as shown below.

Preservation of Biodiversity

Conservation of natural assets remains a critical focus for African Sun Limited as we are a sustainable business and a responsible corporate citizen that values its natural environment.

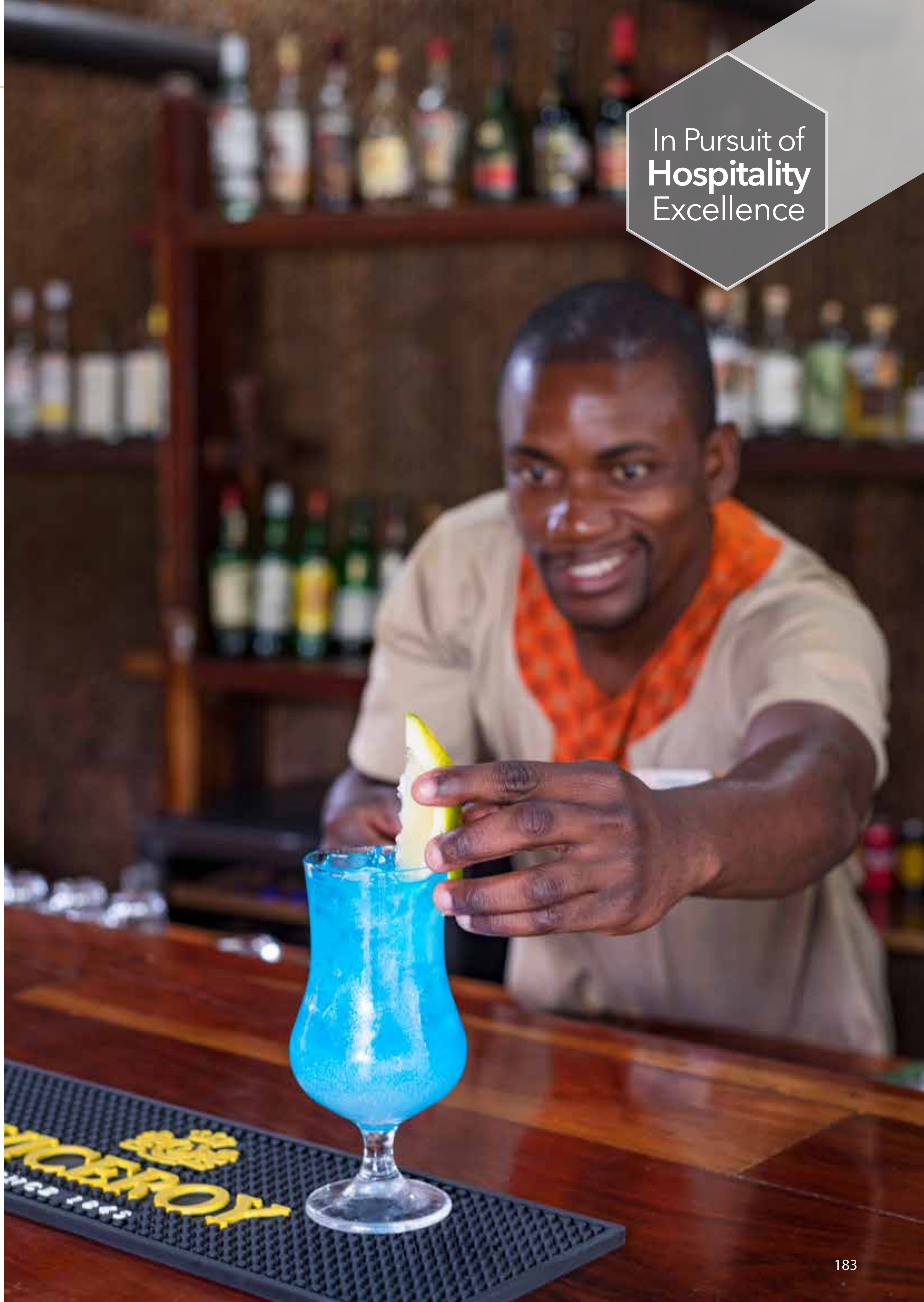
Waste Management

In light of the key importance of the natural environment to our business, we consider environmental protection and green tourism integral to the long-term viability of our business and of the communities within which we operate. As such, we will continue to focus on limited wastage of scarce natural resources, limit waste and prevent improper waste disposal to avoid environmental damage.

Human Development

Our hotels are sustained by our stakeholders ranging from our internal team, investors, regulators, guests, and communities. They remain a key focus for our sustainability efforts, particularly through programmes that aim for long-term with wide-reaching impact on key value areas such as health and education. This includes addressing historic inequalities, providing access to essential services, promoting education and self-improvement and providing growth opportunities.

Each of the three new focus areas is aligned to/overlaps with one or more SDG and/ or ESG initiatives. This allows the grouping of related goals under a single focus area and the evaluation of the overall status of human development, biodiversity and waste management to be assessed taking into account how various metrics are related. This approach also makes our sustainability efforts accessible to stakeholders without a background in SDG/ ESG whilst allowing us to still meet reporting standards.



Corporate and Hotel Directory

African Sun Limited
Incorporated and domiciled in the Republic of Zimbabwe Registration number: 643/1971

Registered Office
African Sun Limited, c/o Monomotapa Harare
54 Parklane, Harare, P.O. Box CY 1211, Causeway, Harare, Zimbabwe
Tel: +263 242 338232 -6, +263 78 270 5382, +263 78 270 5379, +263 78 270 5384
Email: venon.musimbe@africansunhotels.com
Web: www.africansunhotels.com

Transfer Secretaries
Corpserve (Private) Limited
2nd Floor, ZB Bank Centre
Cnr Kwame Nkrumah Avenue/First Street, P.O. Box 2208, Harare, Zimbabwe
Tel: +263 242 758193
Email: paradzai@corpserve.co.zw

Physical Address
African Sun Limited, Bally House, Mount Pleasant Business Park, 870 Endeavour Crescent off Norfolk Road, Harare
P.O.Box CY 1211, Causeway , Harare, Zimbabwe
Tel: + Tel: +263 242 338232 -6, +263 78 270 5382, +263 78 270 5379, +263 78 270 5384
Email: venon.musimbe@africansunhotels.com
Web: www.africansunhotels.com

Investor Relations
Web: www.africansunhotels.com

Telephone Directory

For reservations:	
Pan African Central Reservations Office, ("PACRO") Johannesburg	+27 100030079,100030081-5
Email: pacro@africansunhotels.com	
Harare Central Reservations Office Harare ("HACRO")	+263 242 700521 or +263 782 706 785-7
Email: hacro@africansunhotels.com	
Resort Hotels	
Elephant Hills Resort and Conference Centre	+263 8328 44793-9 or +263 867 700 4956 or +263 867 700 4956
Hwange Safari Lodge	+263 772 132 147-8
Caribbea Bay Resort	+263 261 2452-7 or +263 772 132 180-2
Great Zimbabwe Hotel	+263 239 262274 or +263 772 132 153-5 or +263 867 700 7458
City and Country Hotels	
Monomotapa Harare	+263 242 704501-9 or +263 867 700 4651
Troutbeck Resort	+263 772 437 386-8 or +263 867 702 0298
Holiday Inn Harare	+263 242 795612-9 or +263 867 702 0291
Holiday Inn Bulawayo	+263 292 252460-9 or +263 867 702 0294 or +263 772 132 149-150
Holiday Inn Mutare	+263 020 64431 or +263 867 702 0290
The Victoria Falls Hotel Partnership	
The Victoria Falls Hotel	+263 8328 44751-9 or +263 772 132 176 or +263 867 700 0376
Sun Leisure Tours	
Sun Leisure Tours - Bulawayo	+263 292 252460-9 or +263 867 702 0294
Sun Leisure Tours - Victoria Falls	+263 8328 44793-9 or +263 867 700 4956

Notice to Members

NOTICE IS HEREBY GIVEN TO THE SHAREHOLDERS OF THE COMPANY THAT, the fiftieth Annual General Meeting (AGM) of Shareholders of African Sun Limited will be held virtually https://eagm.creg.co.zw/Login.aspx on Wednesday, 28 June 2023 at 1200 hours (CAT).

Voting thresholds:
To approve the ordinary resolutions, the support of more than 50% of the voting rights exercised by shareholders present in person, or represented by proxy, at the AGM is required.

To approve any special resolutions, the support of at least 75% of the voting rights exercised by shareholders represented in person or by proxy at the virtual AGM is required.

ORDINARY BUSINESS

1. Statutory Financial Statements
To receive and adopt the financial statements for the year ended 31 December 2022, together with the report of the Directors and Auditors thereon.

2. Dividend

2.1 To confirm an interim dividend of ZWL0.102118 per share plus an additional US$0.000545 per share, payable in respect of all ordinary shares of the Company for the year ended 31 December 2022.

2.2 To confirm the final dividend of US$0.073027 cents per share payable in respect of all ordinary shares of the Company for the year ended 31 December 2022.

3. Directors' Resignations and Appointments
In terms of the Company's Articles of Association, all the non-executive directors, being Dr. E. A Fundira, Mrs. G. Chikomo, Mr. C. Chikosi, Mr. B.I. Childs, Mr. V.W. Lapham, Mr. L. M. Mhishi, Ms. T.M. Denga and Mr. A. E. Siyavora retire at the AGM. All the non-executive directors, being eligible, will offer themselves for re-election.

The profiles of Directors to be re-elected are included in the Annual Report under the Board of Directors. Unless otherwise resolved, each Director will be elected separately.

4. Independent Auditors

4.1 To approve the remuneration of the auditor, Grant Thornton Chartered Accountants (Zimbabwe) for the past audit.

4.2 To confirm the re-appointment of Grant Thornton Chartered Accountants (Zimbabwe) as external auditors of the Company for the ensuing year.

(NOTE: In terms of Section 69(6) of the Victoria Falls Stock Exchange listing requirements, companies must change their audit partners every five years and their audit firm every ten years. Grant Thornton Chartered Accountants (Zimbabwe) has been the auditor of the Company for one year.)

5. Directors' Fees
To ratify the payment of directors' fees for the Chairman and non-executive directors for the year ended 31 December 2022.

ANY OTHER BUSINESS
To transact any other business competent to be dealt with at the AGM.

Notice to Members (continued)

Note:

(a) In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy needs to be a member of the Company.

(b) In terms of section 171 (8) of the Companies and Other Business Entities Act (Chapter 24:31), a director or officer of a company may not act as a proxy for a member. Accordingly, members should not appoint a director or officer of the Company.

(c) In terms of Article 80 of the Company's Articles of Association, instruments of the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting.

By Order of the Board

V.T. Musimbe
Company Secretary and Governance Executive

Company Registered Office
African Sun Limited
Monomotapa Hotel, 54 Parklane, Harare, Zimbabwe

5 June 2023

ATTENDANCE OF THE AGM

Members are hereby advised to use the dedicated Corpserve helpline at +263 - 242 750 711, - 772 289, or -779 145 849 for assistance with the virtual AGM processes.

AFRICAN SUN LIMITED

PROXY FORM FOR THE ANNUAL GENERAL MEETING

For use at the Fifty First Annual General Meeting (AGM) of Shareholders of African Sun Limited will be held virtually https://eagm.creg.co.zw/Login.aspx on Wednesday, 28 June 2023 at 1200 hours (CAT).

I/We, the undersigned

of ______________________________

Being registered holder(s) of ______________________________ ordinary shares

Hereby appoint ______________________________

or failing him, ______________________________

As my proxy to act for me/us and vote for me/us on my/our behalf as indicated below at the Annual General Meeting of the Company to be held on Wednesday, 28 June 2023 at 1200 hours (CAT) and at any adjournment thereof.

PROXY

(a) In terms of the Companies and Other Business Entities Act (24:31), members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy needs not be a member of the Company.

(b) In terms of Article 80 of the Company's Articles of Association, instruments of the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting.

Signed at ____________ this ____________ day of ____________ 2023

Signature of Shareholder ______________________________

PLEASE NOTE

If the address on the envelope of this letter is incorrect, please fill in the correct details below and return to the Company Secretary.

Name ______________________________

Address ______________________________

____

ATTENDANCE OF THE AGM

Members are hereby advised to use the dedicated Corpserve helpline at +263 - 242 750 711, - 772 289, or -779 145 849 for assistance with the virtual AGM processes.

STAMP

THE COMPANY SECRETARY
AND GOVERNANCE EXECUTIVE

COMPANY REGISTERED OFFICE:
AFRICAN SUN LIMITED
C/O Monomotapa Hotel,
54 Parklane, Harare, Zimbabwe.
PO Box CY 1211, Causeway,
Harare, Zimbabwe.

PHYSICAL ADDRESS:
AFRICAN SUN LIMITED
Bally House, Mount Pleasant Business Park,
Off Norfolk Road, 870 Endeavour Crescent,
Mount Pleasant,
Harare, Zimbabwe.
PO Box CY 1211, Causeway,
Harare, Zimbabwe.