AFRICAN SUN

LIMITED

REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended

30 June 2023

In Pursuit of Hospitality Excellence

Contents

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.

Directorate and corporate information

DIRECTORS

C. F. Chikosi	(Chairman)	(Appointed, 10 July 2023)
P. Saungweme*	(Chief Executive Officer)	
B. Chiota*	(Acting Chief Finance Officer)	(Appointed, 1 July 2023)
N. Y. Mutizwa		(Resigned, 30 June 2023)
Dr. E. A. Fundira		(Resigned, 9 July 2023)
B. I. Childs		
G. Chikomo		
T. M. Denga		
L. M. Mhishi		
A. E. Siyavora		
V. W. Lapham		

*Executive

Company Secretary
V.T. Musimbe

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
Email: venon.musimbe@africansunhotels.com

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

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
6th Floor, Gold Bridge, Eastgate Complex, Robert Mugabe Road, Harare, Zimbabwe

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@escrowgroup.org

Investor Relations
Web: www.africansunhotels.com

Chairman's statement

Financial highlights

	Half year ended 30 June 2023	Half year ended 30 June 2022
Revenue	USD 22,36 million	USD 21,93 million
Occupancy	46%	41%
(Loss)/profit for the period	USD (1,81) million	USD 15,75 million
Finance costs	USD 0,03 million	USD 0,18 million
Average daily room rate ("ADR")	USD 103	USD 94
EBITDA	USD 2,48 million	USD 18,92 million
Rooms revenue per available room	USD 47	USD 40
Total revenue per available room	USD 91	USD 75
Operating expenses	USD 17,11 million	USD 12,36 million
Basic (loss)/earnings per share for the period	USD (0,12) cents	USD 1,07 cents
Staff compliment	1 742 employees	1 778 employees

Introduction

On behalf of the Board of Directors of African Sun Limited ("the Company") and its subsidiaries (referred to as "the Group"), it is my privilege to present the reviewed condensed consolidated financial statements for the half-year ending 30 June 2023.

Operating environment

The international tourism sector is displaying resilience in its recovery from the pandemic, despite enduring significant economic and geopolitical challenges. According to the United Nations World Tourism Organization ("UNWTO") World Tourism Barometer, global international arrivals reached 80% of pre-pandemic levels in the first quarter of 2023. During the period in review, this recovery stimulated an increase in export revenue contribution, which rose from 20% to 25% of total hotel segment revenue.

However, the UNWTO Panel of Experts has cautioned that persistent high global inflation and escalating oil prices, translating into increased transport and accommodation costs, could potentially hinder the full-scale recovery of international tourism in 2023.

On the domestic front, the Zimbabwean Dollar (ZWL) experienced significant currency depreciation in the first half of the year, particularly in May and June. The ZWL lost 88% of its value over the six-month period to 30 June 2023, leading to heightened inflation in Q2 2023. While the official and parallel market exchange rates began to converge, the ongoing disparity remains a significant concern, negatively affecting operating margins and intensifying operating costs. Government interventions aimed at stabilizing the exchange rate and curbing inflation have shown progress.

The Zimbabwe Stock Exchange (ZSE) All Share index registered a remarkable 779% increase during this period, driven by heightened demand for equity investments as a value-preserving option. The Victoria Falls Stock Exchange (VFEX) witnessed improved market capitalization due to new listings and migration from the ZSE. Notably, the property market remained active, with a focus on residential, retail, and office parks.

Change in functional currency

Effective from 1 January 2023, the Group transitioned from using ZWL as its functional currency to adopting USD. This change was prompted by a consistent increase in the use of foreign currency across our businesses leading up to 31 December 2022. The Reserve Bank of Zimbabwe Governor reported that 70% of transactions and 65% of customer deposits were in USD in the 2023 monetary policy statement.

In line with International Accounting Standards ("IAS") 21, "The Effects of Changes in Foreign Exchange Rates", the Group translated its last reported inflation-adjusted financial statements using the closing exchange rate at the reporting date to derive and present comparative financial statements under the newly assessed functional currency.

Financial Performance

During H1 2023, the Group reported a loss after tax of USD1.81 million, primarily attributed to the challenging macro-economic environment. Costs escalated at a faster pace than revenue, exacerbated by losses from discontinued operations.

Revenue

The Group achieved USD22.36 million in revenue, reflecting a 2% increase compared to the same period last year. The growth was driven by higher business volumes, with hotel occupancy increasing by 5 percentage points to 46%.

Operating Expenses

Operating expenses, excluding depreciation, amounted to USD13.91 million, a 36% increase compared to the prior year. This was driven by inflationary pressures and increased volumes, resulting in higher variable costs. The Group is actively monitoring and implementing cost-saving initiatives.

Profitability

Earnings before interest, tax, depreciation, and amortization ("EBITDA") reached USD2.48 million. The loss for the period of USD1.81 million was mainly due to discontinued operations, which incurred a loss of USD0.75 million. This loss primarily included property and equipment impairments following the closure of the Kingdom at Victoria Falls Hotel.

Liquidity

The Group maintains a strong position, with no outstanding debt, and cash and cash equivalents totaling USD6.98 million as of 30 June 2023. We are in discussions with local financial institutions to establish standby financing facilities for significant hotel refurbishment projects in progress.

Portfolio Transformation: Hotel refurbishments

Our mission to provide exceptional hospitality experiences that our guests love remains unwavering. We are focused on capital allocation for targeted hotel refurbishments to enhance the guest experience. Progress continues in this regard, with the refurbishment of the remaining 46 rooms at Hwange Safari Lodge nearing completion.

Interim dividend declaration

Due to the loss recorded for the half-year ending 30 June 2023 and ongoing capital expenditure on hotel refurbishments, the Board has resolved not to declare a dividend for this period.

Chairman's statement (continued)

Outlook

Looking ahead, the UNWTO's scenarios for 2023 anticipate international tourist arrivals reaching 80 to 95% of pre-pandemic levels. In alignment with these forecasts, we expect the recovery of international arrivals to persist, especially as we enter our peak summer season.

On the domestic front, we welcome government efforts to stabilize the macroeconomic environment. We anticipate a resurgence in conference business as controlled spending resumes post-elections, following significant occupancies from election-related activities after 30 June 2023.

On the property front, we are developing an additional 55 stands in Marlborough Sunset Views, aiming to tap into the flourishing residential properties market.

Directorate Changes

Dr. Emmanuel Fundira retired as Chairman and Non-Executive Director of the Board on 9 July 2023, having served the Group for over 10 years. We express our gratitude for his loyal and invaluable service.

Mr. Ndangariro Mutizwa stepped down as Chief Finance Officer on 30 June 2023, with Mr. Brien Chiota appointed as the Acting Chief Finance Officer from 1 July 2023.

I was appointed Chairman of the Board of Directors effective 9 July 2023, and Mr. Lloyd Mhishi assumed the role of Lead Independent Director on 1 August 2023, in accordance with our Board Charter.

Appreciation

I extend my sincere gratitude to the entire African Sun team for their unwavering commitment and dedication to our values. As we strive toward our vision of becoming the leading provider of hospitality and leisure operations in Africa, I also thank our valued guests, shareholders, suppliers, and broader stakeholders for their continued support.

To my fellow Directors, your support, contribution, and commitment to the Group are highly appreciated.

F Chikosi

Constantine F. Chikosi
Chairman

29 September 2023

Grant Thornton

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Report on review of interim condensed consolidated financial statements

To the members of African Sun Limited

We have reviewed the accompanying condensed consolidated statement of financial position of African Sun Limited as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant group accounting policies and other explanatory notes.

Responsibilities of Management and Those Charged with Governance for the interim condensed consolidated financial statements

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Group's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim condensed consolidated financial statements that are free of material misstatement whether due to fraud or error.

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on review of interim condensed consolidated financial statements (continued)

Conclusion

Based on our review, there is nothing that has come to our attention which causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects the financial position of African Sun Limited as at 30 June 2023, and of its financial performance and its cash flows for the six months then ended in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

Emphasis of matter - Restatement of property and equipment and investment property opening balances

Without modifying our conclusion, we draw attention to note 4 of the condensed consolidated financial statements, which describes the restatement of property and equipment, and investment property opening balances following the change in functional currency from ZWL to USD on 1 January 2023 including the effects thereof. The condensed consolidated financial statements for the half year ended 30 June 2023 are prepared after restating the opening balances of property and equipment, and investment property to present a fair view of the respective balances as at 31 December 2022.

The engagement partner on the review engagement resulting in this independent review conclusion is Edmore Chimhowa.

Grant Thornton

Edmore Chimhowa

Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton **29 September 2023**

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

Condensed consolidated statement of financial position

As at 30 June 2023

All figures in USD	Note	Reviewed As at 30 June 2023	Audited As at 31 December 2022
ASSETS			
Non-current assets			
Property and equipment	7	80,176,376	79,991,089
Investment property	8	11,794,021	12,419,021
Right of use assets		4,799,055	4,895,605
Biological assets		285,411	285,411
Deferred tax assets		-	29,051
Other financial assets		126,439	65,474
Total non-current assets		**97,181,302**	**97,685,651**
Current assets			
Assets classified as held for sale	9.6	3,100,000	3,533,845
Inventories		5,074,075	4,676,332
Trade receivables		1,761,347	2,005,012
Other financial assets		2,797,000	2,162,101
Cash and cash equivalents		6,982,154	11,463,432
Total current assets		**19,714,576**	**23,840,722**
Total assets		**116,895,878**	**121,526,373**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		2,476,768	2,476,768
Share premium		14,008,943	14,008,943
Equity-settled share based payment reserve	17.1	223,300	213,296
Foreign currency translation reserve	17.2	8,363,216	8,269,216
Revaluation reserve		27,329,922	27,543,868
Retained earnings		40,627,734	43,297,888
Total equity		**93,029,883**	**95,809,979**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		12,840,657	12,540,149
Lease liabilities		337,931	1,624,299
Deferred lease income		158	1,105
Total non-current liabilities		**13,178,746**	**14,165,553**
Current liabilities			
Liabilities associated with assets classified as held for sale		-	152,908
Trade and other payables		9,158,017	9,455,015
Current income tax liabilities		175,866	229,565
Provisions	12	1,328,447	1,695,112
Deferred lease income		-	253
Lease liabilities		24,919	17,988
Total current liabilities		**10,687,249**	**11,550,841**
Total liabilities		**23,865,995**	**25,716,394**
Total equity and liabilities		**116,895,878**	**121,526,373**

Condensed consolidated statement of comprehensive income

For the half year ended 30 June 2023

All figures in USD	Note	Reviewed 30 June 2023	Reviewed 30 June 2022
Revenue	11	**22,362,206**	**21,925,841**
Cost of sales	13	(7,176,545)	(6,166,850)
Gross profit		**15,185,661**	**15,758,991**
Other income	14.1	1,223,193	13,721,501
Operating expenses	13	(17,110,775)	(12,357,761)
Net impairment reversal/(losses) on financial assets		489,519	(57,111)
Other expenses	14.2	(15,110)	(228,271)
Operating (loss)/profit		**(227,512)**	**16,837,349**
Finance income		101,374	6,654
Finance costs		(2,602)	(176,775)
Finance costs - lease liabilities		(53,368)	(235,138)
Net monetary loss (IAS 29)		-	(339,978)
(Loss)/profit before tax		**(182,108)**	**16,092,112**
Income tax expense	15	(873,393)	(901,668)
(Loss)/profit from continuing operations		**(1,055,501)**	**15,190,444**
(Loss)/profit for the period from discontinued operations	9.4	**(751,920)**	**554,674**
(Loss)/profit for the period		**(1,807,421)**	**15,745,118**
Other comprehensive income for the period net of tax:			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		94,000	142,906
Items that may not be subsequently reclassified to profit or loss			
Revaluation surplus		-	37,537,549
Other comprehensive income for the period net of tax		**94,000**	**37,680,455**
Total comprehensive (loss)/income for the period		**(1,713,421)**	**53,425,573**
(Loss)/profit attributable to:			
Owners of the parent		(1,807,421)	15,819,729
Non-controlling interests		-	(74,611)
		(1,807,421)	**15,745,118**
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(1,713,421)	53,500,184
Non-controlling interests		-	(74,611)
		(1,713,421)	**53,425,573**
(Loss)/earnings per share attributable to:			
Owners of the parent during the period (USD cents)			
Basic and diluted (loss)/earnings per share	16	(0.12)	1.07
Headline (loss)/earnings per share	16	(0.09)	0.35

Condensed consolidated statement of cash flows

For the half year ended 30 June 2023

All figures in USD	Note	Reviewed 30 June 2023	Reviewed 30 June 2022
Cash flows (used in)/from operating activities			
Cash (utilised in)/generated from operations		(740,002)	6,432,135
Finance income received		101,374	6,654
Finance cost paid		(2,602)	-
Finance cost paid - lease liabilities		(53,368)	(235,138)
Tax paid		(436,181)	(520,318)
Cash (utilised in)/generated from operating activities		**(1,130,779)**	**5,683,333**
Cash (utilised in)/generated from investing activities			
Proceeds from sale of subsidiary	9.6	309,293	-
Purchase of property and equipment	7	(3,326,287)	(2,013,569)
Proceeds from sale of investment property		686,905	139,638
Proceeds from sale of property and equipment		105,321	2,510
Proceeds from sale of non-current assets held for sale		-	466,917
Cash utilised in investing activities		**(2,224,768)**	**(1,404,504)**
Cash utilised in financing activities			
Repayment of lease liabilities		(24,098)	(31,241)
Dividend paid		(1,076,679)	(669,630)
Cash utilised in financing activities		**(1,100,777)**	**(700,871)**
(Decrease)/increase in cash and cash equivalents		**(4,456,324)**	**3,577,958**
Cash and cash equivalents at beginning of the period		11,463,432	7,132,995
Exchange (loss)/gains on cash and cash equivalents		(24,953)	2,962,400
Effects of restatement on cash and cash equivalents		-	(1,554,242)
Cash and cash equivalents at the end of the period		**6,982,154**	**12,119,111**

Condensed consolidated statement of changes in equity

For the half year ended 30 June 2023

All figures in USD	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
Period ended 31 December 2022									
Balance as at 1 January 2022	**2,475,268**	**11,948,562**	**182,905**	**7,944,342**	**21,319,146**	**35,025,731**	**78,895,954**	**5,977,521**	**84,873,475**
Profit/(loss) for the period	-	-	-	-	-	6,082,161	6,082,161	(59,833)	**6,022,328**
Other comprehensive income:									
Currency translation differences	-	-	-	324,874	-	-	324,874	-	**324,874**
Revaluation surplus - net of tax	-	-	-	-	6,224,722	-	6,224,722	-	**6,224,722**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**324,874**	**6,224,722**	**6,082,161**	**12,631,757**	**(59,833)**	**12,571,924**
Transactions with owners in their capacity as owners:									
Share options cost	-	-	30,391	-	-	-	30,391	-	**30,391**
Shares issued	1,605	2,200,477	-	-	-	-	2,202,082	-	**2,202,082**
Treasury shares	(105)	(140,096)	-	-	-	-	**(140,201)**	-	**(140,201)**
Transfer of NCI to equity attributable to owners of the parent	-	-	-	-	-	3,715,606	**3,715,606**	(5,917,688)	**(2,202,082)**
Dividend paid	-	-	-	-	-	(1,525,610)	**(1,525,610)**	-	**(1,525,610)**
Balance as at 31 December 2022	**2,476,768**	**14,008,943**	**213,296**	**8,269,216**	**27,543,868**	**43,297,888**	**95,809,979**	**-**	**95,809,979**
Period ended 30 June 2023									
Balance as at 1 January 2023	**2,476,768**	**14,008,943**	**213,296**	**8,269,216**	**27,543,868**	**43,297,888**	**95,809,979**	**-**	**95,809,979**
Loss for the period	-	-	-	-	-	(1,807,421)	**(1,807,421)**	-	**(1,807,421)**
Other comprehensive income/(loss):									
Currency translation differences	-	-	-	94,000	-	-	**94,000**	-	**94,000**
Transfer to retained earnings	-	-	-	-	(213,946)	213,946	**-**	-	**-**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**94,000**	**(213,946)**	**(1,593,475)**	**(1,713,421)**	**-**	**(1,713,421)**
Transactions with owners in their capacity as owners:									
Share options cost	-	-	10,004	-	-	-	**10,004**	-	**10,004**
Dividend paid	-	-	-	-	-	(1,076,679)	**(1,076,679)**	-	**(1,076,679)**
Balance as at 30 June 2023	**2,476,768**	**14,008,943**	**223,300**	**8,363,216**	**27,329,922**	**40,627,734**	**93,029,883**	**-**	**93,029,883**

Notes to the condensed consolidated financial statements

For the half year ended 30 June 2023

1 Reporting entity

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, it also owns more than 2,000 hectares of land across Zimbabwe that are held either for capital appreciation or future development.

The Company is incorporated and domiciled in Zimbabwe, and is listed on the Victoria Falls Stock Exchange ("VFEX"). 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.

These condensed consolidated financial statements were approved for issue by the Directors on 29 September 2023.

2 Basis of preparation

The condensed consolidated financial statements comprise of the financial statements of African Sun Limited and it's subsidiaries as at 30 June 2023. The condensed consolidated financial statements of the Group have been prepared in compliance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") and disclosure requirements of IAS 34 "*Interim Financial Reporting*". The condensed consolidated 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) and the VFEX Listing Requirements.

The preparation of condensed consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity whose assumptions and estimates are significant to the financial statements are disclosed in note 6.

The condensed consolidated financial statements are presented in United States Dollars ("USD") and all values have been rounded off to the nearest dollar, except where otherwise indicated.

3 Change in functional and presentation currency

These condensed consolidated financial statements are presented in United States Dollars ("USD"), which is the functional and presentation currency of the Group. The Group changed its functional currency from Zimbabwe Dollars ("ZWL") to United States Dollars ("USD") with effect from 1 January 2023.

Following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Group has continued to see a steady increase in the use of foreign currency across its businesses. During the 2023 Monetary policy statement presentation the Reserve Bank of Zimbabwe Governor reported that 70% of the economy transactions had been completed in USD and 65% of customer deposits were in USD. This had started to be evident in the Group's revenue and expenditure transactions which prompted management to make an assessment on the currency that reflects the underlying transactions, events and conditions relevant to the Group in accordance with the requirements of IAS 21, "*The Effects of Changes in Foreign Exchange Rates*". In assessing functional currency, the following factors were considered:

(i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled);
(ii) the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
(iii) the currency which influences labour, material and other costs of providing goods and services;
(iv) the currency in which funds from financing activities are generated; and
(v) the currency in which receipts from operating activities are usually retained.

The Group concluded that based on the above factors, there was a change in the Group's functional currency from ZWL to USD with effect from 1 January 2023. The change in functional currency was applied prospectively.

Subsequently; African Sun Limited listed on the VFEX on 14 April 2023 and adopted the USD as it's presentation currency in line with the requirement of the VFEX listing requirements to present financial statements in USD.

Translation on date of change of functional currency

The Group previously reported it's financial statements in ZWL, a currency under hyperinflation after restatement of it's historical financial statements in accordance with IAS 29, "*Financial Reporting in Hyperinflationary Economies*". IAS 21 requires entities operating in hyperinflationary economies to translate their last reported inflation-adjusted financial statements using the closing rate of exchange at the last reporting date, on the effective date of change in functional currency. The prior year comparative numbers were translated to USD at the 31 December 2022 closing rate of USD1:ZWL755. The resulting translated amounts for non-monetary items were treated as their historical cost from the date of translation going forward.

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

4 Restatement of property and equipment and investment property opening balances

The Group changed its functional currency to USD on 01 January 2023 (refer to note 3). As required by IAS 21, inflation-adjusted transactions and balances as at of the last reported inflation adjusted financial statements were translated to USD using the closing official rate of ZWL 1:USD 755. On 31 December 2022, because of the imminent change in functional currency the Directors engaged a professional valuer to value property and equipment, and investment property in both ZWL and USD. Directors noted that the property and equipment and investment property balances translated in accordance with IAS 21 were overstated compared to the USD fair values determined by the professional valuer on the same date, 31 December 2022. This was because the ZWL valuation inputs for the ZWL functional currency at 31 December 2022 had an implied correlation with the alternative market rates and translation of ZWL balances of property and equipment and investment property to USD using the closing official rate inevitably resulted in the over-valuation.

In an endeavor to achieve fair presentation, the Directors resolved to adopt the USD valuation of property and equipment and investment property as at 31 December 2022 as opening balances to enable comparability of financial information and achieve fair presentation.

The effect of the restatement is as follows:

Condensed consolidated statement of financial position extract as at 31 December 2022

All figures in USD	Restated 31 December 2022	IAS 21 Translated 31 December 2022	Variance
ASSETS			
Non-current assets			
Property and equipment	79,991,089	95,438,062	15,446,973
Investment property	12,419,021	14,871,616	2,452,595
Current assets			
Assets classified as held for sale	3,533,845	4,076,229	542,384
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Revaluation reserve	27,543,868	41,636,790	(14,092,922)
Retained earnings	43,297,888	46,779,367	(3,481,479)
Liabilities			
Non-current liabilities			
Deferred tax liabilities	12,540,149	13,407,700	(867,551)

5 Going concern

Despite the local and global economic challenges, global tourism industry remained resilient in its recovery from the adverse impact of the COVID-19 pandemic. According to the United Nations World Tourism Organization ("UNWTO"), international tourism is expected to recover 80% to 95% of pre-pandemic levels. The Group's hotel occupancy for the half year ended 30 June 2023 at 46% was up 5 percentage points compared to 41% achieved for same period in the prior year. 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.

6 Accounting estimates

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses. The judgements, estimates and assumptions applied in these condensed consolidated financial statements were the same as those applied in the Group's last financial statements for the year ended 31 December 2022.

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

7 Property and equipment

All figures in USD	Freehold properties	Leasehold properties	Equipment	Service stocks	Motor vehicles	Capital work in progress	Total
Period ended 31 December 2022							
Revalued cost	58,919,991	4,707,200	20,987,447	114,325	1,738,291	1,554,846	88,022,100
Accumulated depreciation and impairment	(4,154,751)	(2,364,205)	(12,163,194)	-	(78,961)	-	(18,761,111)
Opening net book	54,765,240	2,342,995	8,824,253	114,325	1,659,330	1,554,846	69,260,989
Additions	272,218	765,046	890,489	107,589	318,980	2,000,268	4,354,590
Transfers in/(out)	-	856,821	380,413	532	-	(1,237,766)	-
Foreign exchange difference	-	-	5,472	-	-	-	5,472
Disposals - cost	-	(52,224)	(151,265)	-	(2,649)	-	(206,138)
Disposals - accumulated depreciation	-	52,224	58,383	-	1,928	-	112,535
Assets held for sale	-	-	(132,777)	-	(164,338)	-	(297,115)
Revaluation - cost	7,137,770	509,528	4,185,067	(87,036)	(82,354)	-	11,662,975
Revaluation - depreciation	486,866	868,018	(2,536,758)	87,036	506,523	-	(588,315)
Depreciation and usage	(726,615)	(1,066,942)	(1,920,919)	(87,036)	(512,392)	-	(4,313,904)
	61,935,479	**4,275,466**	**9,602,358**	**135,410**	**1,725,028**	**2,317,348**	**79,991,089**
Revalued cost	**66,329,979**	**6,786,371**	**26,164,846**	**135,410**	**1,807,930**	**2,317,348**	**103,541,884**
Accumulated depreciation and impairment	**(4,394,500)**	**(2,510,905)**	**(16,562,488)**	**-**	**(82,902)**	**-**	**(23,550,795)**
Net book value	**61,935,479**	**4,275,466**	**9,602,358**	**135,410**	**1,725,028**	**2,317,348**	**79,991,089**
Period ended 30 June 2023							
Opening net book	61,935,479	4,275,466	9,602,358	135,410	1,725,028	2,317,348	79,991,089
Additions	-	44,047	721,697	236,481	271,524	2,052,538	3,326,287
Foreign exchange difference	-	-	(2,374)	-	-	-	(2,374)
Disposals - cost	-	-	(1,932,121)	-	(90,501)	-	(2,022,622)
Disposals - accumulated depreciation	-	-	1,516,699	-	-	-	1,516,699
Depreciation and usage	(452,383)	(425,353)	(1,314,761)	(90,588)	(349,618)	-	(2,632,703)
	61,483,096	**3,894,160**	**8,591,498**	**281,303**	**1,556,433**	**4,369,886**	**80,176,376**
Revalued cost	**66,329,979**	**6,830,418**	**24,952,048**	**371,891**	**1,988,953**	**4,369,886**	**104,843,175**
Accumulated depreciation and impairment	**(4,846,883)**	**(2,936,258)**	**(16,360,550)**	**(90,588)**	**(432,520)**	**-**	**(24,666,799)**
Net book value	**61,483,096**	**3,894,160**	**8,591,498**	**281,303**	**1,556,433**	**4,369,886**	**80,176,376**

Property and equipment was valued in USD on 31 December 2022. This was because the ZWL valuation inputs for the ZWL functional currency at 31 December 2022 had an implied correlation with the alternative market rates and translation of ZWL balances of property and equipment to USD using the closing official exchange rate resulted in over valuation of property and equipment in USD. In an endeavour to present the best possible view of the comparative financial position of the Group, the Directors valued property and equipment on 31 December 2022 in the newly assessed functional currency the USD. The Directors resolved to adopt the USD valuation numbers of property and equipment to fairly present the opening balance sheet after the change in functional currency.

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

8 Investment property

All figures in USD	30 June 2023	31 December 2022
Balance at the beginning of the period	**12,419,021**	**15,358,276**
Transfer to assets classified as held for sale	-	(3,642,384)
Disposals	(625,000)	(279,561)
Fair value adjustments	-	982,690
Balance at the end of the period	**11,794,021**	**12,419,021**

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.

Investment property was valued in USD on 31 December 2022. This was because the ZWL valuation inputs for the ZWL functional currency at 31 December 2022 had an implied correlation with the alternative market rates and translation of ZWL balances of investment property to USD using the closing official rate resulted in over valuation of investment property. In an endeavour to present the best possible view of the comparative financial position of the Group, the Directors valued investment property on 31 December 2022 in the newly assessed functional currency the USD. The Directors resolved to adopt the USD valuation numbers of investment property to fairly present the opening balance sheet after the change in functional currency.

The disposal of the investment property relates to the 2 units of the Elizabeth Winsor Garden and a stand in Marlborough which was disposed during the current period. The Elizabeth Winsor Garden units were previously rented out to tenants.

9 Discontinued operations and assets classified as held for sale

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

The group successfully disposed DPC at the beginning of the current year. Refer to note 9.6 for details relating to the disposed assets and liabilities of DPC.

9.2 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. Refer to note 9.4 for the costs incurred after the closure of the hotel which are include in loss from discontinued operations.

9.3 Harare Sun Casino and Makasa Casino

Following the closure of The Kingdom at Victoria Falls Hotel, the Group terminated "Casino" operations. The Harare Sun Casino license was linked to the Makasa Casino which operated at the Kingdom hotel. Due to the closure of the Kingdom hotel both casinos were subsequently closed.

9.4 Analysis of the loss for the period from discontinued operations

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

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

Statement of comprehensive income for the period ended 30 June 2023

All figures in USD	Casino 30 June 2023	Kingdom Hotel 30 June 2023	Total 30 June 2023
Revenue	10,981	2,151	13,132
Cost of sales	(4,544)	(6,547)	(11,091)
Other income/(expenses)	24,190	(385,492)	(361,302)
Operating expenses	(75,883)	(316,776)	(392,659)
Loss for the period from discontinued operations	**(45,256)**	**(706,665)**	**(751,920)**

Statement of comprehensive income for the period ended 30 June 2022

All figures in USD	DPC 30 June 2022	Total 30 June 2022
Revenue	703,577	703,577
Other income	464,051	464,051
Operating expenses	(535,148)	(535,148)
Net monetary loss (IAS29)	(76,796)	(76,796)
Profit before tax	**555,684**	**555,684**
Income tax expense	88,026	88,026
Loss for the year from discontinued operations	**643,710**	**643,710**
Intra-group transactions eliminated	(89,036)	(89,036)
Loss for the period from discontinued operations	**554,674**	**554,674**

9.5 Disposal of Dawn Property Consultancy (Private) Limited

On 7 January 2023, the Group disposed of its 100% equity interest in its subsidiary, Dawn Property Consultancy (Private) Limited. The subsidiary was classified as held for sale in the 2022 consolidated financial statements. The consideration was received fully in cash on 7 January 2023. This became the effective date of loss of control in DPC. At the date of disposal, the carrying amounts of DPC net assets were as follows:

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

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

9.5 Disposal of Dawn Property Consultancy (Private) Limited (continued)

All figures in USD	30 June 2023	31 December 2022
Property and equipment	297,115	-
Inventories	18,386	-
Trade and other receivables	118,344	-
Cash and cash equivalence	190,707	-
Trade and other payables	(151,891)	-
Deferred tax liabilities	(69,726)	-
Current income tax liabilities	(18,277)	-
Provisions for other liabilities	(1,367)	-
Net assets and liabilities	**383,291**	**-**
Purchase consideration received	500,000	-
Profit on disposal of subsidiary	**116,709**	**-**
Purchase consideration received in cash	500,000	-
Cash and cash equivalence in subsidiary disposed	(190,707)	-
Net cash inflow from disposal of subsidiary	**309,293**	**-**

The profit on disposal is included in the loss for the year in the condensed consolidated statement other comprehensive income.

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

9.6 Assets classified as held for sale

All figures in USD	30 June 2023	31 December 2022
Balance at the beginning of the period	**3,533,845**	**845,815**
Transfer from Investment property	-	3,642,384
Disposal group assets	-	433,845
Fair value gains	-	(537,507)
Disposal	(433,845)	(850,692)
Balance at the end of the period	**3,100,000**	**3,533,845**

Disposal amount relates to Dawn Property Consultancy (Private) Limited which was successfully disposed during the current period. The closing balance relates to Beitbridge Express Hotel, remained unsold as at 30 June 2023.

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".

Management remains committed to sale the hotel in line with the board's resolution and has been actively marketing the hotel and the sale is expected to have been completed before the end of March 2024.

10 Financial risk management

(i) Key Liquidity Risk Disclosures

Liquidity risk is the risk that the Group may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

10 Financial risk management (continued)

(i) Key Liquidity Risk Disclosures (continued)

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's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so 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 debt financing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

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 surplus cash in interest bearing current accounts, time deposits and money markets deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-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 period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

All figures in USD	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 30 June 2023				
Liabilities				
Trade and other payables	(9,158,017)	-	-	(9,158,017)
Lease liabilities	(24,919)	(59,740)	(278,191)	(362,850)
Total liabilities	**(9,182,936)**	**(59,740)**	**(278,191)**	**(9,520,867)**
Assets held for managing liquidity risk				
Trade and other receivables	4,558,347	126,439	-	4,684,786
Cash and cash equivalents	6,982,154	-	-	6,982,154
Total assets held for managing liquidity risk	**11,540,501**	**126,439**	**-**	**11,666,940**
Liquidity surplus/(gap)	**2,357,565**	**66,699**	**(278,191)**	**2,146,073**
Cumulative liquidity surplus	**2,357,565**	**2,424,264**	**2,146,073**	**-**
As at 31 December 2022				
Liabilities				
Trade and other payables	(9,455,015)	-	-	(9,455,015)
Lease liabilities	(17,988)	(134,105)	(1,490,194)	(1,642,287)
Total liabilities	**(9,473,003)**	**(134,105)**	**(1,490,194)**	**(11,097,302)**
Assets held for managing liquidity risk				
Trade and other receivables	4,167,113	-	-	4,167,113
Cash and cash equivalents	11,463,432	-	-	11,463,432
Total assets held for managing liquidity risk	**15,630,545**	**-**	**-**	**15,630,545**
Liquidity surplus/(gap)	**6,157,542**	**(134,105)**	**(1,490,194)**	**4,533,243**
Cumulative liquidity surplus	**6,157,542**	**6,023,437**	**4,533,243**	**-**

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

10 Financial Risk Management (continued)

(ii) Key credit risk disclosures

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.

The expected credit loss rates are based on the payment profiles of sales over a period of 60 months before 30 June 2023 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 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.

The closing expected credit loss allowances for trade receivables as at 30 June 2023 reconcile to the opening expected credit loss allowances as follows:

All figures in USD	30 June 2023	31 December 2022
Opening expected credit loss allowance as at 1 January	640,435	176,507
(Decrease)/increase in expected credit loss allowance recognised in profit or loss during the period	(418,507)	463,928
Closing expected credit loss allowance	**221,928**	**640,435**
Other financial assets at amortised cost		
Other financial assets at amortised cost include staff and key management personnel debtors and receivables from related parties.		
Opening expected credit loss allowance as at 1 January	128,226	57,700
(Decrease)/increase in expected credit loss allowance recognised in profit or loss during the period	(71,012)	70,526
Closing expected credit loss allowance	**57,214**	**128,226**

11 Segment analysis

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
- profitability.

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

1. **Country and City 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 City Hotels 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, and Caribbea Bay Resort. These hotels are headed by the Resort Hotels Operations Executive who reports to the Chief Executive Officer.

3. **Partnership Hotel**
   This refers to The Victoria Falls Hotel which is jointly operated with Meikles (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.

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). 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

Intercompany sales within segments are eliminated on consolidation. The revenue from external parties reported to the executive committee is measured in 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 in time in most of its segments while revenue is also recognised over time from timeshares.

The amounts provided to the executive committee with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

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

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

11 Segment analysis (continued)

The financial information for the reportable segments is as follows:

All figures in USD	Country and City Hotels	Resort Hotels	Partnership	Real Estate	Other	Inter segments	Consolidated
For the period ended 30 June 2023							
Sale of rooms	6,428,231	3,191,060	1,648,713	-	-	-	11,268,004
Sale of food and beverages	5,369,940	3,013,596	549,462	-	-	-	8,932,998
Management fees and commissions	-	-	-	-	133,144	(121,144)	12,000
Conferencing	301,597	686,586	-	-	-	-	988,183
Property development sales	-	-	-	320,205	-	-	320,205
Property rentals	-	-	-	1,637,689	-	(1,423,401)	214,288
Other income	155,163	259,953	86,508	-	242,433	(117,529)	626,528
Revenue from contracts with customers	**12,254,931**	**7,151,195**	**2,284,683**	**1,957,894**	**375,577**	**(1,662,074)**	**22,362,206**
Revenue from discontinued operations							
Casino	-	-	-	-	10,981	-	10,981
The Kingdom at Victoria Falls Hotel	-	2,151	-	-	-	-	2,151
Material items included in profit before tax							
Cost of sales	(3,943,731)	(2,407,008)	(486,649)	(277,824)	(61,333)	-	(7,176,545)
Employee benefit expenses	(2,094,362)	(1,517,839)	(313,976)	(238,649)	(2,073,238)	-	(6,238,064)
Short term, low value and variable lease expenses	(673,263)	(751,622)	-	-	-	1,423,401	(1,484)
Exchange gain/(loss)	4,987,507	3,054,531	(1,897,986)	(4,317,199)	(289,193)	(556,644)	981,016
Other information							
EBITDA	**6,899,634**	**3,586,714**	**(1,288,919)**	**(2,773,115)**	**(3,386,058)**	**(556,645)**	**2,481,611**
Depreciation	(831,482)	(790,273)	(355,750)	(3,194)	(207,926)	(427,010)	(2,615,635)
Rights of use assets amortisation	(74,111)	(6,209)	(860)	-	(12,308)	-	(93,488)
Finance costs - borrowings (net)	-	(2,602)	5,740	18,422	77,212	-	98,772
Finance costs - lease liabilities	(46,006)	(268)	(42)	-	(7,052)	-	(53,368)
Profit/(loss) before tax from continuing operations	**5,948,035**	**2,787,362**	**(1,639,831)**	**(2,757,887)**	**(3,536,132)**	**(983,655)**	**(182,108)**
Total assets as at 30 June 2023	**16,294,134**	**9,488,477**	**4,682,361**	**76,447,050**	**22,837,099**	**(12,853,243)**	**116,895,878**
Total assets include:							
Additions to non-current assets (other than financial instruments and deferred tax assets):							
-Property and equipment	831,670	2,186,997	24,279	-	283,341	-	3,326,287
Total liabilities as at 30 June 2023	**4,867,333**	**3,554,242**	**617,848**	**1,714,603**	**5,511,054**	**7,600,915**	**23,865,995**

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

11 Segment analysis (continued)

The financial information for the reportable segments is as follows:

All figures in USD	Country and City Hotels	Resort Hotels	Partnership	Real Estate	Other	Inter segments	Consolidated
For the period ended 30 June 2022							
Sale of rooms	6,835,699	4,092,455	615,375	-	-	-	11,543,529
Sale of food and beverages	4,731,843	2,677,878	174,786	-	-	-	7,584,507
Management fees and commissions	-	-	-	-	198,267	(198,267)	-
Conferencing	240,747	232,546	-	-	-	-	473,293
Property development sales	-	-	-	193,325	-	-	193,325
Property rentals	-	-	-	1,634,014	-	(1,421,191)	212,823
Other income	892,182	731,792	153,417	-	124,333	(732)	1,900,992
Revenue from contracts with customers	**12,700,471**	**7,734,671**	**943,578**	**1,827,339**	**322,600**	**(1,620,190)**	**21,908,469**
Gaming income	-	-	-	-	17,372	-	17,372
Total Revenue	**12,700,471**	**7,734,671**	**943,578**	**1,827,339**	**339,972**	**(1,620,190)**	**21,925,841**
Material items included in profit before tax							
Cost of sales	(3,425,318)	(2,326,261)	(223,773)	(164,342)	(27,156)	-	(6,166,850)
Employee benefit expenses	(1,475,450)	(1,383,043)	(183,210)	(166,446)	(1,255,701)	-	(4,463,850)
Short term, low value and variable lease expenses	(1,087,819)	(871,772)	(87,594)	(5,963)	(6,586)	1,421,191	(638,543)
Fair value gains on investment property	-	-	-	46,191,801	-	(35,804,447.0)	10,387,354
Exchange (loss)/gain	(740,729)	(1,780,582)	316,699	849,243	4,687,986	-	3,332,617
Other information							
EBITDA	**3,559,310**	**(384,807)**	**410,980**	**47,998,238**	**3,333,831**	**(35,996,995)**	**18,920,557**
Depreciation	(711,753)	(578,737)	(160,584)	(44,805)	(158,930)	(343,473)	(1,998,282)
Rights of use assets amortisation	(72,156)	(523)	(81)	-	(12,167)	-	(84,927)
Finance costs - borrowings (net)	(82,068)	(94,708)	-	1,389	5,266	-	(170,121)
Finance costs - lease liabilities	(228,784)	(1,344)	(212)	-	(4,798)	-	(235,138)
Net monetary loss (IAS 29)	-	-	-	(1,331,379)	991,402	-	(339,977)
Profit/(loss) before tax from continuing operations	**2,464,549**	**(1,060,119)**	**250,103**	**46,623,443**	**4,154,604**	**(36,340,468)**	**16,092,112**
Total assets as at 31 December 2022	**23,517,787**	**16,733,854**	**6,166,766**	**75,989,479**	**11,456,608**	**(12,338,121)**	**121,526,373**
Total assets include:							
Additions to non-current assets (other than financial instruments and deferred tax assets):							
-Property and equipment	**1,157,678**	**2,116,935**	**541,002**	**42,381**	**224,377**	**272,218**	**4,354,591**
Total liabilities as at 31 December 2022	**6,903,729**	**5,684,738**	**723,335**	**1,632,142**	**2,996,920**	**7,775,530**	**25,716,394**

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

12 Provisions for other liabilities

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 the amount the Group would rationally pay to settle the obligation at the reporting date.

The provisions balance is made up of the following:

All figures in USD	30 June 2023	31 December 2022
Leave pay	147,564	215,006
Contractual claim	1,062,324	967,976
Performance bonus	18,559	412,130
Other	100,000	100,000
	1,328,447	**1,695,112**

(a) Leave pay

This amount is the Group's liability to pay employees for their 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.

(c) Other

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

13 Expenses by nature

All figures in USD	30 June 2023	31 December 2022
Inventory recognised in cost of sales	2,031,391	2,123,736
Outside laundry in cost of sales	130,258	151,338
Employee costs in costs of sales	3,693,374	2,988,663
Other cost of sales	1,321,522	903,113
Cost of sales	**7,176,545**	**6,166,850**
Employee costs in operating expenses	6,228,060	4,448,621
Equity settled share based payments	10,004	15,229
Depreciation, usage and amortization	2,615,635	2,083,210
Short term, low value and variable lease expenses	1,484	638,544
Repairs and maintenance	640,745	607,110
Audit fees and other professional services	81,892	94,811
Heat, light, water & rates	1,609,674	284,586
Royalties	612,813	566,783
Sales and marketing	575,372	314,636
Insurance	325,724	176,745
Security	371,253	322,369
Bank charge and transaction tax	627,596	491,120
Vehicle running expenses	181,999	100,494
Consultancy costs	185,835	58,213
Subscriptions	125,549	69,361
Licenses	233,167	136,201
Other expenses	2,683,973	1,949,728
Operating expenses	**17,110,775**	**12,357,761**
Total cost of sales and operating expenses	**24,287,320**	**18,524,611**

14 Other income and other expenses

All figures in USD	30 June 2023	30 June 2022
14.1 Other income		
Foreign exchange gains	981,016	3,334,147
Profit on sale of investment property	125,468	-
Profit on disposal of subsidiary - note 9.6	116,709	-
Fair value gains on investment property	-	10,387,354
Other income	**1,223,193**	**13,721,501**

Notes to the condensed consolidated financial statements (continued)

For the half year ended 30 June 2023

	All figures in USD	30 June 2023	30 June 2022
14	**Other income and other expenses (continued)**		
14.2	**Other expenses**		
	Loss on sale of investment property	-	228,271
	Loss on disposal of property and equipment	15,110	-
	Other expense	**15,110**	**228,271**
15	**Income tax expense**		
	Income tax expense is made of the following;		
	Current income tax expense	(524,015)	(330,950)
	Deferred tax expense	(349,378)	(570,718)
	Income tax expense	**(873,393)**	**(901,668)**
16	**(Loss)/earnings and net asset value per share**		
	(i) (Loss)/earnings per share		
	Basic and diluted (loss)/earnings per share (USD cents)	(0.12)	1.07
	Headline (loss)/earnings per share (USD cents)	(0.09)	0.35
	(ii) Reconciliation of headline (loss)/earnings used in calculating (loss)/ earnings per share is as follows;		
	(Loss)/Earnings attributable to owners of the parent	(1,807,421)	15,819,729
	Adjustments for:		
	Loss from disposal of property and equipment	15,110	-
	(Profit)/loss on sale of investment property	(125,468)	228,271
	Profit on disposal of subsidiary - note 9.5	(116,709)	-
	Loss/(profit) for the period from discontinued operations	751,920	(554,674)
	Fair value adjustment on investment property	-	(10,387,354)
	Headline (loss)/earnings attributable to owners of the parent	**(1,282,568)**	**5,105,972**
	Number of shares in issue	**1,474,357,553**	**1,474,357,553**
	(iii) Net assets value and net tangible asset value per share		
	Net asset value per share (cents)	**6.31**	**6.50**
	Net tangible asset value per share (cents)	**6.31**	**6.50**
	Net asset value as per condensed consolidated statement of financial position	93,029,883	95,809,979

17 Reserves

17.1 Equity-settled share based payment reserve

In terms of the Group's share option scheme rules, share options were granted on 19 March 2020 and were recognised at fair value. During the year the Group recognised an additional expense of USD10,004 in respect of share options granted. The options granted vest after 3 years and, accordingly, the fair value will be amortised over those periods.

Movements in share options during the period is as follows:

All figures in USD	30 June 2023	30 June 2022
Outstanding at the beginning of the period	213,296	182,905
Expensed during the period	10,004	30,391
Outstanding at the end of the period	**223,300**	**213,296**

The share options vested at the end of March 2023 and no options were exercised as at 30 June 2023. All options will expire, if not exercised, four years after the date of grant.

17.2 Foreign currency translation reserve ("FCTR")

On consolidation, exchange differences arising from the translation of transactions and balances of foreign operations which are different to the Group's presentation currency are taken to the foreign currency translation reserve.

Movements in FCTR reserve during the period are as follows:

	All figures in USD	30 June 2023	31 December 2022
	Balance at the beginning of the period	8,269,216	7,944,342
	Recognised during the period	94,000	324,874
	Balance at the end of the period	**8,363,216**	**8,269,216**
18	**Capital commitments**		
	Authorised by Directors and contracted for	4,824,062	2,397,000
	Authorised by Directors, but not contracted for	7,727,938	6,768,633
		12,552,000	**9,165,633**

Capital commitments relate mainly to hotel properties refurbishments and acquisition of other items of property and equipment and will be financed mainly from normal operating cash flows and debt finance.

19 Events after reporting date

There were no significant events after the reporting date.