SUSTAINING GROWTH

Integrated Annual Report

2020

AFRICAN SUN

LIMITED

Contents

SUSTAINING
GROWTH

African Sun Limited
(the Company)
A leading Hotel Asset
Management Company
in Zimbabwe

Financial highlights

Revenue:
INFLATION ADJUSTED
ZWL 1.84 bln from **ZWL 4.10 bln**

EBITDA:
INFLATION ADJUSTED
ZWL 0.005 bln from **ZWL 1.74 bln**

Occupancy:
23% from **48%**

Total Rev PAR:
INFLATION ADJUSTED
ZWL 3 112 from **ZWL 6 861**

ADR:
INFLATION ADJUSTED
ZWL 7 010 from **ZWL 7 889**

Rooms RevPAR:
INFLATION ADJUSTED
ZWL 1 626 from **ZWL 3 805**

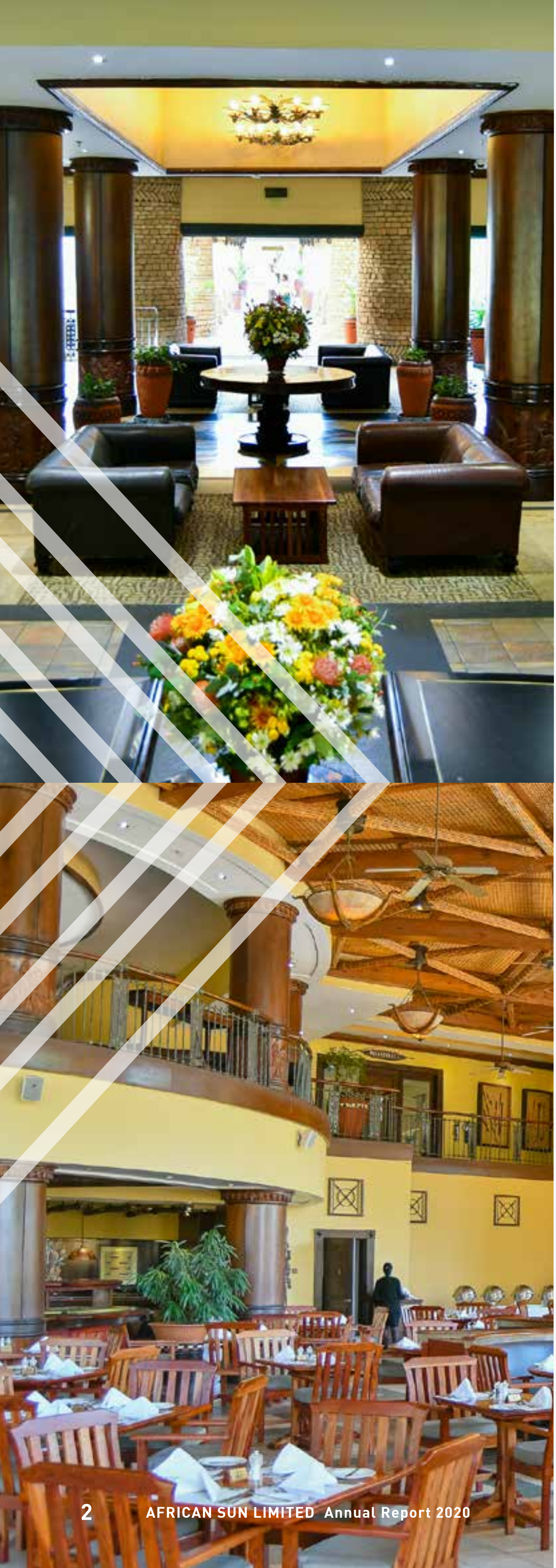
1 803
ROOMS

901
EMPLOYEES

11
HOTELS

2
CASINOS

AFRICAN SUN
LIMITED



Corporate Profile

African Sun Limited ("the Company"), is a leading Hotel Asset Management Company in Zimbabwe, operating internationally recognised brands, with a vision to become the leading hospitality and leisure company in the markets we operate.

OUR BUSINESS

The Company and its subsidiaries ("the Group") currently has four divisions which are: Resort Hotels, City and Country Hotels, Victoria Falls Hotel Partnership and Sun Leisure.

RESORT HOTELS

There are five hotels under this category

- Elephant Hills Resort and Conference Centre;
- The Kingdom at Victoria Falls;
- Hwange Safari Lodge;
- Caribbea Bay Resort and Campsites; and
- Great Zimbabwe Hotel and Campsites.

CITY AND COUNTRY HOTELS

There are five hotels under this division:

- Holiday Inn Harare;
- Holiday Inn Bulawayo;
- Holiday Inn Mutare;
- Monomotapa Hotel; and
- Troutbeck Resort.

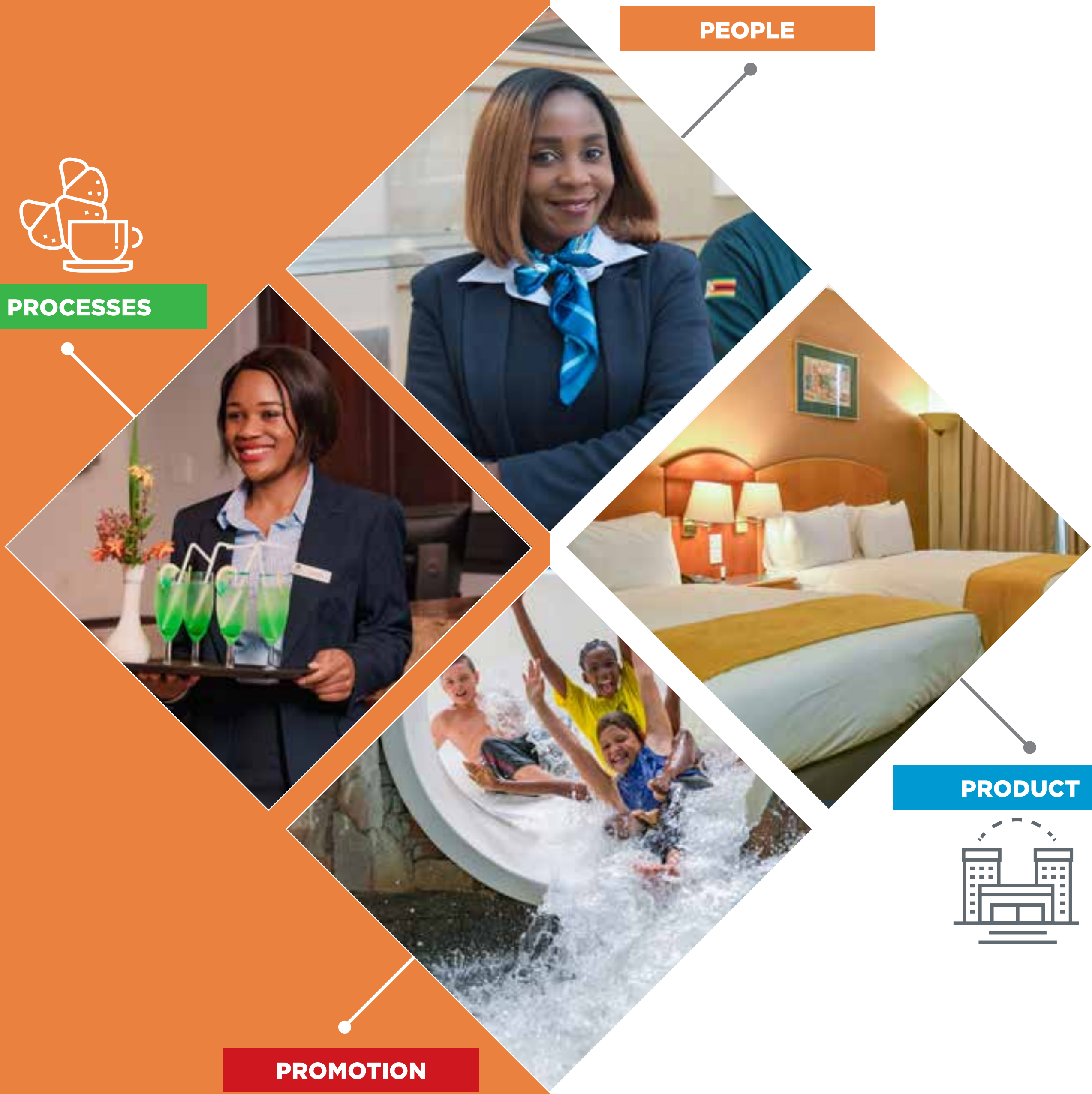
THE VICTORIA FALLS HOTEL PARTNERSHIP

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").

SUN LEISURE

This division includes the stand-alone charity casino (Harare Sun Casino), a hotel-based casino (Makasa Sun Casino) and Sun Leisure Tours, the Group's ground handling operation.

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:



PEOPLE

PROCESSES

PRODUCT

PROMOTION

AFRICAN SUN LIMITED

Harare

Enjoy the warmth of the Sunshine City

MONOMOTAPA

Holiday Inn
AN IHG® HOTEL
Harare

Our Business Overview

STATEMENT OF VISION

To be the leading Hospitality and Leisure Company in the markets we operate.

MISSION

We exist to create value for all our stakeholders.

- **To our Guests**
  Exceeding their expectations through 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 seven-point "PRILFSC" value system forms the basis our belief system within the organization

We will do so through:

- **Professionalism –** We exude expert competence in the way we do business.
- **Respect –** In all our relationships, we seek to build and honor.
- **Integrity -** We do what we say. We are true to self and true to others.
- **Leisure –** We enjoy everything we do.
- **Fairness -** We are a non-discriminate organization and we treat everyone equally.
- **Service Excellence –** We meet and exceed customer expectations.
- **Care –** We show concern and seek the well-being of everyone.

Our Business Overview (continued)

OUR BUSINESS

The Group currently has four divisions: City and Country Hotels, Resort Hotels, The Victoria Falls Hotel Partnership and Sun Leisure.

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 Harare, which is located in the capital city Harare, with its iconic structure overlooking the lush, colorful and perennially evergreen Harare Gardens and the fifth, Troutbeck Resort which is nestled in the rolling Eastern Highlands Mountains of Nyanga.

RESORT HOTELS

The resort hotels are located in all the country's major tourist destinations namely, Victoria Falls, Hwange, Masvingo and Kariba. The hotels are Elephant Hills Resort and Conference Centre and The Kingdom at Victoria Falls, which as its name suggests, mimics a truly majestic African Kingdom located within a 5-minute walk to the Victoria Falls, one of the Seven Natural Wonders of the World. Hwange Safari Lodge, is situated in the Hwange National Park where over 100 species of mammals and nearly 400 bird species have been recorded. Great Zimbabwe Hotel is located in Masvingo, within a walking distance from the Great Zimbabwe National Monument, a UNESCO World Heritage Site and the largest ancient structure south of the Sahara and second only to the Pyramids of Giza in size and grandeur. Caribbea Bay Resort is located in Kariba on the shores of Lake Kariba, which is one of the four largest man-made lakes in the world and second largest reservoir by volume in Africa.

THE VICTORIA FALLS HOTEL PARTNERSHIP

Also, in Victoria Falls, is The Victoria Falls Hotel which the Group jointly operates with Meikles Hospitality (Private) Limited. The Hotel is affiliated to The Leading Hotels of the World and adheres to the requirements that are the hallmark of this affiliation.

SUN LEISURE

This division comprise the gaming unit of the group (Casinos) and the group's ground handling unit (Sun Leisure Tours).

Sun Casinos operates one stand-alone charity casino (Harare Sun Casino) and one hotel-based casino (Makasa Sun Casino at The Kingdom at Victoria Falls).

Sun Leisure Tours provides shuttle services, destination tours and other hospitality related leisure activities.

CITY AND COUNTRY HOTELS

RESORT HOTELS

THE VICTORIA FALLS HOTELS

SUN LEISURE

Our Business Overview (continued)

HOTEL PORTFOLIO	LOCATION	ROOMS	CONFERENCE CAPACITY	RESTAURANTS
The Victoria Falls Hotel Partnership				
The Victoria Falls Hotel	Victoria Falls	161	40	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
The Kingdom at Victoria Falls	Victoria Falls	294	1 000	2
Caribbea Bay Resort and Campsites (Inclusive of 35 Campsites)	Kariba	118	1 020	1
City and Country Hotels				
Monomotapa Harare	Harare	243	752	2
Troutbeck Resort	Nyanga	70	440	2
Holiday Inn Harare	Harare	201	750	2
Holiday Inn Bulawayo	Bulawayo	157	880	2
Holiday Inn Mutare	Mutare	96	770	1
Total	**11**	**1 803**	**7 482**	**21**

SUN LEISURE	ACTIVITIES/GAMES AVAILABLE
Harare Sun Casino	Slot Machines, American Roulette and Black Jack
Makasa Sun Casino	Slot Machines, American Roulette and Black Jack
Sun Leisure Tours	Ground Handling, Safaris, Tours, Boat Rides, Transfers, Airport Shuttles

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 Limited.

Victoria Falls

Explore one of the seven wonders of the world

VICTORIA

THE VICTORIA FALLS HOTEL

ELEPHANT HILLS RESORT
VICTORIA FALLS

THE KINGDOM
AT VICTORIA FALLS

Our Strategy

Customer Satisfaction Index (CSI) of at least 75% and above

To align the ASL model to Hotel Asset Management Company

Create a benchmark in our talent development for sustainability, succession and growth

To achieve an EBITDA margin of at least 25% or more

Consistently achieve no less than 20% pre-tax return on equity

Seek to be in top 3 measured by Revenue Generation Index (RGI) in markets we operate

Ensure that associations with reputable brands has sustainable long-term returns

Bulawayo

Enjoy the warmth of the City of Kings

Holiday Inn

AN IHG HOTEL

Bulawayo

Message from the Chairman

INTRODUCTION

It gives me great pleasure to present to you a statement on the 2020 financial report.

OPERATING ENVIRONMENT

Global tourism experienced its worst year on record in 2020, with international arrivals dropping by a massive 74% according to the World Tourism Organization (UNWTO) report, dated 28 January 2021. Destinations worldwide had 1 billion fewer international arrivals in 2020 than in the previous year due to an unprecedented fall in demand and widespread travel restrictions in response to the COVID-19 pandemic. The Group recorded its worst occupancies and volumes in April and May. While much progress has been made in developing and rolling out the COVID-19 vaccine and ensuring safe international travel, the crisis is far from over.

FINANCIAL PERFORMANCE

The Group recorded a low occupancy of 23%, representing a decline of 25 percentage points compared to 48% recorded in 2019. Resultantly, there was a significant drop in the Group's inflation adjusted revenue by 55% to ZWL1,84 billion compared to ZWL 4,10 billion in the same period last year. Room nights sold went down by 52% to 137,162 from 288,224 reported last year. The decline in room nights was across all market segments, with those attributable to export and domestic reducing by 82% and 35% respectively.

The decrease in revenue and volumes resulted in the Group posting an inflation adjusted EBITDA of ZWL5,42 million compared to ZWL1,74 billion that was achieved in 2019. The inflation adjusted loss before tax ("LBT") of ZWL1,86 billion is largely a result of the monetary loss of ZWL1,50 billion, which is a result of applying International Accounting Standard (IAS) 29 Financial Reporting in Hyperinflationary Economies.

Message from the Chairman (continued)

IMPACT OF NOVEL CORONA VIRUS (COVID-19)

COVID-19 represents the most significant challenge that our industry has ever faced. At the onset of COVID-19 induced lockdowns, we moved swiftly to right-size our business in response to the precipitous decline in revenue by rebasing our cost structure, strengthening our balance sheet, and lowering capital spending. All these measures are more clearly captured in our going concern assessment in note 2.1.2. Notwithstanding management's cost containment initiatives, the 2020 results reflect the significant reduction of economic and social activity due to the COVID-19 induced lockdowns as well as the temporary suspension of operations at all our 11 hotels and 2 casinos at some point during the year.

After a marked reduction in new infections during third quarter ("Q3") and fourth quarter ("Q4") 2020, we unfortunately experienced a significant resurgence in the COVID-19 cases at the beginning of 2021. Governments world over, including Zimbabwe, reintroduced partial or complete lockdowns in a bid to control the COVID-19 second wave. The Group expects this resurgence to negatively impact domestic business in the short-term and international business at least into the medium term.

Operationally, the Group had all of its hotels open for business during Q4 2020. The Group expects the recent easing of the lockdown restrictions which permit all businesses to operate and more importantly allowing interprovincial travel, to boost domestic demand going forward. As we restore and prepare to grow occupancy levels, our strategy is premised on improving our services to recognise our guests' enhanced hygiene needs in a post COVID-19 world.

OUTLOOK

As we look to the year ahead, we remain optimistic that the accelerating COVID-19 vaccination programmes will lead to further relaxing of restrictions and unlock leisure and business travel. There are prospects of a rebound in the later part of 2021 on the back of the current rollout of the COVID-19 vaccines and attaining of the required herd immunity. While we do not expect that there will be a quick recovery to previous trading levels, we are optimistic that the various cost saving initiatives and the renewed focus on improving the customer experience, the Group will recover from the COVID-19 pandemic.

UPDATE ON THE ACQUISITION OF DAWN PROPERTIES LIMITED

I am pleased to advise that pursuant to the Company's offer to acquire 100% of Dawn Properties Limited ("DPL"), 91.17% of the ordinary shares of DPL had been acquired as of 20 January 2021. The company is going through pertinent legal processes to acquire the remaining 8.83%. We are in the process of integrating the business to achieve the anticipated synergies.

UPDATE ON TERMINATION OF THE HOTEL MANAGEMENT CONTRACT

The Legacy Hospitality Management Services Limited ("Legacy") matter is still going through legal processes. Meanwhile, the Group has fully integrated and taken over the management of the hotels previously managed by Legacy. This transition has not impacted our operations.

DIRECTORATE CHANGES

There were no changes to the directorate in the period under review.

DIVIDEND DECLARATION

Due to the loss recorded in the year, the Board resolved not to declare a dividend for the period under review.

APPRECIATION

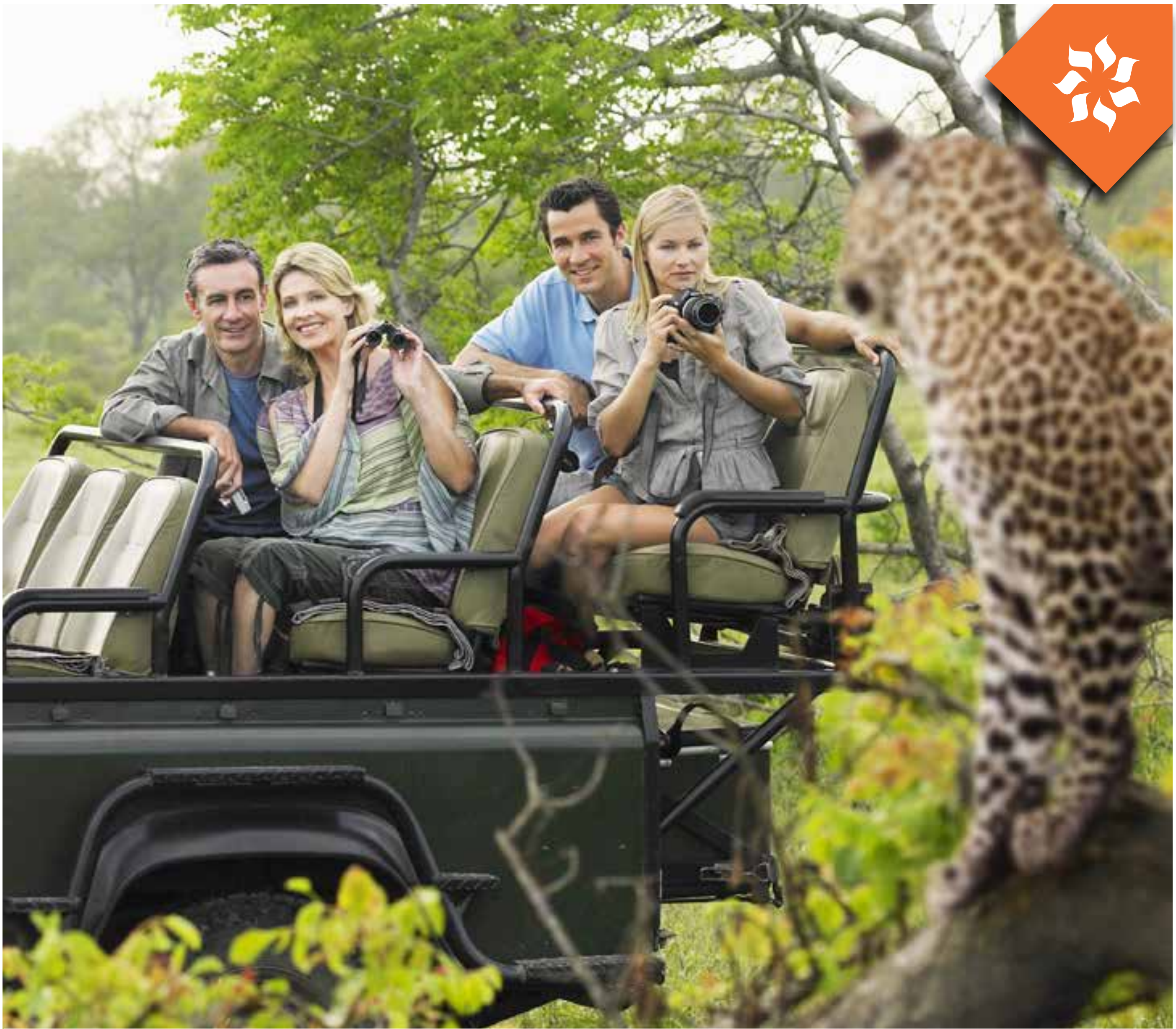
Lastly, but certainly not least, I would like to commend management, staff and fellow board members for their continued commitment to drive the Group's survival strategies amid extensive COVID-19 headwinds.

A Makamure
Chairman

18 March 2021

Hwange

Enjoy a safari adventure with the famous big five



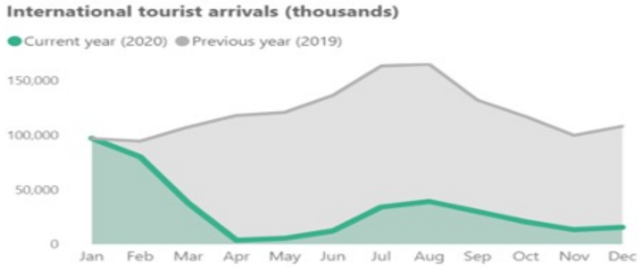
HWANGE
safari lodge

Managing Director's Operations Review

Business overview

The tourism and hospitality sector experienced one of its worst trading years in history as the whole world was under siege from the novel coronavirus ("COVID-19"). The emergence of the COVID-19 pandemic at the end of 2019 in China's Hubei province and its rapid spread globally at the beginning of 2020 brought with it unprecedented level of disruption to the travel and tourism industry.

According to the United Nations World Tourism Organisation ("UNWTO"), international tourist arrivals declined by 74% in 2020, amid global travel restrictions aimed at containing the effects of the COVID-19 pandemic. The decline in tourism activity in 2020 represents 1.1 billion fewer international tourist arrivals compared to 2019. This translates to a loss of approximately US$1.3 trillion in export revenue and a loss of about 100 million jobs in the sector.



Source: UNWTO 2020 Dashboard

Tourist arrivals in Zimbabwe decreased by 85%, registering an estimated loss of US$1.247 billion in tourism receipts. During the same period, international tourist arrivals into our hotels decreased by 77%.

Following a promising start to 2020 with the Group recording excellent performance in the first quarter, revenue for the year was diluted by the subdued performance that followed in the remainder of 2020. The impact of the COVID-19 pandemic on the Group's results worsened following Zimbabwe's strict lockdown protocols, including border closure and a ban on interprovincial travel that was introduced from 30 March 2020.

Managing Director's Operations Review (continued)

Strategy Review

During 2019, the Group transitioned from a Hotel Investment Company to a modern, broader, more flexible, and competitive business model of a Hotel Asset Management Company. To that end, during 2020, the Group, in line with the change in strategy, identified a potential opportunity for the acquisition of Dawn Properties Limited ("Dawn"), a property holding Company that leases seven (7) of its properties to the Group. In addition to the hotel properties, Dawn has a vast land bank ideal for commercial and residential property development.

The benefits of the acquisition include the consolidation of African Sun's position as the largest hospitality entity in Zimbabwe. Following full integration of the two businesses, which is expected to be achieved within two years, the Group anticipates significant enhancement of its earnings through envisaged cost-saving opportunities and synergies that will arise from the transaction which include among other things leveraging property for raising debt.

Operating Segments

City and Country Hotels

Conferencing business from Government, Quasi-Government, Non-Governmental Organisations ("NGOs") and the corporate travel is the anchor for this division.

The division started the year on a high note closing the first quarter of 2020 with an occupancy of 57%. The emergence of the COVID-19 pandemic and the resulting lockdowns and travel restrictions led to unprecedented cancellations and deferred/postponed bookings. All hotels were closed in April 2020 during the first national lockdown and later opened in a phased approach.

International arrivals plummeted due to COVID-19 as countries around the world imposed tight travel restrictions by closing borders and grounding flights. The Group took a deliberate approach to focus on the domestic market through engaging in massive market campaigns to attract and encourage domestic travel within Zimbabwe which had a positive impact on the last quarter of 2020. The COVID-19 impact on the two markets saw international room nights declined by 78%, while local room nights decreased by only 28% from the prior year.

Below is a summary of the trend analysis of the key performance indicators for the City and Country Hotels:

	2020	2019	% Change
Occupancy	36%	55%	-35%
Average Room Rate	$6,735	$6,119	10%
Revenue Per Available Room (RevPAR)	$2,408	$3,385	-29%
Total Revenue Per Available Room (Total RevPAR)	$4,432	$6,437	-31%

The division continued to hold its own in a challenging environment and was ranked second on Revenue Generating Index (RGI) and first on Average Rate Index (ARI) in its competitive set.

At Troutbeck Resort, the refurbishment of the restaurant, as well as public areas, was completed during 2020. The feedback from the market has been very positive. The refurbishment of the rest of the hotel is scheduled for 2021.

The Group continues to achieve and comply with the InterContinental Hotels Group (IHG) brand requirements; all, three IHG hotels (Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare) satisfied the IHG brand requirements in 2020. IHG carried out virtual audits on compliance, consistency, cleanliness of the hotels and all three hotels were compliant.

The Group completed the refurbishment of the restaurant, as well as public areas at Troutbeck Resort. However, due to COVID-19 induced cash constraints, the main refurbishments of Monomotapa Hotel and Troutbeck Resort have been deferred to a later date.

Resort Hotels

These hotels are located in the major resort towns of Zimbabwe and are strategically positioned to benefit from international tourists and their offering of expansive conference facilities.

All hotels under this division were also closed on the 30 March 2020 due to the promulgation of the first national lockdown. Just like the City and Country Hotels, these Resorts were also opened on a phased approach which was much slower as there was hardly any business going into the destination of Victoria Falls. The last hotel was opened on 1 October 2020.

The division's heavy reliance on international travelers resulted in it being severely affected by the COVID-19 restrictions. This was compounded by the local restrictions on inter-provincial travels which disrupted the domestic leisure market. The relaxation of domestic lockdowns was seen mostly in quarter 4 in time for the festive season. Whilst there was activity at the Resorts, it fell far short from the traditional numbers.

Below is a summary of the key performance indicators for the resort hotels:

	2020	2019	% Change
Occupancy	12%	40%	-70%
Average Room Rate	$6,725	$7,994	-16%
Revenue Per Available Room (RevPAR)	$797	$3,207	-75%
Total Revenue Per A vailable Room (Total RevPAR)	$1,745	$5,773	-70%

Managing Director's Operations Review (continued)

As a result of the issues highlighted above, the division recorded an occupancy of 12%, a 70% decline from the 40% that was achieved in 2019. The division did not benefit significantly from local business as the inter-city was highly restricted for most of the year. RevPAR declined significantly by 75% due to the decrease in volumes and revenues. ADR went down by 16% owing to the deliberate strategy of extending promotional rates to generate demand from the domestic market.

Having introduced the campsites at both Caribbea Bay Resort in Kariba and Great Zimbabwe Hotel in Masvingo, albeit uptake was low in 2020, attention has now shifted to refurbishing the respective hotels. Despite the hardships faced during the year, refurbishment at Caribbea Bay Resort was completed in 2020. The focus was to drive volumes in the short to medium term from the domestic market.

The Victoria Falls Hotel Partnership

For a hotel with a sales mix of over 95% international room nights, the impact of COVID-19 related cancellations/postponements was devastating. As governments across the world responded to COVID-19, the resultant containment and mitigation directives resulted in a temporary closure of the hotel from 30 March to 1 November 2020.

After 1 November 2020, the performance was slow in line with flight access to the destination of Victoria Falls from the local and regional feeder markets. In the fourth quarter, the hotel refocused efforts on attracting domestic travelers through localized promotions "staycations", delivering added value as there was no international travel.

In light of the COVID-19 pandemic, some capital expenditures have been suspended, but we still remain committed to the refurbishment of the "Grand Old Lady", with forty-nine (49) rooms scheduled to be completed by July 2021.

Below is a summary of the trend analysis of the key performance indicators for the hotel:

	2020	2019	% Change
Occupancy	13%	60%	-79%
Average Room Rate	$20 083	$22 792	-12%
Revenue Per Available Room (RevPAR)	$2 434	$13 727	-82%
Total Revenue Per Available Room (Total RevPAR)	$3 835	$21 157	-82%

Although demand continues to be severely affected during the start of the year 2021 with other lockdowns and travel restrictions induced by the COVID-19 second wave and virus variants, the hotel can overcome the challenges by leveraging on the strong brand and market positioning to drive the steep recovery in the midterm and guarantee business sustainability.

Sun Leisure Division

Sun Leisure tours started very well in 2020, though it was not spared from the adverse effects of the pandemic as there was very low traffic during the entire period.

The Casinos experienced very low activity owing to the lockdown restrictions, and this was also compounded by the erosion of the punters disposable incomes due to inflation. The casinos were closed on 30 March 2020 and reopened in September 2020 under strict COVID-19 regulations. A 78% decline in net gaming income was recorded. Plans are underway to introduce exciting new gaming products and purchase additional slot machines once business starts to return to normalcy.

Business Information Systems

The Group will focus on continuous improvement of Site-minder Channel Managers for online web bookings of all our hotels. As a result, we have planned migration of the Property Management Systems (PMSs) for Troutbeck Resort, Caribbea Bay Resort, Hwange Safari Lodge, and Great Zimbabwe Hotel to OPERA from the current Apex system to achieve a two-way interface with Site-minder Channel Managers for online web bookings, Online Travel agents and Application Property Interface (API).

Human Resources

Developing future executives across all races and gender groups remains a priority. We have a well-established succession plan that taps into a deep pool of leadership talent, ready for a post-COVID-19 era.

The recruitment freeze remained in force mainly due to the COVID-19 induced uncertainties. However, the Group engaged a Group Executive Chef to manage, monitor, and maintain the Group's culinary skills.

Managing Director's Operations Review (continued)

Staff Rationalisation and Corporate Restructuring

Unfortunately, the new reality of our business required us to adapt our organisational structure moving forward. During the year 2020, we took additional measures to further reduce costs, including the reduction of approximately 300 roles and the extension of previously announced furloughs of essential employees at home.

Corporate Social Responsibility

In the 2019 Annual Report, the Group started its journey on sustainability reporting. Our overarching sustainability goals are underpinned by sub-targets that closely align with the global Sustainable Development Goals ("SDGs") adopted by the United Nations in 2015.

We recognize that the success of our business is linked to our ability to operate and grow sustainably. Corporate social responsibility is a crucial pillar we focus on as we pursue value creation for all our stakeholders. We recognize the need to invest in the communities in which we operate and partner with key stakeholders like the Government in achieving this.

Outlook

As the world slowly recovers from COVID-19 and borders gradually start to reopen, we expect travel dynamics to be markedly different in the "new normal". The ongoing vaccination program provides relief and boosts optimism. This will go a long way in improving confidence in travellers while allowing authorities across the world to relax current restrictive measures on travelling.

The Group will focus on the domestic market in the short to medium term and continue with its strict business measures on cost containment to ensure sustainability. Adoption of a number of robust promotional activities will be done across all the hotels in a bid to improve uptake from the domestic market whilst we wait for the international market to resume.

Appreciation

The business has managed to sail through the most complex and challenging times in our history. This was made possible through the immense and much appreciated sacrifices of our staff members.

To the board and executive team members, I extend my gratitude for the guidance, support and strenuous efforts to drive the Groups survival strategy amid extensive headwinds. I equally value our loyal guests and suppliers for their patronage and our investors for their enduring support for the Group.

Our business could not be what it is today without all of you, and we look forward to sharing our journey with you as we navigate towards new heights in the years to come

E. T. SHANGWA
MANAGING DIRECTOR

18 MARCH 2021

Eastern Highlands

Experience the misty mountain hideaway

Troutbeck Resort

Holiday Inn
AN IHG® HOTEL
Mutare

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.

Certificate by the Company Secretary

As at 31 December 2020

I, the undersigned, in my capacity as the Company Secretary, hereby confirm, to the best of my knowledge and belief, that for the year ended 31 December 2020, 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

18 March 2021

Directors' Report

For the year ended 31 December 2020

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 2020:

	INFLATION ADJUSTED		HISTORICAL	
	31 December 2020 ZWL	**31 December 2019 ZWL**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Results				
Earnings before interest, tax and depreciation ("EBITDA")	5 415 550	1 740 277 466	38 025 860	173 341 858
(Loss)/profit for the year	(1 504 986 062)	839 027 909	(71 653 155)	106 455 023
Headline (loss)/earnings	(1 497 871 394)	844 109 531	(68 123 713)	107 146 414
Capital commitments				
Authorised by directors and contracted for	9 588 252	-	9 588 252	-
Authorised by directors but not contracted for	1 088 215 681	5 058 399 113	1 088 215 681	1 127 621 907
Total commitments	1 097 803 933	5 058 399 113	1 097 803 933	1 127 621 907
Investments				
The Company holds equity investments in the following subsidiaries to the extent indicated below:				
African Sun Zimbabwe (Private) Limited	100%	100%	100%	100%
African Sun Limited Branch (the "Branch")	100%	100%	100%	100%

Share capital

Issued share capital and share premium total is ZWL 1 303 383 298 as at 31 December 2020 (2019: ZWL 1 303 383 298). No additional shares were issued during the year ended 31 December 2020.

Reserves

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

Directors

Messrs. L. M Mhishi and C. Chikosi were appointed to the Board on 1 May 2021 and retire at the end of their interim appointments. Being eligible, they will offer themselves for re-election at the Annual General Meeting.

Pursuant to the amendments 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 independent auditor's remuneration for the year ended 31 December 2020.

Annual general meeting

The Forty Nine Annual General Meeting of Shareholders of African Sun Limited will be held virtually https://eagm.creg.co.zw/Login.aspx on Wednesday, 30 June 1200 hours (CAT).

By order of the board:

E.T Shangwa — B.H. Dirorimwe — V.T. Musimbe

E.T. Shangwa
Managing Director

B.H. Dirorimwe
Finance Director

V.T. Musimbe
Company Secretary

18 March 2021

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 adopted a Corporate Governance Charter and recommendations made in the King Reports.

THE NATIONAL CODE ON CORPORATE GOVERNANCE

The Group is committed to adhering to the principles espoused in the National Corporate Governance Charter.

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 a majority of non-executive directors and meets at least quarterly. A non-executive director chairs the African Sun Limited Board.

ROLES OF THE CHAIRMAN AND MANAGING DIRECTOR

The roles of the Chairman and the Managing Director 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 Board is chaired by a non- executive director of the Company. The Chairman is responsible for providing leadership to the Board, overseeing its efficient operation and ensuring good corporate governance practices.

The Managing Director 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 Managing Director is supported by the Group's Executive Committee which he chairs at weekly meetings where the Group's results, performance and prospects are reviewed. At each Board meeting, the Managing Director 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 Managing Director 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;
- 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 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 in consultation with the Chairman and the Managing Director, 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 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, frankly 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 six standing committees, namely:

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

In addition, there is the Corporate Governance Committee, which is an ad hoc committee. 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 incorporates the audit and risk oversight functions. The Committee deals, inter alia, with compliance, internal controls 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.

It meets with the Company's independent auditor to discuss accounting, auditing, internal controls 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;

Corporate Governance Charter (continued)

- Financial controls, accounting systems and reporting;
- Financial Planning;
- Independent auditors;
- Internal auditors;
- Legal, regulatory and statutory compliance of the Group; and
- Compliance with the Group's code of conduct;

THE INVESTMENTS COMMITTEE

The Investments 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 investments decisions of the Group. It is regulated by specific terms of reference and is chaired by a non-executive director.

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

- Treasury and Investments decisions;
- Recommendations on proposed acquisitions and/or disposals of assets and any capital expenditure;
- Recommendations to the Board on the declaration and payment of dividends; and
- At all times give due consideration to the relevant provisions of the Act read with the Regulations, the Listings Requirements, and the Board's approved delegation of authority framework.

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.

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 SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) consists of non-executive Chairman and at least two other non-executive directors and is regulated by a specific term of reference. The Committee is responsible for overseeing the development and annual review of a policy and plan for Corporate Social Responsibility to recommend for approval to the board.

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 for the Group;
- 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 concerning Corporate Social Responsibility that is to be included in the Integrated Annual Report for it being timely, comprehensive and relevant.

Corporate Governance Charter (continued)

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, considering 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 Managing Director; 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.

EXECUTIVE COMMITTEE

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

- the Managing Director;
- the Finance Director;
- the Company Secretary; and
- the Human Resources Executive.

The EXCO is delegated with the powers conferred upon the Directors by the Articles of Association. Without thereby being exhaustive, EXCO 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 Managing Director are available at the Annual General Meeting to answer questions. Information about the Group is maintained and available to shareholders at www.africansuninvestor.com

DIRECTORS' ATTENDANCE OF MEETINGS IN 2020

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	Nominations Committee
Number of meetings	***9**	***8**	***6**	***6**	****2**	****2**	**1**
A. Makamure	9	0	0	0	0	0	1
E.T. Shangwa	9	8	6	6	2	2	0
B.H. Dirorimwe	9	8	6	6	2	2	0
E.A. Fundira	8	0	6	6	0	2	0
B. Childs	9	0	6	0	2	0	0
N.G. Maphosa	9	8	0	6	1	2	0
P. Saungweme	9	8	6	0	2	0	1
T.M. Denga	9	0	0	6	0	2	1
G. Chikomo	8	8	6	0	2	0	0

Corporate Governance Charter (continued)

DIRECTORS' ATTENDANCE OF MEETINGS IN 2020 (CONTINUED)

* Due to the fluid operating environment brought about by the Covid-19 Pandemic the number of meetings increased as the Board managed and continues to manage the situation.

** These Committees had limited sittings as they were constituted during the course of the year to ensure that the Company complies with the dictates of Corporate Governance.

INFORMATION AND TECHNOLOGY ("I&T") 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 I&T 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 I&T governance and management.

PRINCIPLES RELATING TO I&T GOVERNANCE AND MANAGEMENT

In monitoring implementation and adherence to proper I&T 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 I&T 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 I&T to support business strategy.

2. Performance and sustainability

I&T is a business enabler to the Group's business and aligns to the business strategic objectives and goals. Business goals are cascaded into I&T goals that in turn are translated into I&T processes and procedures. Through effective controls, I&T 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 I&T planning processes that are integrated with the business strategy development process and framework.

3. I&T Governance framework

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

4. I&T investments and expenditure

The Board's responsibilities include:

- Monitoring and evaluating the extent to which I&T actually sustains and aligns to the business strategic objectives;
- Monitoring and evaluating the acquisition and use of I&T 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 I&T related strategic, legal and operational risks; and
- Overseeing I&T investment to ensure that I&T 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 I&T 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 authorised 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 I&T responsibilities as follows;

- Ensures that I&T risks are adequately addressed and documented;
- Considers I&T as it relates to financial reporting and business continuity of the Group;
- Obtains appropriate assurance that controls are in place and effective in addressing I&T risks; and
- Considers the use of technology to improve audit coverage and efficiency.

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Caribbea Bay

Caribbea Bay Campsite

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 Accounting Standard ("IAS") 21, the Effects of changes in Foreign Exchange Rates as disclosed in note 4.1(a) and non-compliance with International Financial Reporting Standards ("IFRS") 13, fair value measurements as highlighted in the audit opinion. Contrary to the auditors IFRS interpretation, International Accounting Standard ("IAS") 29, Financial reporting in hyperinflationary economies was applied to the consolidated numbers of the Group's foreign operation to achieve fair presentation as disclosed in note 2.1.3. 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 26.

The directors have reviewed the Group's budget and cash flow forecast for the twelve months to 31 December 2021. On the basis of the reviewed forecasts and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the 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.

Procedures are in place to identify key business risks timeously, to determine the likelihood of the risks crystallizing, and to determine the significance of the consequential financial impact on the business.

The Risk and Audit Committee meets quarterly with management, the Internal Audit Department and the Independent Auditor, to review specific accounting, reporting and internal control matters, and to satisfy itself that the system of internal control is operating effectively. The Committee also reviews the interim and annual results of the Group prior to their publication.

The Risk and Audit Committee also reviews the ITC governance framework and monitors the ITC 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 ITC 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.

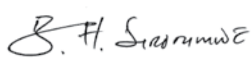
The Group's Risk and Audit Committee met with the Independent and Internal Auditors to discuss their reports on the results of their work, which include assessments of the relative strengths and weaknesses of key control areas.

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, Deloitte and Touché Chartered Accountants (Zimbabwe) , have audited the financial statements and their report appears on pages 42 to 47.

The financial statements for the twelve months ended 31 December 2020 which appear on pages 48 to 131 have been approved by the Board of Directors and are signed on their behalf by:

G. Chikomo
Risk and Audit Committee Chairperson



B.H. Dirorimwe
Finance Director

18 March 2021

Directors' Declaration

For the year ended 31 December 2020

In the opinion of the directors of African Sun Limited, the financial statements and notes set out on pages 48 to 131 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") except for non-compliance with International Accounting Standard ("IAS") 21, the Effects of changes in Foreign Exchange Rates as disclosed in note 4.1(a) and non-compliance with International Financial Reporting Standards ("IFRS") 13, fair value measurements as higlighted in the audit opinion. Contrary to the auditors IFRS interpretation, International Accounting Standard ("IAS") 29, Financial reporting in hyperinflationary Economies was applied to the consolidated numbers of the Group's foreign operation to achieve fair presentation as disclosed in note 2.1.3. 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 and Company as at 31 December 2020 and the results of the Group's performance and its cash flows for the year then ended.

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

E.T. Shangwa
Managing Director

B.H. Dirorimwe
Finance Director

V.T. Musimbe
Company Secretary

18 March 2021

Declaration by the Finance Director

The annual financial statements on pages 48 to 131 have been prepared under my supervision as the Finance Director of the Group. I confirm that I am a member of the Institute of Chartered Accountants of Zimbabwe ("ICAZ") and registered with the Public Accountants and Auditors Board ("PAAB"). My Public Accountant registration number is 03765.

B.H. Dirorimwe CA (Z)
Finance Director

18 March 2021

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Independent Auditor's Report

on the Audit of Inflation Adjusted Consolidated Financial Statements to the Shareholders of African Sun Limited

Introduction

We have audited the accompanying inflation adjusted consolidated financial statements of African Sun Limited and its subsidiaries (the "Group") set out on pages 48 to 131, which comprise the inflation adjusted statement of financial position as at 31 December 2020, the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity, and the inflation adjusted statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the financial position of the group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act and Other Business Entities Act of Zimbabwe (Chapter 24:31).

Basis for Adverse Opinion

Impact of application of International Accounting Standard (IAS 29) "Financial Reporting in Hyperinflationary Economies" on consolidating the monthly ZWL Converted South African Foreign Subsidiary accounts.

The Group applied the requirements of IAS 29 by restating the consolidated results of the South African foreign subsidiary, to which IAS 29 does not apply in the current and comparative years. The financial statements of foreign subsidiaries that do not report in the currencies of hyperinflationary economies should be translated in accordance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates", including comparatives. The reasons for a different accounting treatment have been outlined in note 2.1.3. The effects of the misstatement on the various line items disclosed in note 2.1.3 would be material individually and pervasive in aggregate on the financial statements.

Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" on comparative financial information and retained income

The Group did not comply with IAS 21 in the prior financial period, as it elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19"). Had the assessment required by IAS 21 occurred in the correct period from 1 October 2018, the adjustments that were recognised in the comparative 2019 period would have been materially different. Therefore, the departure from the requirements of IAS 21 were pervasive in the prior period. The misstatements in the historical comparative information impacted the determination of the inflation adjusted amounts as is required in the application of IAS 29 in prior years. The financial effects on the inflation adjusted consolidated financial statements of this departure were not determined. Furthermore, our opinion on the current period's financial results is modified because of the possible effects of the matter on the retained income and the comparability of the current period's financial results with that of the prior year.

Deloitte.

Independent Auditor's Report (continued)

Basis for Adverse Opinion (continued)

<u>Reliability of ZWL valuation of Property, Plant and Equipment based on attributes of Market participants as prescribed in IFRS 13 ''Fair Value Measurements''</u>

As set out in note 8 to the inflation adjusted financial statements, the Group performed a revaluation of Property, Plant and Equipment as at 31 December 2020, that amounts to ZWL 1 965 million (2019: ZWL 2 028 million). The Group engaged professional valuers to determine fair values in USDs, and management subsequently determined the ZWL equivalent fair values by translating those USD valuations using the closing ZWL/USD auction exchange rate as at 31 December 2020.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. While we found the assumptions and methods used by the professional valuers to determine the USD valuations reasonable, we were unable to obtain sufficient appropriate evidence to support the appropriateness of the application of the ZWL/USD auction exchange rate in the determination of the final ZWL fair valuations presented.

IFRS 13 requires:

- a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests; and
- fair value to reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

We were therefore unable to obtain sufficient evidence to support the appropriateness of simply applying the closing ZWL/USD auction exchange rate in determining the ZWL fair value of Property, Plant and Equipment, without any further adjustments to reflect how the economic conditions within the country as at that measurement date would impact the assumptions that market participants would use in pricing the items of Property, Plant and Equipment in ZWL. Such matters include, but are not limited to:

- the correlation of the responsiveness of ZWL valuations of Property, Plant and Equipment to the auction exchange rate and related underlying USD values; and
- the extent to which supply and demand for the items of Property, Plant and Equipment reflects the implications on market dynamics of the auction exchange rate.

Consequently, we were unable to obtain sufficient evidence to support the appropriateness of the property, plant and equipment balances, as well as that of depreciation, revaluation reserve, and the related deferred tax impact.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion section we have determined the matters described below to be key audit matters to be communicated in our report.

Independent Auditor's Report (continued)

Key audit matter	How the matter was addressed in the audit
Provision for Expected Credit Losses	
As disclosed in Note 3.1, the provision for expected credit losses amounted to ZWL$ 38,053 million (2019: $71,846 million) for the year ended 31 December 2020. 42% (2019: 22%) of the trade receivables were in the +120day category. The Group, which uses a lifetime Expected Credit Loss (ECL) for trade receivables, applied the Simplified approach in determining the (ECL) in trade receivables. Most of the long outstanding amounts related to Tour Operators, whose cash flows have been adversely impacted by the economic effects of the Covid-19 pandemic. Significant judgement is required by the directors in assessing the provision for credit losses, which is determined with reference to the historical loss rates adjusted for by forward looking information. Accordingly, for the purposes of our audit, we identified the provision for expected credit losses as representing a significant risk of material misstatement.	In evaluating the provision for expected credit losses (ECL), we reviewed the provision for credit losses calculations prepared by management, with a particular focus on the forward-looking information and taking into account the impact of COVID 19. We performed various procedures, including the following: • Tested the design and implementation of controls with respect to the determination of the provision for expected credit losses; • Tested the completeness of trade and other receivables included in the ECL calculation; • Evaluated and tested relevant inputs and assumptions used in each stage of the ECL • Assess the reasonability of forward-looking information used by management; • Reviewed and challenged the judgements and decisions made by management in estimating the expected credit losses to identify whether indicators of possible management bias exists; • Evaluated whether management's current modelling approach is appropriate; • Tested the ageing of trade receivables, through review of payment trends on a sample basis, to ensure that they are properly aged; and • For identified long outstanding trade receivables, inspected documentation to ascertain the recovery of amounts from the customers. Based on the audit procedures performed the allowance for credit losses was determined to be appropriate.

Key audit matter	How the matter was addressed in the audit
Going Concern	
There is an unprecedented level of economic uncertainty arising from the impact of the COVID-19 pandemic. Assessing the impact of the outbreak of the pandemic on the appropriateness of the going concern assumption, under which the consolidated financial statements have been prepared, resulted in considerable focus and time being spent by both the directors and the audit team.	We reassessed our risk assessment on going concern and took into account the additional considerations of the impact of the COVID 19 pandemic on the Group and Company when assessing the going concern conclusion. In evaluating the directors' judgements in determining whether there are material uncertainties which may cast doubt on the Group's ability to continue as a going concern, the following procedures were performed:

Deloitte.

Independent Auditor's Report (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Going Concern (continued)</td></tr>
<tr><td>

- The Group made a net loss of ZWL 1,5 billion for the ended 31 December 2020 (2019 profit: 839 million), and as of that date, the Group's current assets exceeded its current liabilities by ZWL 272 million (2019 :760 million);
- The Group is predominantly tourism-based business, which has been adversely affected by the Covid 19 pandemic; and
- The Group has successfully established capital facilities amounting to USD 2 million, which would be strengthened by a further government supported tourism sector relief facility of ZWL 150 million which agreement has been signed.

Given the inherent uncertainty associated with the COVID 19 pandemic, it is currently difficult to determine a reasonable worst-case scenario. Accordingly, management modelled a range of scenarios.

The directors have assessed the ability of the Group and Company to continue as a going concern and are of the view that the preparation of these financial statements on a going concern basis is appropriate.

The judgements applied with respect to reaching the director's going concern conclusion are disclosed in Accounting Policy Note 2.1.2 to the annual financial statements.

As a result of the uncertainty of the impact of the COVID-19 pandemic on the Group, and the judgement required to conclude on going concern, we identified this as a key audit matter.

</td><td>

- We tested the design and implementation of controls with respect to the going concern assessment and judgements applied;
- We reviewed board minutes for meetings held during the year ended 31 December 2020 and subsequent to year end, to identify any matters that may affect the going concern of the Group;
- We performed a ratio analysis to evaluate the entity's liquidity and solvency positions as at 31 December 2020;
- We inquired of management's plans for future actions in respect of going concern, including, for example, enquiries about their plans to liquidate assets, borrow money or restructure debts, reduce or defer expenditures, or increase capital, in order to establish whether they are feasible and likely to improve the situation;
- We performed procedures to test the accuracy and completeness of the cashflow projections
- We inspected cash flow forecasts, challenged the reasonableness of the scenarios identified and key assumptions underlying the forecasts as well as the stress tests prepared by management;
- We obtained written representations from management regarding their future action plans and the feasibility of the plans;
- We inquired with the Group's legal advisers regarding the existence of litigation and claims and the reasonableness of management's assessments of their outcome and estimate of their financial implications;
- We recomputed the accuracy of liquidity assessments and interrogated the working capital assumptions embedded in the cashflow forecasts.
- We examined signed loan agreements for the undrawn banking facilities and ensured that the forecasted cash outflows were modelled in line with legal obligations and repayment of loan facilities
- We performed review of subsequent events to identify factors that otherwise mitigate or affect the Group's ability to continue as a going concern. and
- We examined the disclosures in the financial statements with respect to going concern to ensure that reasonable information is disclosed concerning managements judgements and assumptions.

Notwithstanding the existing uncertainties emanating from the COVID 19 pandemic, the going concern assumption was deemed to be appropriately applied in the preparation of the financial statements.

</td></tr>
</table>

Independent Auditor’s Report (continued)

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another auditor who expressed an adverse conclusion on those statements on 03 July 2020.

Other Information

The directors are responsible for the other information. The other information comprises the Directors’ Report, as required by the Companies and Other Business Entities Act (Chapter 24:31), the historic cost financial information and the inflation adjusted Company Statement of financial position, which we obtained prior to the date of this auditor’s report. The other information does not include the inflation adjusted consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the inflation adjusted consolidated financial statements , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we 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 concluded that the other information is materially misstated for the same reasons set out in the Basis for Adverse opinion section above.

Responsibilities of the directors for the inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act of Zimbabwe (Chapter 24:31) and relevant statutory instruments and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the inflation adjusted consolidated financial statements

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the inflation adjusted consolidated financial statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide 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, actions taken to eliminate threats or safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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.

Deloitte & Touche

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)

PER: TAPIWA CHIZANA
PARTNER
REGISTERED AUDITOR
PAAB PRACTICE CERTIFICATE NUMBER: 0444

15 APRIL 2021

Consolidated Statement of Financial Position

As at 31 December 2020

	Note	INFLATION ADJUSTED 31 December 2020 ZWL	INFLATION ADJUSTED 31 December 2019 ZWL	HISTORICAL COST 31 December 2020 ZWL	HISTORICAL COST 31 December 2019 ZWL
ASSETS					
Non-current assets					
Property and equipment	8	1 965 062 800	2 027 728 190	1 923 195 650	437 688 796
Biological assets	9	28 726 214	16 461 332	28 726 214	3 669 608
Other financial assets at amortised cost	12.3	6 191 861	7 305 590	6 191 861	1 628 583
Right of use assets	15.1	357 912 210	975 283 266	255 030 975	35 001 695
		2 357 893 085	**3 026 778 378**	**2 213 144 700**	**477 988 682**
Current assets					
Inventories	11	154 582 363	295 227 346	97 589 363	32 789 975
Trade receivables	12	106 199 181	189 808 525	106 199 181	42 312 669
Other financial assets at amortised cost	12.3	99 487 572	270 152 306	69 619 752	50 702 704
Cash and cash equivalents	13	799 374 360	890 230 850	799 374 360	198 452 854
		1 159 643 476	**1 645 419 027**	**1 072 782 656**	**324 258 202**
Total assets		**3 517 536 561**	**4 672 197 405**	**3 285 927 356**	**802 246 884**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	332 890 359	332 890 359	8 617 716	8 617 716
Share premium	14	970 492 939	970 492 939	25 123 685	25 123 685
Equity settled share based payments reserve	19	10 287 146	-	8 043 669	-
Revaluation reserve	14	852 191 593	796 731 381	1 449 830 089	294 163 180
Foreign currency translation reserve	14.3	1 074 316 377	527 070 939	379 230 453	54 037 995
(Accumulated losses)/Retained earnings		(1183 756 417)	336 491 391	11 220 979	87 872 353
Total equity		**2 056 421 997**	**2 963 677 009**	**1 882 066 591**	**469 814 929**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	20	317 586 900	665 729 648	260 333 101	99 970 004
Lease liabilities	15	255 560 303	157 408 516	255 560 303	35 089 965
		573 147 203	**823 138 164**	**515 893 404**	**135 059 969**
Current liabilities					
Trade and other payables	16	781 092 373	801 516 080	781 092 373	178 676 299
Current income tax liabilities	17	14 302 499	38 653 834	14 302 499	8 616 825
Provisions	18	88 253 033	43 214 661	88 253 033	9 633 538
Lease liabilities	15	4 319 456	1 997 657	4 319 456	445 324
		887 967 361	**885 382 232**	**887 967 361**	**197 371 986**
Total liabilities		**1 461 114 564**	**1 708 520 396**	**1 403 860 765**	**332 431 955**
Total equity and liabilities		**3 517 536 561**	**4 672 197 405**	**3 285 927 356**	**802 246 884**

The notes on pages 54 to 131 are an integral part of these financial statements.

Historical amounts presentated are only supplementary to the hyperinflated financial statements provided to enhance understanding.

These financial statements were approved by the Board of Directors on 18 March 2021 and signed on its behalf by:

G. Chikomo
Risk and Audit Committee Chairperson

B.H. Dirorimwe
Finance Director

Company Statement of Financial Position

As at 31 December 2020

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
ASSETS					
Non-current assets					
Property and equipment	8	6 946 506	9 833 740	6 946 506	2 192 166
Investments	10	505 029 464	505 029 464	42 360 855	18 124 875
Deferred tax assets	20	3 422 870	-	3 422 870	-
		515 398 840	**514 863 204**	**52 730 231**	**20 317 041**
Current assets					
Other financial assets at amortised cost	12	12 909	427 179	12 909	95 228
Cash and cash equivalents	13	51 189	59 299	51 189	13 219
		64 098	**486 478**	**64 098**	**108 447**
Total assets		**515 462 938**	**515 349 682**	**52 794 329**	**20 425 488**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	332 890 359	332 890 359	8 617 716	8 617 716
Share premium	14	970 492 939	970 492 939	25 123 685	25 123 685
Equity settled share based payments reserve	19	10 287 146	-	8 043 669	-
Revaluation reserve	14	7 771 263	6 338 754	7 153 324	1 794 142
Accumulated losses		(890 649 589)	(925 859 933)	(80 814 885)	(44 465 224)
Total equity/(deficit)		**430 792 118**	**383 862 119**	**(31 876 491)**	**(8 929 681)**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	20	-	2 278 882	-	551 594
Current liabilities					
Trade and other payables	16	46 224 907	91 745 735	46 224 907	20 452 226
Current income tax liabilities	17	458 736	2 391 060	458 736	533 022
Provisions	18	37 987 177	35 071 886	37 987 177	7 818 327
		84 670 820	**129 208 681**	**84 670 820**	**28 803 575**
Total liabilities		**84 670 820**	**131 487 563**	**84 670 820**	**29 355 169**
Total equity and liabilities		**515 462 938**	**515 349 682**	**52 794 329**	**20 425 488**

The notes on pages 54 to 131 are an integral part of these financial statements.

Historical amounts presentated are only supplementary to the hyperinflated financial statements provided to enhance understanding.

These financial statements were approved by the Board of Directors on 18 March 2021 and signed on its behalf by:

G. Chikomo
Risk and Audit Committee Chairperson

B.H. Dirorimwe
Finance Director

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2020 ZWL	**31 December 2019 ZWL**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Revenue from contracts with customers	21	1 836 705 765	4 085 716 013	1 219 631 903	447 974 537
Gaming income	21	3 246 364	14 975 657	1 535 941	1 251 081
Total revenue		**1 839 952 129**	**4 100 691 670**	**1 221 167 844**	**449 225 618**
Cost of sales	24	(514 201 641)	(851 543 033)	(309 054 246)	(96 088 849)
Gross profit		**1 325 750 488**	**3 249 148 637**	**912 113 598**	**353 136 769**
Other income	23.1	153 575 431	419 573 188	75 609 565	31 933 136
Operating expenses	24	(1 577 962 160)	(2 183 082 675)	(952 754 956)	(218 971 359)
Net impairment reversal/(losses) on financial assets	3.1	30 805 005	(59 138 672)	(25 349 338)	(13 183 365)
Other expenses	23.2	(223 684 825)	(5 081 622)	(159 747 891)	(691 391)
Operating (loss)/profit		**(291 516 061)**	**1 421 418 856**	**(150 129 022)**	**152 223 790**
Finance income	25	2 528 689	3 645 808	824 335	523 194
Finance costs	25	(48 606 049)	(5 168 379)	(48 606 049)	(336 546)
Finance costs - lease liabilities		(19 131 094)	(38 309 750)	(14 950 200)	(2 871 670)
Net monetary (loss)/gain		(1 498 415 778)	134 690 152	-	-
(Loss)/profit before income tax		**(1 855 140 293)**	**1 516 276 687**	**(212 860 936)**	**149 538 768**
Income tax expense/(credit)	20	350 154 231	(677 248 778)	141 207 781	(43 083 744)
(Loss)/profit for the year		**(1 504 986 062)**	**839 027 909**	**(71 653 155)**	**106 455 024**
Other comprehensive income/(loss) - net of tax					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		547 245 438	664 160 592	325 192 458	57 592 073
Items that may not be subsequently reclassified to profit or loss					
Revaluation surplus - net of tax		55 460 212	796 731 381	1 155 666 909	294 163 180
Total other comprehensive income		**602 705 650**	**1 460 891 973**	**1 480 859 367**	**351 755 253**
Total comprehensive (loss)/income for the year		**(902 280 412)**	**2 299 919 882**	**1 409 206 212**	**458 210 277**
Earnings per share attributable to:					
Owners of the parent during the period: cents					
Basic and diluted (loss)/earnings per share	26	(174.64)	97.36	(8.31)	12.35
Headline (loss)/earnings per share	26	(173.81)	97.95	(7.91)	12.43

The notes on pages 54 to 131 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Note	INFLATION ADJUSTED 31 December 2020 ZWL	INFLATION ADJUSTED 31 December 2019 ZWL	HISTORICAL COST 31 December 2020 ZWL	HISTORICAL COST 31 December 2019 ZWL
Cash flows from operating activities					
Cash generated from operations	27	204 100 081	1 571 346 992	305 522 404	245 943 688
Finance Income	25	2 528 689	3 645 808	824 335	523 194
Interest paid	25	-	(5 168 379)	-	(336 546)
Finance cost paid-lease liabilities		(19 131 094)	(38 309 750)	(14 950 200)	(2 871 670)
Income tax paid	17	(19 363 509)	(196 226 438)	(6 874 507)	(30 189 995)
Net cash generated from operating activities		**168 134 167**	**1 335 288 233**	**284 522 032**	**213 068 671**
Cash flows from investing activities					
Additions to property and equipment	8	(179 082 646)	(403 021 655)	(210 493 631)	(48 454 045)
Proceeds from disposal of property and equipment	27.2	8 122 625	9 648 835	2 114 935	302 358
Net cash used in investing activities		**(170 960 021)**	**(393 372 820)**	**(208 378 696)**	**(48 151 687)**
Cash flows from financing activities					
Repayment of long-term borrowings		-	(39 457 456)	-	(956 843)
Repayment of short-term borrowings		-	(24 906 036)	-	(3 275 439)
Repayment of lease liabilities		(2 698 992)	(31 736 881)	(1 686 493)	(2 565 960)
Dividend paid		(15 261 740)	(207 254 519)	(4 998 217)	(11 985 878)
Net cash used in financing activities		**(17 960 732)**	**(303 354 892)**	**(6 684 710)**	**(18 784 120)**
Net (decrease)/increase in cash and cash equivalents for the year		**(20 786 586)**	**638 560 521**	**69 458 626**	**146 132 864**
Cash and cash equivalents at beginning of the year		890 230 851	386 676 278	198 452 854	13 877 327
Exchange gains on cash and cash equivalents		531 462 880	172 448 236	531 462 880	38 442 663
Effects of restatement on cash and cash equivalents		(601 532 785)	(307 454 185)	-	-
Cash and cash equivalents at end of the year	13	**799 374 360**	**890 230 850**	**799 374 360**	**198 452 854**

The notes on pages 54 to 131 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	INFLATION ADJUSTED						
	Share capital ZWL	Share premium ZWL	Equity settled share based payments reserve ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Accumulated losses ZWL	Total equity ZWL
Year ended 31 December 2019							
Balance as at 1 January 2019	**332 890 359**	**970 492 939**	**-**	**(137 089 653)**	**-**	**(386 661 387)**	**779 632 258**
Profit for the year	-	-	-	-	-	839 027 909	839 027 909
Currency translation differences	-	-	-	664 160 592	-	-	664 160 592
Revaluation surplus (net of tax)	-	-	-	-	796 731 381	-	796 731 381
Total comprehensive income for the year	**-**	**-**	**-**	**664 160 592**	**796 731 381**	**839 027 909**	**2 299 919 882**
Transactions with owners in their capacity as owners:							
Dividend declared and paid	-	-	-	-	-	(115 875 131)	(115 875 131)
Balance as at 31 December 2019	**332 890 359**	**970 492 939**	**-**	**527 070 939**	**796 731 381**	**336 491 391**	**2 963 677 009**
Year ended 31 December 2020							
Balance as at 1 January 2020	**332 890 359**	**970 492 939**	**-**	**527 070 939**	**796 731 381**	**336 491 391**	**2 963 677 009**
Loss for the year	-	-	-	-	-	(1 504 986 062)	(1 504 986 062)
Currency translation differences	-	-	-	547 245 438	-	-	547 245 438
Revaluation surplus - net of tax	-	-	-	-	55 460 212	-	55 460 212
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**547 245 438**	**55 460 212**	**(1 504 986 062)**	**(902 280 412)**
Transactions with owners in their capacity as owners:							
Share options costs	-	-	10 287 146	-	-	-	10 287 146
Dividend declared and paid	-	-	-	-	-	(15 261 746)	(15 261 746)
Balance as at 31 December 2020	**332 890 359**	**970 492 939**	**10 287 146**	**1 074 316 377**	**852 191 593**	**(1 183 756 417)**	**2 056 421 997**

The notes on pages 54 to 131 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	HISTORICAL COST						
	Share capital ZWL	**Share premium ZWL**	**Equity settled share based payments reserve ZWL**	**Foreign currency translation reserve ZWL**	**Revaluation reserve ZWL**	**Accumulated losses ZWL**	**Total equity ZWL**
Year ended 31 December 2019							
Balance as at 1 January 2019	**8 617 716**	**25 123 685**	**-**	**(3 554 078)**	**-**	**(10 498 300)**	**19 689 023**
Profit for the year	-	-	-	-	-	106 455 023	106 455 023
Currency translation differences	-	-	-	57 592 073	-	-	57 592 073
Revaluation surplus - net of tax	-	-	-	-	294 163 180	-	294 163 180
Total comprehensive income for the year	**-**	**-**	**-**	**57 592 073**	**294 163 180**	**106 455 023**	**458 210 276**
Transactions with owners in their capacity as owners:							
Dividend declared and paid	-	-	-	-	-	(8 084 370)	(8 084 370)
Balance as at 31 December 2019	**8 617 716**	**25 123 685**	**-**	**54 037 995**	**294 163 180**	**87 872 353**	**469 814 929**
Year ended 31 December 2020							
Balance as at 1 January 2020	**8 617 716**	**25 123 685**	**-**	**54 037 995**	**294 163 180**	**87 872 353**	**469 814 929**
Loss for the year	-	-	-	-	-	(71 653 155)	(71 653 155)
Currency translation differences	-	-	-	325 192 458	-	-	325 192 458
Revaluation surplus - net of tax	-	-	-	-	1 155 666 909	-	1 155 666 909
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**325 192 458**	**1 155 666 909**	**(71 653 155)**	**1 409 206 212**
Transactions with owners in their capacity as owners:							
Share option costs	-	-	8 043 669	-	-	-	8 043 669
Dividend declared and paid	-	-	-	-	-	(4 998 219)	(4 998 219)
Balance as at 31 December 2020	**8 617 716**	**25 123 685**	**8 043 669**	**379 230 453**	**1 449 830 089**	**11 220 979**	**1 882 066 591**

The notes on pages 54 to 131 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

1 GENERAL INFORMATION

African Sun Limited ("the Company") and its subsidiaries (together "the Group") lease and manage eleven hotels in Zimbabwe, and operates a regional sales office in South Africa which focuses on international and regional sales.

The Company is a public company, which is incorporated and domiciled in Zimbabwe and listed on the Zimbabwe Stock Exchange.

The parent of the Company is Arden Capital Management (Private) Limited ("Arden"), which owns 57.67% (2019:57.67%) of the ordinary share capital of the Company.

2 SUMMARY OF 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

2.1.1 The financial statements of the Group and Company have been prepared in accordance 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 Accounting Standard ("IAS") 21, The effects of Changes in Foreign Exchange Rates disclosed in note 4.1(a) and in the manner required by the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) . IAS 29 has been applied to the consolidated foreign operation financials, contrary to the auditors interpretation of IFRS as detailed in note 2.1.3.

The financial statements are prepared under historical cost convention as modified by the revaluation of property and equipment and biological assets. For the purposes of fair presentation in accordance with IAS 29, Financial reporting in hyperinflationary economies, this historical cost information has been restated for changes in general purchasing power of the Zimbabwe dollar ("ZWL") and appropriate adjustment and reclassifications have been made. African Sun Limited Foreign Brach historical amounts initially translated interms of IAS 21 has been restated as indicated in note 2.1.3. Accordingly the inflation adjusted financial statements represents the primary financial statements of the Group and Company. The historical cost financial statements have also been audited.

The preparation of 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 and Company'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 4.

2.1.2 Going concern

The Group achieved a historic low occupancy of 23%, an unprecedented decline of 25 percentage points from 48% recorded in 2019. Resultantly the Group inflation adjusted revenue significantly dropped by 55% compared to same period last year. The decline in occupancy and revenue was mainly due to the emergence and sustained effects of the novel corona virus (COVID-19), which continue to negatively impact both the domestic and international travel. While much progress has been made in developing the COVID-19 vaccine and in making safe international travel a possibility, we are aware that the crisis is far from over. Though, the decline in volumes pose a threat to the going concern of the business, the Group has reasonable cash resources and in addition has put in place compensating business survival strategies that range from cost containment, cash preservation to deferment of capital expenditure and 2 undrawn facilities amounting to ZWL312million split as US$2million and ZWL150million. Due to the prevailing COVID-19 uncertainties, these strategies have been factored in our 2021 Group budgets and Group cashflow forecasts as will be discussed in detail below.

Coming from what has been the most challenging year in the history of travel and tourism, the 2021 budget process required management to plan for a wide range of financial performance and cashflow scenarios to try and address the COVID-19 related uncertainties. Management did stress testing of its scenarios, and concluded that, even under the worst case scenario, the Group will continue to operate for the foreseeable future. In the going concern assessment, management considered several possible outcomes for the next 12 months as COVID-19 remains a critical factor in our business. Under the base case scenario management budgeted for a healthy occupancy, while the worst case scenario forecast the Group to close 2021 with an occupancy that approximates and is slightly better than the 2020 occupancy. Despite the second wave, we do not expect 2021 to be worse than 2020 mainly due to the experience the Group gained navigating the effects of COVID-19 first wave in 2020. Due to the evolving nature of the pandemic, the worst case scenario assumed a second wave and for the pandemic to sustain for a better part of first quarter ("Q1") 2021 into second quarter ("Q2"). The worst-case scenario forecasted a reintroduction of stricter travel restrictions which include, in some cases a complete closure of borders, all weighing on the resumption of international travel. The worst-case scenario assumes no vaccine during H1 in 2021. However, governments around the world started the gradual rollout of a COVID-19 vaccine as early as beginning of January 2021, this should only improve 2021 recovery prospects. The early global vaccine rollout in our key source markets is expected to help restore consumer confidence contributing to the easing of travel restrictions in the short term and slowly normalizing travel during Q2 into Q3 of 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.2 Going concern (continued)

Under the worst case scenario international business is forecasted to gradually start around Q3 2021 with domestic business largely driven by government and non-governmental organisations programs anchoring performance during H12021. The recent easing of the lockdown restrictions to level 2, under which interprovincial travel is allowed brings hope to domestic tourism. We expect to see volumes improvement during Q3 going into Q4 2021. In this worst case scenario, we expect COVID-19 to continue impacting the business during H1 2021 putting pressure on the ADR which is forecasted to ease by 19% from the base case scenario as the Group promote rebound business.

As the outbreak continues to evolve, there remains uncertainty surrounding the timing of the key COVID-19 related interventions and the likely impact to the business. The worst case scenario includes among other things certain critical contractual settlements that may fall due within the next 12 months from the signing of these financial statements. Under the worst case scenario, the Group has enough cash resources and 2 undrawn loan facilities to sustain the business for the foreseeable future. At corporate level, the Group continues to implement business contingency plans in response to the ever-evolving situation. In light of the above, the Group has taken the following actions to significantly reduce expenses and preserve liquidity:

- Carving out of and deferment of some capital expenditure programs;
- Engagement with tour operators to defer bookings as opposed to cancellation; a situation that may call for refunds in foreign currency that was already liquidated;
- Agreed a reduced remuneration structures with its employees;
- Reduced our work force to align to volumes of business; and
- Engaged landlords on revised sustainable rental formulas until this phase is gone.

Based on the aforementioned, the Directors have assessed the ability of the Group and the Company to continue as a going concerns and are of the view that, the preparation of these financial statements on a going concern basis is appropriate.

2.1.3 Application of IAS 29 on consolidated foreign operation financials

African Sun Limited (The Parent) has a foreign subsidiary (African Sun Limited SA Branch). The Parent's functional and reporting currency is the Zimbabwe Dollar ("ZWL"), which also is the Group's reporting currency. The foreign entity's functional and reporting currency is the South African Rand ("ZAR"). The Group's reporting currency (ZWL) is of a hyperinflationary economy, whilst the foreign entity's functional currency (ZAR) is not of a hyperinflationary economy. On consolidation, the Group initially applies IAS 21 to translate the foreign operation into the reporting currency of the Group. Intra group transactions and balances are appropriately eliminated in line with the guidance of IFRS 3, Business combinations and IFRS 10, Consolidated financial statements. Subsequent to the initial recognition of the foreign entity's transactions in line with IAS 21 to ZWL for consolidation purposes, the Group then applies IAS 29 to all the consolidated monthly ZWL numbers in line with IAS 29 paragraph 26 and 30 which require the restatement of all statement of comprehensive income numbers in a hyperinflationary currency (ZWL) to current measuring unit at reporting date.

The Auditor has a different technical interpretation of the requirements of IAS 29. Their interpretation contends that the foreign entity should only be accounted for in terms of IAS 21 as stated under IAS 29 paragraph 35. While the interpretation of IAS 29 paragraph 35 appears to specifically exclude the accounting of the foreign operation under IAS 29, our view insists that IAS 29's primary responsibility is to account for hyperinflation effects on historical financial statements in hyperinflationary currencies such as the ZWL. The foreign operation's financial statements are translated to ZWL, the reporting currency of the Group monthly and we apply IAS 29 to the Group's consolidated ZWL numbers subsequently. In addition, it is our considered view that, the auditors' interpretation also be applied to the Group's foreign currency transactions in Zimbabwe for consistency. The Group has significant foreign currency transactions (predominantly in US$) in Zimbabwe. Our view is these transactions and that of the foreign entity are no different as the substance is they are all in a currency that is not of a hyper inflationary nature, and are converted to ZWL using the requirements of IAS 21.

The Group's position on the treatment of the foreign entity detailed above was adopted at the initial application of IAS 29 to the Group's financial statements in 2019. Despite the difference in technical interpretation on IAS 29 with the Auditor, the Group also chose to continue applying IAS 29 on the ZWL consolidated numbers in line with IAS 29 para10; which emphasises the need for consistent application of management's judgement and procedures.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.3 Application of IAS 29 on consolidated foreign operation financials (continued)

Should the Group adopt the Auditor's technical interpretation and apply IAS 29 to selective ZWL numbers, the effects on the Group's reported numbers would be as detailed below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION EXTRACT

	INFLATION ADJUSTED 2020			HISTORICAL COST 2019		
	31 December 2020 ZWL	31 December 2020 ZWL		31 December 2019 ZWL	31 December 2019 ZWL	
	As presented	Alternative Position	Difference	As presented	Alternative Position	Difference
Assets						
Non-current assets						
Property and equipment	-	-	-	2027 728 190	2025 475 549	2 252 641
Right of use	-	-	-	975 283 266	955 633 974	19 649 292
Current assets						
Trade receivables	-	-	-	189 808 525	180 923 843	8 884 682
Cash and cash equivalents	-	-	-	890 230 850	588 704 420	301 526 430
Equity and liabilities						
Equity attributable to owners of the parent						
Foreign currency translation reserve	1074 316 377	379 230 451	695 085 926	527 070 939	54 037 996	473 032 943
(Accumulated losses)/retained earnings	(1183 756 417)	(488 670 491)	(695 085 926)	336 491 391	514 747 123	(178 255 732)
Total equity						
Liabilities						
Non-current liabilities						
Lease liabilities	-	-	-	157 408 516	154 600 589	2 807 927
Deferred tax liabilities	-	-	-	665 729 648	665 640 882	88 766
Current liabilities						
Trade and other payables	-	-	-	801 516 080	771 163 932	30 352 148
Current income tax	-	-	-	38 653 834	34 366 839	4 286 995

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME EXTRACT

	INFLATION ADJUSTED			HISTORICAL COST		
	31 December 2020 ZWL	31 December 2020 ZWL		31 December 2019 ZWL	31 December 2019 ZWL	
	As presented	Alternative Position	Difference	As presented	Alternative Position	Difference
Profit and loss items						
Other income	153 575 431	148 973 199	4 602 232	419 573 188	499 634 235	(80 061 047)
Operating expenses	(1577 962 160)	(1559 882 623)	(18 079 537)	(2183 082 675)	(2154 172 044)	(28 910 631)
Finance income	2 528 689	1 145 183	1 383 506	3 645 808	87 784	3 558 024
Finance costs - lease liabilities	(19 131 094)	(18 851 122)	(279 972)	(38 309 750)	(37 564 349)	(745 401)
Net monetary (loss)/gain	(1498 415 778)	(1289 114 030)	(209 301 748)	134 690 152	630 715 113	(496 024 961)
Income tax expense	350 154 231	350 531 693	(377 462)	(677 248 778)	(672 864 276)	(4 384 502)
Other comprehensive income net of tax:						
Exchange differences on translation of foreign operations	547 245 438	325 192 456	222 052 982	664 160 592	57 592 073	606 568 519

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.3 Application of IAS 29 on consolidated foreign operation financials (continued)

The summarised net effects of the above variances, should the Group adopt the Alternative approach is as detailed below

	INFLATION ADJUSTED	
	31 December 2020 ZWL	31 December 2019 ZWL
Increase in current year profit/(loss)	222 052 982	606 568 519
Decrease in FCTR-Other comprehensive income	(222 052 982)	(606 568 519)
Decrease in Equity	-	(294 777 211)
Decrease in assets	-	(332 313 046)
Decrease in liabilities	-	(37 535 835)

From the financial statements extract above, it is the director's view that should the Group not apply IAS 29 to the consolidated ZWL numbers, the Group will not achieve fair presentation as defined under IAS 1 and the conceptual framework. In addition, the directors are of the view that this renders comparability of the Group's financial statements meaningless. This difference in technical interpretation of IAS 29 is one of the basis for adverse opinion as detailed in the audit opinion.

2.1.4 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations, effective on or after 1 January 2020 that are relevant to the Group

The following new standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2020 and are relevant to the Group:

Standard/Interpretation	Content	Applicable for financial years beginning on/after
IFRS 16 (amendment)	Leases - Covid-19 related rent concessions	1 January 2020
IFRS 2, IFRS 3, IFRS 6, IFRS 14,IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC19, IFRIC 20, IFRIC 22, and SIC-32 (amendments)	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 3 (amendment)	Business combinations	1 January 2020
IFRS 16 (amendment)	Presentation of financial statements and accounting policies, changes in accounting estimates and errors	1 January 2020

IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all of the following conditions are met:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
(c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.4 Changes in accounting policy and disclosures (continued)

(a) New standards, amendments and interpretations, effective on or after 1 January 2020 that are relevant to the Group. (continued)

Amendments to references to the conceptual framework in IFRS standards

The amendments include consequential amendments to affected standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

IFRS 3

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

IAS 1 and IAS 8

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

(b) New standards, amendments and interpretations, effective 1 January 2020 and are not relevant to the Group

The following new standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2020 and are not relevant to the Group:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.4 Changes in accounting policy and disclosures (continued)

(b) New standards, amendments and interpretations, effective 1 January 2020 and are not relevant to the Group (continued)

IFRS 9 and IFRS 7

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

(c) New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2020 are relevant to the Group but have not been early adopted

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – Reference to the Conceptual Framework

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.4 Changes in accounting policy and disclosures (continued)

(c) New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2020 are relevant to the Group but have not been early adopted (continued)

Amendments to IFRS 3 – Reference to the Conceptual Framework (continued)

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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 it is 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.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

(d) Annual Improvements to IFRS Standards 2018–2020

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.4 Changes in accounting policy and disclosures (continued)

(d) Annual Improvements to IFRS Standards 2018–2020 (continued)

IFRS 9 Financial Instruments (continued)

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.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

2.2 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.

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 are 100% owned, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

(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 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 recognised in 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, that it jointly controls with Meikles Hospitality 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 its 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 a 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 a 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.

2.3 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 Managing director, Finance director, Human resources director, Sales and marketing director and the Company secretary.

2.4 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 Company's functional and presentation currency.

Refer to note 4(1)(a) for judgement made in determining the functional 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (continued)

(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 shareholders' equity. 'When a 'foreign operation is partially disposed' of 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.

2.5 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 periodic, 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 period. During 2020, property and equipment was revalued twice, initially on 30 June 2020 and more recently on 31 December 2020.

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 period 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property and equipment (continued)

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 a 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 period of between 6 and 12 months to complete.

2.6 Biological assets

The Group engages in agricultural activity through management of biological assets for sale.

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.

2.7 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 period.

2.8 Trade receivables

Trade receivables are amounts due from customers for food, beverages, shop merchandise and rooms 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 period.

See note 2.9(e) for a description of the Group and Company's impairment policies

2.9.(a) Classification

The Group and Company 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9.(a) Classification (continued)

The classification depends on the Group and Company's business model for managing the financial assets and the contractual terms of the cash flows.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

All the financial assets held by the Group and Company during the year and as at year end were classified as those to be measured at amortised cost as they were held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest

2.9.(b) Measurement

At initial recognition, the Group and Company measure financial assets classified at amortised cost at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from the financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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.

2.9.(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and Company 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 and Company have transferred substantially all the risks and rewards of ownership.

2.9.(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. There were no financial instruments that were offset during the year (2019:ZWLnil).

2.9.(e) Impairment of financial assets

The Group and Company recognize allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Group and Company measure the expected 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 and Company measure the expected credit loss allowance at an amount equal to twelve month expected credit losses.

The Group and Company 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 and Company 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 within 120 days of when they fall due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9.(e) Impairment of financial assets (continued)

Expected credit losses on financial assets carried at amortized cost are reversed in subsequent periods 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 and Company 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 and Company 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 and Company 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 and Company 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 and Company'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 and Company 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.

2.10 Inventories

Inventories, which consist of foodstuffs, beverages, shop merchandise, maintenance and consumable stocks are stated at the lower of inflation adjusted cost and net realisable value. Inflation adjusted cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax from the proceeds.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 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 period in South Africa and Zimbabwe where the Group's subsidiaries operate and generate taxable income. Management periodically 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Income tax (continued)

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 period 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.

2.15 Provisions

Provisions are recognised when the Group and Company 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. A 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.

2.16 Employee benefits

(a) Pension obligations

The Group and Company 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 current period and prior periods. The contributions are recognised as an employee benefit expense when they are due. Pre-paid contributions are recognised as an asset to 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 and Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and Company recognise termination benefits at either of the following dates: (a) when the Group and Company can no longer withdraw the offer of those benefits; and (b) when the Group and Company 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 period are discounted to their present value.

(c) Bonus plans

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits (continued)

(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 period, 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 period, 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 period 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 period 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 share options reserve is amortised to retained earnings as the related share options are exercised or forfeited.

2.17 Revenue recognition

The Group revenue is derived from sale of room nights, food, beverages, gaming, conferencing 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 all its revenues at a point in 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 2.17 (b) above.

(e) 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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 of purchasing, 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 with the sale of room nights, food, beverages and shop merchandise are included in cost of sales.

2.19 Leases

The Group adopted IFRS 16, "Leases" from 1 January 2019 which resulted in changes in accounting policies.

Until 31 December 2019, leases of property and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. 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. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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 lease term 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 made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period 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 an operating 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 respective leased 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 as lessor as a result of adopting the new leasing standard.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4, Determining whether an arrangement contains a lease.

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 asset of similar value in a similar economic environment with similar terms and conditions.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

The Group leases various office buildings, hotel buildings, golf course, car parks and staff housing. Rental contracts are typically made for fixed periods 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 period of the leases are the original leased term together with the periods 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 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 period 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 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 10.5%.

2.20 Dividend distribution

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

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. 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 2020. 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			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	755 843 886	609 826 735	51 189	59 299
South African rand	31 951 390	152 284 737	-	-
Australian dollar	4 916	4 127	-	-
Euro	16 848 818	14 313 253	-	-
	804 649 010	**776 428 852**	**51 189**	**59 299**
Liabilities				
United States of America dollar	(359 358 150)	(29 806 658)	-	-
South African rand	(36 030 244)	(9 252 723)	-	-
	(395 388 394)	(39 059 381)	-	-
Net currency position	**409 260 616**	**737 369 471**	**51 189**	**59 299**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	755 843 886	115 670 944	51 189	13 219
South African rand	31 951 390	7 985 012	-	-
Australian dollar	4 916	920	-	-
Euro	16 848 818	3 171 183	-	-
	804 649 010	**126 828 059**	**51 189**	**13 219**
Liabilities				
United States of America dollar	(359 358 150)	(6 644 587)	-	-
South African rand	(36 030 244)	(2 062 644)	-	-
	(395 388 394)	(8 707 231)	-	-
Net currency position	**409 260 616**	**118 120 828**	**51 189**	**13 219**

As at 31 December 2020, if the Zimbabwe dollar (weakened)/strengthened by 10% (2019 : 10%) against all the other currencies with all other variables held constant, profit for the year would have been higher/lower by ZWL40 926 062 (2019:ZWL 73 736 947), 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 2020

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% (2019:10%) strengthening of the Zimbabwe dollar:

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	39 648 574	58 002 008	5 119	5 930
South African rand	(407 885)	14 303 201	-	-
Australian dollar	492	413	-	-
Euro	1 684 882	1 431 325	-	-
	40 926 063	**73 736 947**	**5 119**	**5 930**
Liabilities				
United States of America dollar	(35 935 815)	(2 980 666)	-	-
South African rand	(3 603 024)	(925 272)	-	-
	(39 538 839)	(3 905 938)	-	-
Net currency position	**1 387 224**	**69 831 009**	**5 119**	**5 930**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	75 584 389	11 567 094	5 119	1 322
South African rand	3 195 139	798 501	-	-
Australian dollar	492	92	-	-
Euro	1 684 882	317 118	-	-
	80 464 902	**12 682 805**	**5 119**	**1 322**
Liabilities				
United States of America dollar	(35 935 815)	(664 459)	-	-
South African rand	(3 603 024)	(206 264)	-	-
	(39 538 839)	(870 723)	-	-
Net currency position	**40 926 063**	**11 812 082**	**5 119**	**1 322**

The table below summarises the changes in assets and liabilities denominated in various currencies arising from a 10% (2019:10%) weakening of the Zimbabwe dollar:

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% (2019:10%)weakening of the Zimbabwe dollar:

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	(75 584 389)	(60 982 674)	(5 119)	(5 930)
South African rand	(3 195 139)	(15 228 474)	-	-
Australian dollar	(492)	(413)	-	-
Euro	(1 684 882)	(1 431 325)	-	-
	(80 464 902)	**(77 642 886)**	**(5 119)**	**(5 930)**
Liabilities				
United States of America dollar	35 935 815	664 459	-	-
South African rand	3 603 024	206 264	-	-
	39 538 839	870 723	-	-
Net currency position	**(40 926 063)**	**(76 772 163)**	**(5 119)**	**(5 930)**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Assets				
United States of America dollar	(75 584 389)	(11 567 094)	(5 119)	(1 322)
South African rand	(3 195 139)	(798 501)	-	-
Australian dollar	(492)	(92)	-	-
Euro	(1 684 882)	(317 118)	-	-
	(80 464 902)	**(12 682 805)**	**(5 119)**	**(1 322)**
Liabilities				
United States of America dollar	35 935 815	664 459	-	-
South African rand	3 603 024	206 264	-	-
	39 538 839	870 723	-	-
Net currency position	**(40 926 063)**	**(11 812 082)**	**(5 119)**	**(1 322)**

There were no hedges in place as at 31 December 2020 (2019: ZWLnil).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(i) Market risk (continued)

(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. Borrowing 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 is used for all currencies. The scenarios are run for all interest-bearing borrowings.

Based on the simulations performed, the impact on post tax profit and equity of a 10% shift in interest rates, with all other variables held constant would be a maximum increase / (decrease) of ZWL nil (2019: ZWL33 942). The simulations are done quarterly given the nature of the existing loan facilities to verify that the maximum loss potential is within the limit set by management.

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 2020, there were no hedges in place (2019: 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 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 the Group Finance. as at 31 December 2020, customers with balances of ZWL7 598 446 exceeded their credit limits (2019: ZWL1 441 803). Only a few debtors with a good track record are allowed to exceed their credit limit under the supervision of the hotel 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.

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 and conditions, where upon breach by the customers, the Group takes legal action where amounts are material and recovery is possible. as at 31 December 2020, customers with balances of ZWLnil were handed over to debt collectors (2019: ZWL19 444). 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			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Trade and other receivables	144 252 544	261 655 131	-	-
Amortised cost financial asset (excluding pre-payments)	34 770 278	45 559 889	12 909	1 183 705
Cash and cash equivalents	799 374 360	890 230 850	51 189	59 299
	978 397 182	**1 197 445 870**	**64 098**	**1 243 004**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

a) Credit risk management (continued)

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Trade and other receivables	144 252 544	58 328 925	-	-
Amortised cost financial asset (excluding pre-payments)	34 770 278	10 156 343	12 909	263 875
Cash and cash equivalents	799 374 360	198 452 854	51 189	13 219
	978 397 182	**266 938 122**	**64 098**	**277 094**

b) Impairment of financial assets

The Group has four 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, gaming and other related activities;
- 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; and
- Legacy Management Services.

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 period of 60 months before 1 January 2019 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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 2020 and 31 December 2019 for the various groups was determined as follows;

As at 31 December 2020	Current	30 Days	60 Days	90 Days	120+ Days	Balance
Corporates						
Gross carrying amounts	1 446 310	679 591	979 299	1 053	363 230	3 469 483
Expected credit loss rate	3.94%	7.87%	7.87%	50.00%	100.00%	16%
Expected credit loss allowance	56 914	53 485	77 073	527	363 230	551 229
Tour operators						
Gross carrying amounts	3 061 370	220 091	79 733	56 736	25 679 336	29 097 266
Expected credit loss rate	3.00%	5.99%	5.99%	50.00%	100.00%	89%
Expected credit loss allowance	91 697	13 185	4 776	28 368	25 679 336	25 817 362
Government						
Gross carrying amounts	13 822 456	1 712 741	817 700	4 730	407 620	16 765 247
Expected credit loss rate	7.28%	7.28%	7.28%	50.00%	100.00%	10%
Expected credit loss allowance	1 005 792	124 628	59 500	2 365	407 620	1 599 905
Non-governmental organisation						
Gross carrying amounts	4 845 453	5 156 493	3 140 353	326 586	2 144 805	15 613 690
Expected credit loss rate	2.15%	4.30%	4.30%	50.00%	100.00%	18%
Expected credit loss allowance	104 134	221 637	134 979	163 293	2 144 805	2 768 848
Parastatals						
Gross carrying amounts	3 175 775	1 924 202	737 641	248 544	756 467	6 842 629
Expected credit loss rate	6.87%	6.87%	6.87%	50.00%	100.00%	19%
Expected credit loss allowance	218 141	132 172	50 668	124 272	756 467	1 281 720
Legacy Management Services						
Gross carrying amounts	-	-	-	-	30 670 486	30 670 486
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0%
Expected credit loss allowance	-	-	-	-	-	-
Other						
Gross carrying amounts	1 246 629	52 414	55 332	-	1 383 262	2 737 637
Expected credit loss rate	31.34%	31.34%	31.34%	50.00%	100.00%	66%
Expected credit loss allowance	390 717	16 428	17 342	-	1 383 262	1 807 749
Debtors in residence						
Gross carrying amounts	39 056 106		-	-	-	39 056 106
Expected credit loss rate	10.82%	0%	0%	0%	0%	11%
Expected credit loss allowance	4 226 550	-	-	-	-	4 226 550
Total gross carrying amounts	**66 654 099**	**9 745 532**	**5 810 059**	**637 649**	**61 405 206**	**144 252 544**
Overall expected credit loss rate	**9%**	**6%**	**6%**	**50%**	**50%**	**26%**
Total expected credit losses	**6 093 945**	**561 535**	**344 336**	**318 825**	**30 734 722**	**38 053 363**

The Legacy Management Services debtors amount has been treated separately from Tour Operators for the purposes of computing impairment loss. This is mainly because, while Legacy owes the Group ZWL30 670 487, the Group owes Legacy signficantly more in unpaid management fees. Resultantly due to the fact that the Group owes Legacy more the average default rate for the Legacy debtors was adjusted to 0%. The reasoning behind being, that, ASL intends to recover the whole amount by offsetting with management fees owed to Legacy.

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 2019	Current	30 Days	60 Days	90 Days	120+ Days	Balance
Corporates						
Gross carrying amounts	5 933 221	2 582 350	1 505 637	468 211	1 092 194	11 581 613
Expected credit loss rate	3%	7%	7%	50%	100%	15%
Expected credit loss allowance	193 402	168 351	98 157	234 106	1 092 194	1 786 210
Tour operators						
Gross carrying amounts	31 244 751	33 968 469	20 204 845	6 316 802	35 271 453	127 006 320
Expected credit loss rate	2%	4%	4%	50%	100%	32%
Expected credit loss allowance	568 759	1 236 684	735 594	3 158 401	35 271 453	40 970 891
Government						
Gross carrying amounts	3 335 714	812 321	384 801	247 709	1 556 700	6 337 245
Expected credit loss rate	6%	6%	6%	50%	100%	31%
Expected credit loss allowance	205 344	50 006	23 688	123 855	1 556 700	1 959 593
Non-governmental organisation						
Gross carrying amounts	17 917 478	11 460 482	2 250 110	2 097 783	2 033 393	35 759 246
Expected credit loss rate	2%	4%	4%	50%	100%	11%
Expected credit loss allowance	344 432	440 990	86 582	1 048 892	2 033 393	3 954 289
Parastatals						
Gross carrying amounts	1 263 509	612 781	233 197	31 325	276 679	2 417 491
Expected credit loss rate	6%	6%	6%	50%	100%	17%
Expected credit loss allowance	71 772	34 808	13 247	15 663	276 679	412 169
Other						
Gross carrying amounts	2 157 445	228 133	(86 871)	16 409	16 250 267	18 565 383
Expected credit loss rate	30%	30%	30%	50%	100%	91%
Expected credit loss allowance	655 042	69 266	(26 376)	8 205	16 250 267	16 956 404
Debtors in residence						
Gross carrying amounts	59 987 833	-	-	-	-	59 987 833
Expected credit loss rate	10%	0%	0%	0%	0%	10%
Expected credit loss allowance	5 806 985	-	-	-	-	5 806 985
Total gross carrying amounts	**121 839 951**	**49 664 536**	**24 491 719**	**9 178 239**	**56 480 686**	**261 655 131**
Overall expected credit loss rate	**6%**	**4%**	**4%**	**50%**	**100%**	**27%**
Total expected credit losses	**7 845 736**	**2 000 105**	**930 892**	**4 589 122**	**56 480 751**	**71 846 606**

The closing expected credit loss allowances for trade receivables as at 31 December 2020 reconcile to the opening expected credit loss allowances as follows:

	INFLATION ADJUSTED	
	GROUP	
	31 December 2020 ZWL	31 December 2019 ZWL
Opening expected credit loss allowance as at 1 January 2020	71 846 606	11 651 686
Increase in expected credit loss allowance recognised in profit or loss during the year	(33 793 243)	60 194 920
As at 31 December	**38 053 363**	**71 846 606**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

	HISTORICAL COST	
	GROUP	
	31 December 2020 ZWL	31 December 2019 ZWL
Expected credit loss allowance		
Opening expected credit loss allowance as at 1 January 2020	16 016 255	2 597 428
Increase in expected credit loss allowance recognised in profit or loss during the year	22 037 108	13 418 827
As at 31 December	**38 053 363**	**16 016 255**

Other financial assets at amortised cost

Other financial assets at amortised cost include staff and key management personnel debtors and receivables from related parties.

The credit loss allowance for other financial assets at amortised cost as at 31 December 2020 reconciles to the opening loss allowance on 1 January 2019 and to the closing loss allowance as at 31 December 2020 as follows:

	INFLATION ADJUSTED			
	GROUP			
	Related parties ZWL	Staff and key management personnel ZWL	Other receivables ZWL	Total ZWL
Expected credit loss allowance				
As at 1 January 2019	**721 088**	**2 849 223**	**5 589 887**	**9 160 198**
Decrease in the expected credit loss allowance recognised in profit or loss during the period	(721 088)	(2 432 285)	(5 589 887)	(8 743 260)
As at 31 December 2019	**-**	**416 938**	**-**	**416,938**
As at 1 January 2020	**-**	**416 938**	**-**	**416 938**
(Decrease)/Increase in the expected credit loss allowance recognised in profit or loss for the year	-	(329 622)	3 317 860	2 988 238
As at 31 December 2020	**-**	**87 316**	**3 317 860**	**3 405 176**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

Other financial assets at amortised cost (continued)

	HISTORICAL COST			
	GROUP			
	Related parties ZWL	Staff and key management personnel ZWL	Other receivables ZWL	Total ZWL
Expected credit loss allowance				
As at 31 December 2018	-	-	-	-
Amounts restated through opening retained earnings	25 538	102 255	200 614	328 407
As at 1 January 2019 (calculated under IFRS 9)	**25 538**	**102 255**	**200 614**	**328 407**
Decrease in the expected credit loss allowance recognised in profit or loss during the year	(25 538)	(9 310)	(200 614)	(235 462)
As at 31 December 2019	-	**92 945**	-	**92 945**
As at 1 January 2020	-	**92 945**	-	**92 945**
(Decrease) / Increase in the expected credit loss allowance recognised in profit or loss during the year	-	(5 629)	3 317 859	3 312 230
As at 31 December 2020	-	**87 316**	**3 317 859**	**3 405 175**

Net impairment losses/ (gain) on financial assets recognised in profit or loss

During the year, the following losses/(gain) were recognised in profit or loss in relation to allowance for impairment of financial assets:

	INFLATION ADJUSTED		HISTORICAL COST	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Impairment (reversal)/losses				
Net movement in expected credit loss allowance for trade receivables	(33 793 243)	60 194 920	22 037 108	13 418 827
Net movement in expected credit loss allowance for other financial instruments at amortised cost	2 988 238	(1 056 248)	3 312 230	(235 462)
Net impairment (reversal)/losses on financial assets	**(30 805 005)**	**59 138 672**	**25 349 338**	**13 183 365**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

b) Impairment of financial assets (continued)

Other financial assets at amortised cost (continued)

There is no concentration of credit risk with respect to cash at bank as the Group and Company 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			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
AA	-	447 331 517	-	59 296
AA-	27 649 067	25 041 100	-	-
A+	492 157 462	30 589 417	51 189	-
A	58 219 238	137 459 576	-	-
A-	-	-	-	-
BBB+	204 823 014	215 581 330	-	-
BBB	8 413 123	33 776 438	-	-
BBB-	-	-	-	-
BB+	-	1 539	-	-
BB	8 112 456	449 933	-	-
BB-	-	-	-	-
B+	-	-	-	-
	799 374 360	**890 230 850**	**51 189**	**59 296**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
AA	-	99 720 445	-	13 219
AA-	27 649 067	5 582 235	-	-
A+	492 157 462	6 819 082	51 189	-
A	58 219 238	30 642 889	-	-
A-	-	-	-	-
BBB+	204 823 014	48 058 018	-	-
BBB	8 413 123	7 529 542	-	-
BBB-	-	-	-	-
BB+	-	343	-	-
BB	8 112 456	100 300	-	-
BB-	-	-	-	-
B+	-	-	-	-
	799 374 360	**198 452 854**	**51 189**	**13 219**

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

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(iii) Liquidity risk

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

	INFLATION ADJUSTED			
	GROUP			
	Less than 1 year ZWL	1 to 5 years ZWL	More than 5 years ZWL	Total ZWL
As at 31 December 2020				
Liabilities				
Trade and other payables	(781 092 373)	-	-	(781 092 373)
Lease liabilities	(4 319 456)	(9 030 363)	(246 529 940)	(259 879 759)
Total liabilities	**(785 411 829)**	**(9 030 363)**	**(246 529 940)**	**(1 040 972 132)**
Assets held for managing liquidity risk				
Trade and other receivables	205 686 753	6 191 861	-	211 878 614
Cash and cash equivalents	799 374 360	-	-	799 374 360
Total assets held for managing liquidity risk	**1 005 061 113**	**6 191 861**	**-**	**1 011 252 974**
Liquidity gap	**219 649 284**	**(2 838 502)**	**(246 529 940)**	**(29 719 158)**
Cumulative liquidity gap	**219 649 284**	**216 810 782**	**(29 719 158)**	**-**
As at 31 December 2019				
Liabilities				
Trade and other payables	(801 516 080)	-	-	(801 516 080)
Lease Liabilities	(1 997 659)	(9 988 293)	(147 420 221)	(159 406 173)
Total liabilities	**(803 513 739)**	**(9 988 293)**	**(147 420 221)**	**(960 922 253)**
Assets held for managing liquidity risk				
Trade receivables	459 960 831	7 305 590	-	467 266 421
Cash and cash equivalents	890 230 850	-	-	890 230 850
Total assets held for managing liquidity risk	**1 350 191 681**	**7 305 590**	**-**	**1 357 497 271**
Liquidity gap	**546 677 942**	**(2 682 703)**	**(147 420 221)**	**396 575 018**
Cumulative liquidity gap	**546 677 942**	**543 995 239**	**396 575 018**	**-**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

	HISTORICAL COST			
	GROUP			
	Less than 1 year ZWL	1 to 5 years ZWL	More than 5 years ZWL	Total ZWL
As at 31 December 2020				
Liabilities				
Trade and other payables	(781 092 373)	-	-	(781 092 373)
Lease Liabilities	(4 319 456)	(9 030 363)	(246 529 940)	(259 879 759)
Total liabilities	**(785 411 829)**	**(9 030 363)**	**(246 529 940)**	**(1 040 972 132)**
Assets held for managing liquidity risk				
Trade receivables	175 818 933	6 191 861	-	182 010 794
Cash and cash equivalents	799 374 360	-	-	799 374 360
Total assets held for managing liquidity risk	**975 193 293**	**6 191 861**	**-**	**981 385 154**
Liquidity gap	**189 781 464**	**(2 838 502)**	**(246 529 940)**	**(59 586 978)**
Cumulative liquidity gap	**189 781 464**	**186 942 962**	**(59 586 978)**	**-**
As at 31 December 2019				
Liabilities				
Trade and other payables	(178 676 299)	-	-	(178 676 299)
Lease Liabilities	(445 324)	(2 226 620)	(32 863 345)	(35 535 289)
Total liabilities	**(179 121 623)**	**(2 226 620)**	**(32 863 345)**	**(214 211 588)**
Assets held for managing liquidity risk				
Trade receivables	93 015 373	1 628 583	-	94 643 956
Cash and cash equivalents	198 452 854	-	-	198 452 854
Total assets held for managing liquidity risk	**291 468 227**	**1 628 583**	**-**	**293 096 810**
Liquidity gap	**112 346 604**	**(598 037)**	**(32 863 345)**	**78 885 222**
Cumulative liquidity gap	**112 346 604**	**111 748 567**	**78 885 222**	**-**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

	INFLATION ADJUSTED			
	COMPANY			
	Less than 1 year ZWL	1 to 5 years ZWL	More than 5 years ZWL	Total ZWL
As at 31 December 2020				
Liabilities				
Trade and other payables	(46 224 907)	-	-	(46 224 907)
Total liabilities	**(46 224 907)**	**-**	**-**	**(46 224 907)**
Assets held for managing liquidity risk				
Trade receivables	12 909	-	-	12 909
Cash and cash equivalents	51 189	-	-	51 189
Total assets held for managing liquidity risk	**64 098**	**-**	**-**	**64 098**
Liquidity gap	**(46 160 809)**	**-**	**-**	**(46 160 809)**
Cumulative liquidity gap	**(46 160 809)**	**(46 160 809)**	**(46 160 809)**	**-**
As at 31 December 2019				
Liabilities				
Trade and other payables	(91 745 735)	-	-	(91 745 735)
Total liabilities	**(91 745 735)**	**-**	**-**	**(91 745 735)**
Assets held for managing liquidity risk				
Trade receivables	427 179	-	-	427 179
Cash and cash equivalents	59 299	-	-	59 299
Total assets held for managing liquidity risk	**486 478**	**-**	**-**	**486 478**
Liquidity gap	**(91 259 257)**	**-**	**-**	**(91 259 257)**
Cumulative liquidity gap	**(91 259 257)**	**(91 259 257)**	**(91 259 257)**	**-**

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(iii) Liquidity risk (continued)

	HISTORICAL COST			
	COMPANY			
	Less than 1 year ZWL	1 to 5 years ZWL	More than 5 years ZWL	Total ZWL
As at 31 December 2020				
Liabilities				
Trade and other payables	(46 224 907)	-	-	(46 224 907)
Total liabilities	**(46 224 907)**	**-**	**-**	**(46 224 907)**
Assets held for managing liquidity risk				
Trade receivables	12 909	-	-	12 909
Cash and cash equivalents	51 189	-	-	51 189
Total assets held for managing liquidity risk	**64 098**	**-**	**-**	**64 098**
Liquidity gap	**(46 160 809)**	**-**	**-**	**(46 160 809)**
Cumulative liquidity gap	**(46 160 809)**	**(46 160 809)**	**(46 160 809)**	**-**
As at 31 December 2019				
Liabilities				
Trade and other payables	(20 452 226)	-	-	(20 452 226)
Total liabilities	**(20 452 226)**	**-**	**-**	**(20 452 226)**
Assets held for managing liquidity risk				
Trade receivables	95 228	-	-	95 228
Cash and cash equivalents	13 219	-	-	13 219
Total assets held for managing liquidity risk	**108 447**	**-**	**-**	**108 447**
Liquidity gap	**(20 343 779)**	**-**	**-**	**(20 343 779)**
Cumulative liquidity gap	**(20 343 779)**	**(20 343 779)**	**(20 343 779)**	**-**

The Group has negative liquidity gap arising from long-term leases of ZWL 255 560 303. The Company's liquidity gap largely arises from intercompany balance of ZWL46 030 367 with African Sun Zimbabwe (Private) Limited. The amount will not be called until the Company is adequately funded. The Company expects to close the liquidity gap in the medium term as working capital increases as result of positive cash to be generated from operations of the Group and subsidiaries declare dividends.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

(i) Risk management

The capital of the Group consists of debt (as detailed in note 18) and equity which comprises issued ordinary share capital and premium, retained earnings and other reserves as detailed in note 14. There were no changes in the components of debt and equity from last year.

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

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 sell assets 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 (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

During the financial year ended 31 December 2020 gearing ratio was negative because the cash held by the Group exceed the debt. The gearing ratio at 31 December 2020 and 2019 were as follows:

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Lease liabilities	259 879 759	159 406 173	-	-
Less cash and cash equivalents (note 13)	(799 374 360)	(890 230 850)	(51 189)	(59 299)
Net debt	(539 494 601)	(730 824 677)	(51 189)	(59 299)
Total equity	2 056 421 997	2 963 677 009	430 792 118	383 862 119
Total capital	**2 056 421 997**	**2 963 677 009**	**430 792 118**	**383 862 119**
Gearing ratio	**26%**	**25%**	**0%**	**0%**
Net debt reconciliation				
Lease liabilities	259 879 759	159 406 173	-	-
Less cash and cash equivalents (note13)	(799 374 360)	(890 230 850)	(51 189)	(59 299)
Net debt	**(539 494 601)**	**(730 824 677)**	**(51 189)**	**(59 299)**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Lease liabilities	259 879 759	35 535 289	-	-
Less cash and cash equivalents (note 13)	(799 374 360)	(198 452 854)	(51 189)	(13 219)
Net debt	(539 494 601)	(162 917 565)	(51 189)	(13 219)
Total equity	1 882 066 591	469 814 929	(31 876 491)	(8 929 681)
Total capital	**1 882 066 591**	**469 814 929**	**(31 876 491)**	**(8 929 681)**
Gearing ratio	**29%**	**35%**	**0%**	**0%**
Net debt reconciliation				
Lease liabilities	259 879 759	35 535 289	-	-
Less cash and cash equivalents (note13)	(799 374 360)	(198 452 854)	(51 189)	(13 219)
Net debt	**(539 494 601)**	**(162 917 565)**	**(51 189)**	**(13 219)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management (continued)

(ii) Dividends

	INFLATION ADJUSTED		HISTORICAL COST	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Final dividend for the year ended 31 December 2019 of ZWL 1.770973 (2018 – ZWL 8.119197 per fully paid share)	15 261 746	69 968 949	4 998 219	2 827 562
No Interim dividend was declared for the year ended 31 December 2020 (2019 – ZWL 5.326954 per fully paid share)	-	45 906 183	-	5 256 808
Total dividends declared and paid	**15 261 746**	**115 875 132**	**4 998 219**	**8 084 370**
Subsequent to year end, no dividend was declared (2019 – 1.770973 cents, out of the profits for the year ended 31 December 2019).	**-**	**15 261 746**	**-**	**4 998 219**

3.3 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 revaluations have been disclosed under note 8

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and 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) Functional currency

On the 22 February 2019, Statutory Instrument 33 of 2019 was issued as an amendment to the Reserve Bank of Zimbabwe Act (Chapter 22:15) that introduced a new currency called the Real Time Gross Settlement (" RTGS") dollar. An Exchange Control Directive RU 28 of 2019 was also issued on the same day which introduced an interbank exchange rate for the RTGS dollar to the US$ as well as other existing currencies in the multicurrency regime. In addition, Statutory Instrument 33 of 2019 was issued on 22 February 2019 which makes reference to the following matters among other key provisions;

- that the RBZ has, with effect from 22 February 2019 ("the Effective Date") issued an electronic currency called the RTGS;
- RTGS balances expressed in US$ immediately before 22 February 2019, shall from the Effective date be deemed to be opening balances in RTGS dollar at par with the US$;
- for accounting and other purposes, all assets and liabilities that were valued and expressed in US$ immediately before 22 February 2019 shall be deemed to be values in RTGS dollars at rate of one-to one to the US$; and
- that after the Effective date any variance from the opening parity rate shall be determined from time to time by the rate at which authorised dealers under the Exchange Control Act (Chapter 22:15) exchange the RTGS dollar for the US$ and other currencies on a willing-seller willing-buyer basis.

The Group translated its statement of financial position on the date of change in functional currency at a rate of 1 US$ to 1 ZWL in accordance with Statutory Instrument 33 and subsequently remeasured foreign currency denominated monetary assets and liabilities using the inter bank market rate.

Foreign currency transactions were translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Transactions between 1 January 2019 and 22 February 2019 were translated at a rate of 1 US$ to 1 ZWL in accordance with Statutory Instrument 33 and subsequently all foreign denominated transactions were translated using the inter bank market rate prevailing at the dates of the transactions.

On 24 June 2019 the currency was renamed from RTGS dollar to the Zimbabwe dollar ("ZWL") through Statutory Instrument 142 of 2019. During May 2020, the RBZ allowed the use of US$, again under Statutory Instrument 185 of 2020, this time on as temporary measure to contain the effects of COVID-19 . This position has not bee reversed and is currently obtaining in the market.

Based on the foregoing, and the assessment done by the Group, its functional and reporting currency has changed from the US$ to Zimbabwe dollar ("ZWL") from 22 February 2019

The financial statements are therefore presented in ZWL being the currency of the primary economic environment in which the Group operates. Prior year historical financial information were also presented in ZWL converted at a rate of ZWL:US$ rate of 1:1.

The following exchange rates of ZWL to US$ were applied in foreign currency transactions and balances for the period under review,

- Average exchange rate - 52.0062 (2019: 8.4152)
- Closing exchange rate - 81,7866 (2019: 16,8329)

(b) 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 uncertain during 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 the final 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 the period in which such determination is made.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Critical accounting estimates and judgements

(c) Impairment of trade receivables and financial assets

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the expected credit losses model of impairing trade receivables:

- significant increase of credit risk - in assessing whether the credit risk of an asset has significantly increased the directors considers qualitative and quantitative reasonable and supportable forward-looking information.
- model and assumptions used - the Group used model and assumptions in measuring fair value of financial assets as well as in estimating ECL. Directors have applied judgement in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk
- business model assessment - the Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of assets and the how these are managed

4.2 Definitions of non IFRS measures

Taxed interest payable

This is calculated by taxing interest payable at the standard rate of income tax applicable to the different tax jurisdictions.

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.

Revenue generation index ("RGI")

This is a measure used to assess the rate at which a hotel generates revenue compared to its market. It is calculated by dividing the hotel's revenue per available room by the total market revenue per available room.

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.

Taxed operating return

This is calculated by dividing profit after income tax plus taxed interest payable by closing total capital employed.

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 period 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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Definitions of non IFRS measures (continued)

Headline earnings per share
Calculation of headline earnings accounts for all the profits and losses from operational, trading that have been earned at any point during the year. Excluded from this figure are profits or losses associated with the sale or termination of discontinued operations, property, plant and equipment or related businesses, or from any permanent devaluation or write off of their values.

Diluted headline earnings per share
Diluted headline earnings per share are calculated by dividing the headline earnings / (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.

5 CHANGE IN ACCOUNTING POLICY

5.1 IFRS 16, Leases (Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16)

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease

In the current financial year, the Group elected to apply the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

The Group benefited from a waiver of lease payments on its South African subsidiary lease as direct result of the pandemic which did not result in the lease modification. Lessor provided 100% rental and operational cost deferment for the months of April and May 2020.The deferred amount will be repaid over a period of 6 months starting from June 2020 with no interest charged. The waiver of lease payments was ZAR10,462.63 per month. The Group made an election and accounted for any change in lease payments resulting from the COVID-19-related rent concession as if it were not a recognized as variable lease payments in the month of June 2020 in statement of comprehensive income. lease modification. .All other leases were assessed and there were no rent concessions granted in terms of IFRS16 amendment.

6 IAS 29 IMPLEMENTATION

6.1 Inflation adjustment

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 the corresponding figures for prior periods be stated in terms of measuring unit current at the end of reporting date. Professional judgement was used and appropriate adjustments were made to historical financial information in preparing financial information which is IAS 29 compliant. The restatement has been calculated by means of adjusting factors derived from the general consumer price index ("CPI") published by Zimbabwe National Statistics Agency ("ZimStat"), which is a regulatory body with the official mandate to do so.

The adjustment factors used to restate the financial statements of Zimbabwe based subsidiaries as 31 December 2020, using 2018 base year are as follows:

Date	Indices	Adjusting factor	% Movement
31 December 2020	2474.51	1.0000	349%
31 December 2019	551.63	4.4859	39%

6 IAS 29 IMPLEMENTATION (CONTINUED)

6.1 Inflation adjustment (continued)

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 by applying 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 a monetary 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 are not 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 loss was recognised as appropriate. Capital work in progress was not revalued, but was restated by applying the relevant monthly adjusting factor. Property and equipment additions were restated from the later of date of purchase and 1 October 2018, using the relevant monthly adjusting factor. Disposals were restated from dates of sale using relevant monthly adjusting factor. Prepayments were restated by applying the relevant monthly adjusting factor.

Inventories are carried at the lower of restated cost and net realisable value. Deferred tax is provided in respect of temporary differences arising from the restatement of assets and liabilities. All items of statement of cash flow are expressed in terms of measuring unit current at the reporting date.

The Group's foreign subsidiary's transactions once converted to ZWL, are treated like all other ZWL numbers as described in note 2.1.3.

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 rate ("ADR"); and
- profitability.

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 Country and City Hotels Operations Executive who reports to the Managing Director.

2. Resort Hotels
The segment is made up of the Elephant Hills Resort and Conference Centre, The Kingdom at Victoria Falls, Hwange Safari Lodge, Great Zimbabwe and Caribbea Bay Resort. These hotels are headed by the Resort Hotels Operations Executive who reports to the Managing Director.

3. 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. Other
This segment comprise Sun Leisure, Central office, and the South Africa Branch. Sun Leisure houses the Group's touring division (Sun Leisure Tours) and the Casinos (Sun Casinos).

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 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 the above segments.

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.

All interest bearing liabilities have been allocated to segments as they relate to specific bank loans obtained by the segments.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") has been calculated excluding exceptional items relating to , profit/(loss) from disposal of property plant and equipment, fair value adjustment of biological assets and gain from disposal of subsidiary.

The Group does not rely on any one specific customer as none of its customers contributes a minimum of 10% (2019 : 10%) of its revenue.

7 SEGMENT INFORMATION (CONTINUED)

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

	INFLATION ADJUSTED					
Year ended 31 December 2020	**City and Country Hotels ZWL**	**Resort hotels ZWL**	**Partnership hotels ZWL**	**Supporting business units ZWL**	**Intersegment transactions ZWL**	**Consolidated ZWL**
Revenue:						
Sale of room nights	675 477 096	228 750 784	57 258 010	-	-	961 485 890
Sale of food and beverages	527 256 380	241 907 036	27 378 683	-	-	796 542 099
Management fees and commissions	-	-	-	50 365 829	(50 365 829)	-
Conferencing	21 775 737	15 890 369	-	-	-	37 666 106
Other income	18 721 238	14 576 119	5 569 575	2 144 738	-	41 011 670
Revenue from contracts with customers	**1 243 230 451**	**501 124 308**	**90 206 268**	**52 510 567**	**(50 365 829)**	**1 836 705 765**
Gaming	-	-	-	3 246 364	-	3 246 364
Total revenue	**1 243 230 451**	**501 124 308**	**90 206 268**	**55 756 931**	**(50 365 829)**	**1 839 952 129**
Material expenses						
Cost of sales	(311 197 198)	(175 885 577)	(25 988 913)	(1 129 953)	-	(514 201 641)
Employee benefit expenses	(135 976 157)	(110 880 525)	(21 377 482)	(94 330 165)	-	(362 564 329)
Operating lease costs	(115 995 291)	(50 016 363)	(8 858 040)	(1 109 187)	-	(175 978 881)
Exchange (loss)/gain	(214 224 777)	(138 129 021)	51 104 818	106 318 434	-	(194 930 546)
	(777 393 423)	**(474 911 486)**	**(5 119 617)**	**9 749 129**	**-**	**(1 247 675 397)**
Other information						
EBITDA	**462 234 797**	**(54 655 548)**	**31 083 529**	**(483 613 057)**	**50 365 829**	**5 415 550**
Depreciation	(144 046 430)	(85 862 803)	(31 946 941)	(26 319 481)	-	(288 175 655)
Rights of use assets amortisation	(5 295 134)	(454 596)	(62 714)	(2 943 512)	-	(8 755 956)
Finance costs - borrowings (net)	(21 819 100)	(26 787 336)	(427 809)	2 956 885	-	(46 077 360)
Finance costs - lease liabilities	(16 997 633)	(1 185 957)	(194 829)	(752 675)	-	(19 131 094)
Monetary Loss	-	-	-	(1 498 415 778)	-	(1 498 415 778)
Profit/(loss) before income tax	**274 076 500**	**(168 946 240)**	**(1 548 764)**	**(2 009 087 618)**	**50 365 829**	**(1 855 140 293)**
Total assets as at 31 December 2020	**1 615 257 519**	**723 562 805**	**203 239 330**	**975 476 907**	**-**	**3 517 536 561**
Total assets include:						
Additions to non-current assets (other than financial instruments and deferred tax assets):						
-Property and equipment	63 246 032	81 918 695	2 232 663	31 685 256	-	179 082 646
Total liabilities as at 31 December 2020	**689 517 162**	**414 647 281**	**35 708 471**	**321 241 650**	**-**	**1 461 114 564**
Key performance indicators						
Occupancy (%)	36%	12%	12%			23%
ADR (ZWL)	6 735	6 725	20 083	-	-	7 010
RevPAR (ZWL)	2 408	797	2 434	-	-	1 626
Total RevPAR (ZWL)	4 432	1 745	3 835	-	-	3 112

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7 SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2019	City and Country Hotels ZWL	Resort hotels ZWL	Partnership hotels ZWL	Supporting business units ZWL	Intersegment transactions ZWL	Consolidated ZWL
	INFLATION ADJUSTED					
Revenue:						
Sale of room nights	947 630 218	925 391 741	400 848 827	-	-	2 273 870 786
Sale of food and beverages	795 332 158	660 199 247	197 166 301	-	-	1 652 697 706
Management fees and commissions	-	-	-	940 951 703	(940 951 703)	-
Conferencing	36 230 538	26 246 602	-	-	-	62 477 140
Other income	22 835 984	54 049 559	19 784 838	-	-	96 670 381
Revenue from contracts with customers	**1 802 028 898**	**1 665 887 149**	**617 799 966**	**940 951 703**	**(940 951 703)**	**4 085 716 013**
Gaming	-	-	-	14 975 657	-	14 975 657
Total revenue	**1 802 028 898**	**1 665 887 149**	**617 799 966**	**955 927 360**	**(940 951 703)**	**4 100 691 670**
Material expenses						
Cost of sales	(429 171 552)	(328 974 270)	(92 859 379)	(537 832)	-	(851 543 033)
Employee benefit expenses	(188 471 955)	(167 683 080)	(32 921 570)	(155 850 405)	-	(544 927 010)
Operating lease costs	(160 190 805)	(179 329 014)	(62 302 541)	(2 012 446)	-	(403 834 806)
Exchange gain / (loss)	3 508 690	(98 921 230)	357 350 628	353 912 408	-	615 850 496
	(774 325 622)	**(774 907 594)**	**169 267 138**	**195 511 725**	**-**	**(1 184 454 353)**
Other information						
EBITDA	**631 652 325**	**479 401 152**	**664 660 471**	**(976 388 185)**	**940 951 703**	**1 740 277 466**
Depreciation	(165 013 289)	(90 247 834)	(30 301 582)	(15 919 567)	-	(301 482 272)
Rights of use assets amortisation	(11 353 781)	(1 603 393)	(471 849)	(3 947 315)	-	(17 376 338)
Finance costs - borrowings (net)	-	-	-	(1 522 571)	-	(1 522 571)
Finance costs - lease liabilities	(32 289 252)	(4 132 438)	(1 273 068)	(614 992)	-	(38 309 750)
Monetary gain	-	-	-	134 690 152	-	134 690 152
Profit before income tax	**422 996 003**	**383 417 487**	**632 613 972**	**(863 702 478)**	**940 951 703**	**1 516 276 687**
Total assets as at 31 December 2019	**2 027 720 296**	**1 513 903 997**	**649 720 329**	**480 852 783**	**-**	**4 672 197 405**
Total assets include:						
Additions to non-current assets (other than financial instruments and deferred tax assets):						
-Property and equipment	139 831 593	181 867 606	70 275 477	11 046 979	-	403 021 655
Total liabilities as at 31 December 2019	**615 876 675**	**503 541 730**	**93 356 595**	**495 745 396**	**-**	**1 708 520 396**
Key performance indicators						
Occupancy (%)	55%	40%	60%	-	-	48%
ADR (ZWL)	6 119	7 994	22 792	-	-	7 891
RevPAR (ZWL)	3 385	3 208	13 727	-	-	3 804
Total RevPAR (ZWL)	6 437	5 775	21 157	-	-	6 863

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7 SEGMENT INFORMATION (CONTINUED)

	HISTORICAL					
Year ended 31 December 2020	City and Country Hotels ZWL	Resort hotels ZWL	Partnership hotels ZWL	Supporting business units ZWL	Intersegment transactions ZWL	Consolidated ZWL
Revenue:						
Sale of room nights	487 799 009	143 636 795	19 902 666	-	-	651 338 470
Sale of food and beverages	378 521 425	129 759 618	10 454 523	-	-	518 735 566
Management fees and commissions	-	-	-	21 726 890	(21 726 890)	-
Conferencing	14 962 964	5 946 894	-	-	-	20 909 858
Other income	15 286 935	8 563 230	2 723 707	2 074 137	-	28 648 009
Revenue from contracts with customers	**896 570 333**	**287 906 537**	**33 080 896**	**23 801 027**	**(21 726 890)**	**1 219 631 903**
Gaming	-	-	-	1 535 941	-	1 535 941
Total revenue	**896 570 333**	**287 906 537**	**33 080 896**	**25 336 968**	**(21 726 890)**	**1 221 167 844**
Material expenses						
Cost of sales	(200 504 228)	(97 042 564)	(10 696 053)	(811 401)	-	(309 054 246)
Employee benefit expenses	(82 612 201)	(63 172 979)	(11 661 854)	(59 002 016)	-	(216 449 050)
Operating lease costs	(80 593 723)	(28 097 908)	(3 172 724)	(536 548)	-	(112 400 903)
Exchange gain / (loss)	(130 412 468)	(82 718 914)	23 707 575	52 018 592	-	(137 405 215)
	(494 122 620)	**(271 032 365)**	**(1 823 056)**	**(8 331 373)**	**-**	**(775 309 414)**
Other information						
EBITDA	**384 779 871**	**(34 903 087)**	**(828 579)**	**(332 749 235)**	**21 726 890**	**38 025 860**
Depreciation	(93 517 991)	(53 140 232)	(18 164 890)	(16 984 090)	-	(181 807 203)
Rights of use assets amortisation	(4 275 523)	(248 393)	(38 280)	(1 785 483)	-	(6 347 679)
Finance costs - borrowings (net)	(21 818 884)	(26 787 336)	(116 416)	940 922	-	(47 781 714)
Finance costs - lease liabilities	(13 795 393)	(649 421)	(102 301)	(403 085)	-	(14 950 200)
Profit/(loss) before income tax	**251 372 080**	**(115 728 469)**	**(19 250 466)**	**(350 980 971)**	**21 726 890**	**(212 860 936)**
Total assets as at 31 December 2020	**1 508 909 460**	**675 907 974**	**189 858 115**	**911 251 807**	**-**	**3 285 927 356**
Total assets include:						
Additions to non-current assets (other than financial instruments and deferred tax assets):						
-Property and equipment	84 504 538	95 387 045	2 644 954	27 957 094	-	210 493 631
Total liabilities as at 31 December 2020	**675 602 775**	**406 279 741**	**34 987 878**	**286 990 371**	**-**	**1 403 860 765**
Key performance indicators						
Occupancy (%)	36%	12%	12%	-	-	23%
ADR (ZWL)	4 864	4 223	6 981	-	-	4 749
RevPAR (ZWL)	1 739	500	846	-	-	1 102
Total RevPAR (ZWL)	3 196	1 003	1 406	-	-	2 065

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7 SEGMENT INFORMATION (CONTINUED)

	HISTORICAL					
Year ended 31 December 2019	**City and Country Hotels ZWL**	**Resort hotels ZWL**	**Partnership hotels ZWL**	**Supporting business units ZWL**	**Intersegment transactions ZWL**	**Consolidated ZWL**
Revenue:						
Sale of room nights	100 624 973	105 092 281	41 735 523	-	-	247 452 777
Sale of food and beverages	88 043 278	73 789 374	20 366 356	-	-	182 199 008
Management fees and commissions	-	-	-	11 239 033	(11 239 033)	-
Conferencing	4 110 194	3 496 255	-	-	-	7 606 449
Other income	2 765 644	5 941 949	2 008 710	-	-	10 716 303
Revenue from contracts with customers	**195 544 089**	**188 319 859**	**64 110 589**	**11 239 033**	**(11 239 033)**	**447 974 537**
Gaming	-	-	-	1 251 081	-	1 251 081
Total revenue	**195 544 089**	**188 319 859**	**64 110 589**	**12 490 114**	**(11 239 033)**	**449 225 618**
Material expenses						
Cost of sales	(48 058 499)	(38 010 728)	(9 962 417)	(57 205)	-	(96 088 849)
Employee benefit expenses	(20 070 339)	(19 174 310)	(3 661 512)	(16 199 131)	-	(59 105 292)
Operating lease costs	(18 189 307)	(20 252 452)	(6 403 882)	(197 845)	-	(45 043 486)
Exchange (loss)/gain	(2 839 099)	(4 678 625)	27 754 696	20 516 513	-	40 753 485
	(89 157 244)	**(82 116 115)**	**7 726 885**	**4 062 332**	**-**	**(159 484 142)**
Other information						
EBITDA	**64 093 589**	**59 435 568**	**58 238 330**	**(19 664 662)**	**11 239 033**	**173 341 858**
Depreciation	(10 161 940)	(5 769 835)	(1 876 235)	(1 978 066)	-	(19 786 076)
Rights of use assets amortisation	(874 768)	(134 007)	(40 263)	(282 955)	-	(1 331 993)
Finance costs - borrowings (net)	-	-	-	186 648		186 648
Finance costs - lease liabilities	(2 384 274)	(346 149)	(107 431)	(33 816)		(2 871 670)
Profit/(loss) before income tax	**50 672 607**	**53 185 577**	**56 214 401**	**(21 772 851)**	**11 239 033**	**149 538 767**
Total assets as at 31 December 2019	**348 172 850**	**259 947 227**	**111 561 234**	**82 565 573**	**-**	**802 246 884**
Total assets include:						
Additions to non-current assets (other than financial instruments and deferred tax assets):						
-Property and equipment	18 829 284	25 052 651	3 122 560	1 449 550	-	48 454 045
Total liabilities as at 31 December 2019	**119 832 978**	**97 975 629**	**18 164 674**	**96 458 674**	**-**	**332 431 955**
Key performance indicators						
Occupancy (%)	55%	40%	60%	-	-	48%
ADR (ZWL)	650	908	2 373	-	-	859
RevPAR (ZWL)	359	364	1,429	-	-	414
Total RevPAR (ZWL)	698	653	2 195	-	-	752

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

8 PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED						
	GROUP						
	Freehold properties ZWL	Leasehold properties ZWL	Equipment ZWL	Service stocks ZWL	Motor vehicles ZWL	Capital work in progress ZWL	Total ZWL
Year ended 31 December 2019							
Opening net book amount	**142 308 226**	**98 125 126**	**576 758 849**	**23 320 792**	**29 589 613**	**53 972 388**	**924 074 994**
Additions	-	27 879 131	122 151 477	143 471 995	14 394 550	95 124 502	403 021 655
Foreign exchange difference	-	-	1 721 169	-	-	-	1 721 169
Disposals Cost	-	-	(17 680 248)	-	(14 031 556)	-	(31 711 804)
Accumulated depreciation on disposals	-	-	11 170 924	-	6 808 192	-	17 979 116
Revaluation - cost	395 211 777	190 660 935	1 153 292 947	-	59 615 413	-	1 798 781 072
Revaluation - Accumulated depreciation	(227 265 268)	(26 851 966)	(555 110 702)	-	24 572 196	-	(784 655 740)
Depreciation and usage - current year	(4 841 981)	(34 518 706)	(108 876 193)	(140 230 754)	(13 014 638)	-	(301 482 272)
Closing net book amount	**305 412 754**	**255 294 520**	**1 183 428 223**	**26 562 033**	**107 933 770**	**149 096 890**	**2 027 728 190**
As at 31 December 2019							
Cost	558 112 215	543 720 648	2 454 413 994	197 936 252	112 382 926	149 096 890	4 015 662 925
Accumulated depreciation and accumulated impairment	(252 699 461)	(288 426 128)	(1 270 985 771)	(171 374 219)	(4 449 156)	-	(1 987 934 735)
Net book amount	**305 412 754**	**255 294 520**	**1 183 428 223**	**26 562 033**	**107 933 770**	**149 096 890**	**2 027 728 190**
Year ended 31 December 2020							
Opening net book amount	**305 412 754**	**255 294 520**	**1 183 428 223**	**26 562 033**	**107 933 770**	**149 096 890**	**2 027 728 190**
Additions	19 112 046	5 231 300	49 234 971	8 812 987	38 017 401	58 673 941	179 082 646
Transfers in/out	-	77 230 236	41 832 359	-	-	(119 062 595)	-
Foreign exchange difference	-	-	(1 276 620)	-	-	-	(1 276 620)
Disposals	-	-	(19 032 749)		(7 816 475)	-	(26 849 224)
Accumulated depreciation on disposals	-	-	11 263 962	-	347 969	-	11 611 931
Revaluation - Cost	37 030 140	(87 677 889)	(255 086 536)	-	2 997 049	-	(302 737 236)
Revaluation - Accumulated depreciation	3 932 465	122 933 459	217 002 648	-	21 810 196	-	365 678 768
Depreciation and usage - current year	(4 935 903)	(69 706 282)	(168 007 176)	(21 189 438)	(24 336 856)	-	(288 175 655)
Closing net book amount	**360 551 502**	**303 305 344**	**1 059 359 082**	**14 185 582**	**138 953 054**	**88 708 236**	**1 965 062 800**
As at 31 December 2020							
Cost or fair value	614 254 401	538 504 295	2 270 085 419	206 749 239	145 580 901	88 708 236	3 863 882 491
Accumulated depreciation and accumulated impairment	(253 702 899)	(235 198 951)	(1 210 726 337)	(192 563 657)	(6 627 847)	-	(1 898 819 691)
Net book amount	**360 551 502**	**303 305 344**	**1 059 359 082**	**14 185 582**	**138 953 054**	**88 708 236**	**1 965 062 800**

8 PROPERTY AND EQUIPMENT (CONTINUED)

	HISTORICAL						
	GROUP						
	Freehold properties ZWL	Leasehold properties ZWL	Equipment ZWL	Service stocks ZWL	Motor vehicles ZWL	Capital work in progress ZWL	Total ZWL
Year ended 31 December 2019							
Opening net book amount	**3 680 557**	**2 627 659**	**15 281 602**	**609 502**	**803 578**	**1 128 585**	**24 131 483**
Additions	-	5 707 996	16 627 641	3 500 316	1 841 550	20 776 542	48 454 045
Transfers in/out							-
Foreign exchange difference	-	-	176 432	-	-	-	176 432
Disposals	-	-	(1 233 307)	-	(978 788)	-	(2 212 095)
Accumulated depreciation on disposals	-	-	779 241	-	474 914	-	1 254 155
Revaluation - Cost	120 198 907	106 960 513	499 999 160	-	22 790 353	-	749 948 933
Revaluation - Accumulated depreciation	(55 231 346)	(54 217 796)	(255 380 395)	-	551 456	-	(364 278 081)
Depreciation and usage - current year	(564 618)	(4 167 378)	(12 730 150)	(901 782)	(1 422 147)	-	(19 786 075)
Closing net book amount	**68 083 500**	**56 910 994**	**263 520 224**	**3 208 036**	**24 060 916**	**21 905 127**	**437 688 796**
As at 31 December 2019							
Cost	123 879 464	115 296 168	530 851 528	4 109 818	24 456 692	21 905 127	820 498 797
Accumulated depreciation and accumulated impairment	(55 795 964)	(58 385 174)	(267 331 304)	(901 782)	(395 777)	-	(382 810 001)
Net book amount	**68 083 500**	**56 910 994**	**263 520 224**	**3 208 036**	**24 060 915**	**21 905 127**	**437 688 796**
Year ended 31 December 2020							
Opening net book amount	**68 083 500**	**56 910 994**	**263 520 225**	**3 208 036**	**24 060 915**	**21 905 126**	**437 688 796**
Additions	15 128 303	65 968 478	57 809 222	4 956 575	13 792 009	52 839 044	210 493 631
Transfers in/out	-	13 100 434	6 025 093	-	-	(19 125 527)	-
Foreign exchange difference	-	-	800 013	-	-	-	800 013
Disposals	-	(18 297)	(6 465 570)	-	(3 196 538)	-	(9 680 405)
Accumulated depreciation on disposals	-	18 297	3 940 146	-	77 585	-	4 036 028
Revaluation - Cost	474 710 097	338 306 020	1 668 571 800	-	109 762 151	-	2 591 350 068
Revaluation - Accumulated depreciation	(194 710 780)	(122 987 683)	(823 385 290)	-	11 398 475	-	(1 129 685 278)
Depreciation and usage - current year	(2 659 620)	(47 992 904)	(111 456 566)	(2 756 596)	(16 941 517)	-	(181 807 203)
Closing net book amount	**360 551 500**	**303 305 339**	**1 059 359 073**	**5 408 015**	**138 953 080**	**55 618 643**	**1 923 195 650**
As at 31 December 2020							
Cost or fair value	614 254 400	538 504 292	2 270 455 780	8 164 609	145 580 627	55 618 643	3 632 578 351
Accumulated depreciation and accumulated impairment	(253 702 900)	(235 198 953)	(1 211 096 707)	(2 756 594)	(6 627 547)	-	(1 709 382 701)
Net book amount	**360 551 500**	**303 305 339**	**1 059 359 073**	**5 408 015**	**138 953 080**	**55 618 643**	**1 923 195 650**

8 PROPERTY AND EQUIPMENT (CONTINUED)

	INFLATION ADJUSTED			
	COMPANY			
	Leasehold properties ZWL	Equipment ZWL	Motor vehicles ZWL	Total ZWL
Year ended 31 December 2019				
Opening net book amount	1 292 631	3 589 281	226 765	5 108 677
Additions	-	-	-	-
Disposals	-	(364 770)	(1 656 153)	(2 020 923)
Accumulated depreciation on disposals	-	164 887	722 707	887 594
Revaluation - Cost	2 454 151	4 473 214	1 325 276	8 252 641
Revaluation - Accumulated depreciation	(209 754)	(241 518)	47 303	(403 969)
Depreciation	(418 369)	(1 571 911)	-	(1 990 280)
Closing net book amount	**3 118 659**	**6 049 183**	**665 898**	**9 833 740**
As at 31 December 2019				
Cost	5 040 029	13 258 251	799 083	19 097 363
Accumulated depreciation and accumulated impairment	(1 921 370)	(7 209 068)	(133 185)	(9 263 623)
Net book amount	**3 118 659**	**6 049 183**	**665 898**	**9 833 740**
Year ended 31 December 2020				
Opening net book amount	3 118 659	6 049 183	665 898	9 833 740
Disposals	-	(688 296)	(1 306 866)	(1 995 162)
Accumulated depreciation on disposals	-	365 347	127 914	493 261
Revaluation - Cost	218 030	(4 727 374)	507 782	(4 001 562)
Revaluation - Accumulated depreciation	392 916	5 394 545	117 010	5 904 471
Depreciation	(797 591)	(2 378 913)	(111 738)	(3 288 242)
Closing net book amount	**2 932 014**	**4 014 492**	**-**	**6 946 506**
As at 31 December 2020				
Cost	3 336 689	633 513	(133 186)	3 837 016
Accumulated depreciation and accumulated impairment	(404 675)	3 380 979	133 186	3 109 490
Net book amount	**2 932 014**	**4 014 492**	**-**	**6 946 506**

	HISTORICAL COST			
	COMPANY			
	Leasehold properties ZWL	Equipment ZWL	Motor vehicles ZWL	Total ZWL
Year ended 31 December 2019				
Opening net book amount	29 761	92 525	8 223	130 509
Disposals	-	(25 445)	(115 527)	(140 972)
Accumulated depreciation on disposals	-	11 502	50 413	61 915
Revaluation - Cost	1 056 596	2 744 147	264 409	4 065 152
Revaluation - Accumulated depreciation	(339 354)	(1 282 485)	(59 073)	(1 680 912)
Depreciation	(51 783)	(191 743)	-	(243 526)
Closing net book amount	**695 220**	**1 348 501**	**148 445**	**2 192 166**
As at 31 December 2019				
Cost	1 123 538	2 955 568	178 134	4 257 240
Accumulated depreciation and accumulated impairment	(428 318)	(1 607 067)	(29 689)	(2 065 074)
Net book amount	**695 220**	**1 348 501**	**148 445**	**2 192 166**
Year ended 31 December 2020				
Opening net book amount	695 220	1 348 501	148 445	2 192 166
Disposals	-	(153 436)	(291 332)	(444 768)
Accumulated depreciation on disposals	-	81 444	28 515	109 959
Revaluation - Cost	4 134 520	5 040 449	113 197	9 288 166
Revaluation - Accumulated depreciation	(1 363 631)	(853 901)	47 416	(2 170 116)
Depreciation	(534 097)	(1 448 563)	(46 241)	(2 028 901)
Closing net book amount	**2 932 012**	**4 014 494**	**-**	**6 946 506**
As at 31 December 2020				
Cost	5 258 058	7 842 580	(142 887)	12 957 751
Accumulated depreciation and accumulated impairment	(2 326 046)	(3 828 086)	142 887	(6 011 245)
Net book amount	**2 932 012**	**4 014 494**	**-**	**6 946 506**

8 PROPERTY AND EQUIPMENT (CONTINUED)

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.

All the depreciation is charged in operating expenses in the statement of comprehensive income.

There were no contractual commitments for the acquisitions of property and equipment as at 31 December 2020 (2019: ZWLnil)

Valuation processes

Property and equipment was valued as at 31 December 2020 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, I 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. .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 2020.

Freehold properties was valued using the market comparable approach. This method compares like with like, 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 comparables 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.

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 2 020 ZWL	Valuation technique	Unobservable inputs	Range of Unobseravble inputs (weighted average)		Relationship of unobservable inputs to fair value
Freehold properties	360 551 502	Market approach	ZWL rate per square meter price	Low density houses	ZWL34,000-ZWL52 000 per square meter	The higher the price per square meter the higher the fair value
				High density houses	ZWL25 000-ZWL37 000 per square meter	
				Boundary walls	ZWL1400-ZWL2 600 per square meter	
				Gates	ZWL17 000-ZWL68 000 per square meter	
Leasehold properties	303 305 344	Cost approach	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	1 059 359 082	Cost approach	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	138 953 054	Cost approach	Estimated cost of similar vehicle		Cost per vehicle lowest ZWL 450 000 - highest ZWL 3 400 000	The higher the cost of the vehicle the higher the fair value

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

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 2020 is approximately 228.2 hectares (2019: 228.2 hectares).

The carrying amount of timber plantation was measured at fair value less cost to sale as at 31 December 2020. The fair value of plantation with age 8 to 29 years was determined using prices and other relevant information generated by market transactions involving timber of the same age. Market prices were obtained from the weekly auctions at the local market, which is considered the principal market for the purpose of the valuation. Fair values for timber plantation with an age below 8 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	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Timber plantations				
Mature (trees which are 14 years and older)	14 520 618	14 089 794	14 520 618	3 140 938
Immature (trees which are below 14 years)	14 205 596	2 371 538	14 205 596	528 670
	28 726 214	**16 461 332**	**28 726 214**	**3 669 608**

The fair value measurements of the timber has been categorised as level 3 (2019 : 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 2020.

	level 1 ZWL	level 2 ZWL	level 3 ZWL	Total ZWL
Timber plantations				
-mature	-	-	14 520 618	14 520 618
-immature	-	-	14 205 596	14 205 596
	-	**-**	**28 726 214**	**28 726 214**

The following table presents the Group's biological assets that are measured at fair value, as at 31 December 2019.

	level 1 ZWL	level 2 ZWL	level 3 ZWL	Total ZWL
Timber plantations				
-mature	-	-	14 089 794	14 089 794
-immature	-	-	2 371 538	2 371 538
	-	**-**	**16 461 332**	**16 461 332**

	INFLATION ADJUSTED		HISTORICAL COST	
	Timber plantation 31 December 2020 ZWL	Timber plantation 31 December 2019 ZWL	Timber plantation 31 December 2020 ZWL	Timber plantation 31 December 2019 ZWL
The reconciliation in the fair value of biological assets is as follows:				
Fair value as at 1 January	16 461 332	6 352 826	3 669 608	227 995
Harvested during the year	-	(1 612 769)	-	(64 103)
Fair value gains less estimated point of sale costs	12 264 882	11 721 275	25 056 606	3 505 716
As at 31 December	**28 726 214**	**16 461 332**	**28 726 214**	**3 669 608**
Net fair value gains for the year included in the statement of comprehensive income	**12 264 882**	**10 108 506**	**25 056 606**	**3 441 613**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9 BIOLOGICAL ASSETS (CONTINUED)

There are no biological assets with restricted title or pledged as collateral (2019: ZWLnil).

There are no commitments for the development or acquisitions of biological assets (2019: ZWLnil).

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

10 INVESTMENTS IN OTHER ENTITIES

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
-investment in joint venture			-	-
-investment in subsidiaries (note 10.1)	-	-	505 029 464	505 029 464

10.1 Investment in subsidiaries

	2020 ZWL	2019 ZWL
African Sun Limited South Africa Branch 100% owned (2019: 100%)		
At acquisition	-	-
Shareholders' loan	8 359 166	8 359 166
Total investment in African Sun Limited Branch 100% owned (2019:100%)	**8 359 166**	**8 359 166**
African Sun Zimbabwe (Private) Limited 100%		
At acquisition (2020 and 2019 owned)	367 632 876	367 632 876
Shareholders' loan	**129 037 422**	**129 037 422**
Total investment in African Sun Zimbabwe (Private) Limited	**496 670 298**	**496 670 298**
Total investment in subsidiaries	**505 029 464**	**505 029 464**

	HISTORICAL COST			
	GROUP		COMPANY	
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
-investment in subsidiaries (note 10.2)	-	-	42 360 855	18 124 875

10.2 Investment in subsidiaries

	2020 ZWL	2019 ZWL
African Sun Limited South Africa Branch 100%		
At acquisition	-	-
Shareholders' loan	24 535 980	300 000
Total investment in African Sun Limited South Africa Branch	**24 535 980**	**300 000**
African Sun Zimbabwe (Private) Limited 100%		
At acquisition	4 630 991	4 630 991
Shareholders' loan	**13 193 884**	**13 193 884**
Total investment in African Sun Zimbabwe (Private) Limited	**17 824 875**	**17 824 875**
Total investment in subsidiaries	**42 360 855**	**18 124 875**

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

10 INVESTMENTS IN OTHER ENTITIES (CONTINUED)

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 (2019: ZWLnil).

10.3 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 and liabilities, and sales and results of the joint operation. They are included in the statement of financial position and statement of comprehensive income.

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
Summarised statement of financial position				
Assets				
Non-current assets				
Property and equipment	179 323 502	188 408 390	152 981 886	38 304 832
Right of use assets	5 877 569	9 949 609	957 027	357 079
Current assets				
Cash at banks and on hand	27 702 938	95 767 078	27 702 938	21 348 676
Trade receivables	1 737 913	44 390 112	1 737 913	9 895 573
Intercompany	2 658 117	166 648 289	2 658 117	37 149 722
Inventories	6 147 098	16 975 859	3 820 234	3 784 308
Current assets	38 246 066	323 781 338	35 919 202	72 178 279
Total assets	**223 447 137**	**522 139 337**	**189 858 115**	**110 840 190**
Liabilities				
Current liabilities				
Lease liabilities	(1,003,237)	(1,650,023)	(1,003,237)	(367,828)
Liabilities				
Current liabilities				
Trade and other payables	(29 594 361)	(44 438 353)	(29 594 361)	(9 906 327)
Provision for other liabilities	(4 390 280)	(7 590 135)	(4 390 280)	(1 692 015)
Borrowings	-	(24 918 287)	-	(5 554 857)
	(34 987 878)	**(78 596 798)**	**(34 987 878)**	**(17 521 027)**
Net assets	**188 459 259**	**443 542 539**	**154 870 237**	**93 319 163**
Summarised statement of comprehensive income				
Revenue	90 206 268	598 015 132	33 080 896	64 110 589
Cost of sales	(25 988 913)	(92 859 378)	(10 696 053)	(9 962 417)
Gross profit	64 217 355	505 155 754	22 384 843	54 148 172
Operating expenses	(124 632 137)	(235 352 537)	(65 109 417)	(25 747 558)
Other income	38 160 931	377 135 464	12 774 747	27 810 235
(Loss)/profit before income tax	**(22 253 851)**	**646 938 681**	**(29 949 827)**	**56 210 849**

10 INVESTMENTS IN OTHER ENTITIES (continued)

10.3.1 Principal subsidiaries

The Group had the following subsidiaries at 31 December 2019 and 31 December 2020:

Name	Country of incorporation and place of business	Ultimate Parent	Immediate parent	Nature of business	2020 Proportion of ordinary shares directly held by Group (%)	2020 Proportion of ordinary shares held by the Group (%)
African Sun Zimbabwe (Private) Limited	Zimbabwe	African Sun Limited	African Sun Limited	Hotel and catering	100	100
African Sun Limited South African Branch	Republic of South Africa	African Sun Limited	African Sun Limited	Regional sales office	100	100

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.

11 INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Food and beverage	61 259 548	173 380 574	52 953 760	18 491 005
Shop merchandise	1 527 706	1 501 580	7 994 457	176 213
Consumable stocks	67 045 406	80 963 412	14 454 799	9 501 223
Maintenance stocks	24 749 703	39 381 780	22 186 347	4 621 534
Total	**154 582 363**	**295 227 346**	**97 589 363**	**32 789 975**

The cost of inventories recognised as expenses and included in "cost of sales" amounted to ZWL170 776 529 (2019: ZWL244 392 608).

There were no items of inventory impaired during the year (2019 : ZWLnil)

12 TRADE RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
TRADE RECEIVABLES				
Trade receivables	144 252 544	261 655 131	144 252 544	58 328 925
Less: expected credit losses	(38 053 363)	(71 846 606)	(38 053 363)	(16 016 256)
Trade receivables - net	**106 199 181**	**189 808 525**	**106 199 181**	**42 312 669**
12.1 Credit quality of trade receivables				
As at 31 December 2020, trade receivables of ZWL66 654 098 (2019: ZWL136 782 337) were fully performing and the ageing of these trade receivables is as follows:				
Up to 30 days	66 654 098	136 782 337	66 654 098	30 491 917
Lifetime expected credit losses	**6 093 945**	**22 787 671**	**6 093 944**	**5,079,894**

12 TRADE RECEIVABLES (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
12.1 Credit quality of trade receivables (continued)				
As at 31 December 2020 trade receivables of ZWL 15 555 589 (2019: ZWL74 155 513) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing days				
30 to 60 days	9 745 532	49 664 536	9 745 532	11 071 363
Over 60 days	5 810 057	24 490 977	5 810 057	5 459 600
	15 555 589	74 155 513	15 555 589	16 530 963
Lifetime expected credit losses	**905 873**	**2 930 771**	**905 873**	**653 336**
As at 31 December 2020, trade receivables of ZWL 62 042 857 (2019: ZWL50 717 286) were impaired and provided for. The individually impaired receivables mainly relate to customers in difficult economic situations.				
The ageing analysis of these trade receivables is as follows:				
90 days	637 649	9 178 238	637 649	2 046 040
Over 120 days	61 405 208	41 539 048	61 405 208	9 260 005
	62 042 857	50 717 286	62 042 857	11 306 045
Lifetime expected credit losses	**31 053 546**	**46 128 170**	**31 053 546**	**10 283 026**
Trade receivables	**144 252 544**	**261 655 137**	**144 252 544**	**58 328 925**
Total lifetime expected credit losses	**38 053 363**	**71 846 612**	**38 053 363**	**16 016 256**
The carrying amounts of the Group's trade receivables are denominated in the following currencies:				
Zimbabwe dollars	40 836 730	261 655 137	40 836 730	58 328 925
United States dollars	103 415 814	-	103 415 814	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

12 TRADE RECEIVABLES (CONTINUED)

12.2 Expected credit losses

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Movements on the Group's allowance for expected credit losses are as follows:				
Expected credit losses balance as at 1 January 2020	**71 846 606**	**11 651 686**	**16 016 255**	**2 597 428**
Allowance for expected credit losses	(33 793 243)	60 194 920	22 037 108	13 418 827
As at 31 December 2020	**38 053 363**	**71 846 606**	**38 053 363**	**16 016 255**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Movements on the Group's allowance for expected credit losses are as follows:				
Expected credit losses balance as at 1 January 2020	**-**	**-**	**-**	**-**
Allowance for expected credit losses	-	-	-	-
As at 31 December 2020	**-**	**-**	**-**	**-**

12 TRADE RECEIVABLES (CONTINUED)

12.3 Other financial assets at amortised cost

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Prepayments	74 314 331	232 314 945	44 446 511	42 267 889
Amount receivable from a joint operations partner	-	24 918 287	-	5 554 857
Other receivables	16 454 440	12 213 671	16 454 440	2 722 707
Receivables from related parties (note 28.1)	6 951 650	152 151	6 951 650	33 918
Staff receivables	11 364 188	8 275 780	11 364 188	1 844 861
Total amortised cost financial assets	**109 084 609**	**277 874 834**	**79 216 789**	**52 424 232**
Less :expected credit losses allowance	**(3 405 176)**	**(416 938)**	**(3 405 176)**	**(92 945)**
	105 679 433	277 457 896	75 811 613	52 331 287
Less non-current portion:				
Staff receivables	6 191 861	7 305 590	6 191 861	1 628 583
Current portion	**99 487 572**	**270 152 306**	**69 619 752**	**50 702 704**
All non-current receivables are due within five years from the end of the reporting period				
Amount receivables from joint operations partner relates to the share of loan given to the Partnership by African Sun Zimbabwe (Private) Limited				
The fair value of staff receivables (both current and non-current) is based on cash flows discounted using the Group and Company average cost of borrowing of 35% (2019: 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:				
Receivables from related parties	35.00%	35.00%	35.00%	35.00%
Staff receivables	35.00%	35.00%	35.00%	35.00%

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

12 TRADE RECEIVABLES (continued)

12.3 Other financial assets at amortised cost (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Prepayments	-	-	-	-
Amount receivable from a joint operations partner	-	-	-	-
Other receivables	12 909	1 183 705	12 909	263 875
Receivables from related parties (note 28.1)	-	-	-	-
Staff receivables	-	-	-	-
Total amortised cost financial assets	**12 909**	**1 183 705**	**12 909**	**263 875**
Less :expected credit losses allowance	**-**	**(756 526)**	**-**	**(168 647)**
	12 909	427 179	12 909	95 228
Less non-current portion:				
Staff receivables	-	-	-	-
Current portion	**12 909**	**427 179**	**12 909**	**95 228**
All non-current receivables are due within five years from the end of the reporting period				
Amount receivables from joint operations partner relates to the share of loan given to the Partnership by African Sun Zimbabwe (Private) Limited				
The fair value of staff receivables (both current and non-current) is based on cash flows discounted using the Group and Company average cost of borrowing of 35% (2019: 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:				
Receivables from related parties	35.00%	35.00%	35.00%	35.00%
Staff receivables	35.00%	35.00%	35.00%	35.00%

12.4 Expected credit losses

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Movements on the Group's allowance for expected credit losses are as follows:				
Balance at beginning of the year-calculated under IFRS9	**416 938**	**1 473 186**	**92 945**	**328 407**
Allowance for expected credit losses	2 988 238	(1 056 248)	3 312 230	(235 462)
As at 31 December	**3 405 176**	**416 938**	**3 405 175**	**92 945**

12 TRADE RECEIVABLES (continued)

12.4 Expected credit losses (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Movements on the Group's allowance for expected credit losses are as follows:				
Balance at beginning of the year-calculated under IFRS9	**-**	**-**	**-**	**-**
Allowance for expected credit losses	-	-	-	-
As at 31 December	**-**	**-**	**-**	**-**

13 CASH AND CASH EQUIVALENTS

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Cash at bank and on hand	**799 374 360**	**890 230 850**	**799 374 360**	**198 452 854**
The breakdown of cash at hand by currency are as follows:				
Zimbabwe dollars	110 810 881	113 801 998	110 810 881	25 369 073
United States of America dollars	652 428 072	609 826 735	652 428 072	135 944 352
South African rand	19 281 673	152 284 737	19 281 673	33 947 757
Botswana pula	-	-	-	-
Euro	16 848 818	14 313 253	16 848 818	3 190 752
Australian dollars	4 916	4 127	4 916	920
	799 374 360	**890 230 850**	**799 374 360**	**198 452 854**
The cash and cash equivalent balance is further separated as follows:				
ZWL account balance	110 810 881	113 801 998	110 810 881	25 369 073
Foreign currency account balance	688 563 479	776 428 852	688 563 479	173 083 781
	799 374 360	**890 230 850**	**799 374 360**	**198 452 854**

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

13 CASH AND CASH EQUIVALENTS (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Cash at bank and on hand	**51 189**	**59 299**	**51 189**	**13 219**
The breakdown of cash at hand by currency are as follows:				
Zimbabwe dollars	-	-	-	-
United States of America dollars	51 189	59 299	51 189	13 219
South African rand	-	-	-	-
Botswana pula	-	-	-	-
Euro	-	-	-	-
Australian dollars	-	-	-	-
	51 189	**59 299**	**51 189**	**13 219**
The cash and cash equivalent balance is further sepa-rated as follows:				
ZWL account balance	-	-	-	-
Foreign currency account balance	51 189	59 299	51 189	13 219
	51 189	**59 299**	**51 189**	**13 219**

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

14 SHARE CAPITAL AND PREMIUM AND OTHER RESERVES

14.1 Authorised and issued share capital

	INFLATION ADJUSTED			
	Number of shares	Ordinary share capital ZWL	Share premium ZWL	Total ZWL
As at 1 January 2020	861 771 777	332 890 359	970 492 939	1303 383 298
As at 31 December 2020	**861 771 777**	**332 890 359**	**970 492 939**	**1303 383 298**
	HISTORICAL COST			
As at 1 January 2019	861 771 777	8 617 716	25 123 685	33 741 401
As at 31 December 2019	**861 771 777**	**8 617 716**	**25 123 685**	**33 741 401**

The total authorised number of ordinary shares is 1,7 billion (2019: 1,5 billion) with a par value of ZWL0.01 per share. During the year an additional 200 000 000 shares were authorised.

All issued shares are fully paid.

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 (Chapter24:31) and the Zimbabwe Stock Exchange Listing Requirements.

14 SHARE CAPITAL AND PREMIUM AND OTHER RESERVES (CONTINUED)

14.2 Directors' shareholdings

As at 31 December 2020, no directors held shares directly in the Company (2019: nil).

14.3 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Movements in FCTR during the year				
Balance at the beginning of the year	527 070 939	(137 089 653)	54 037 995	(3 554 078)
Recognised during the year	547 245 438	664 160 592	325 192 458	57 592 073
Balance at the end of the year	**1 074 316 377**	**527 070 939**	**379 230 453**	**54 037 995**

14.4 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 revaluation reserve is as follows;

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Revaluation-gross	62 941 532	1 014 125 332	1 461 664 790	385 670 852
Deferred tax	(7 481 320)	(217 393 951)	(305 997 881)	(91 507 672)
Revaluation surplus	**55 460 212**	**796 731 381**	**1 155 666 909**	**294 163 180**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Revaluation-gross	1 902 909	7 848 672	7 118 050	2 384 240
Deferred tax	(470 400)	(1 509 918)	(1 758 868)	(590 098)
Revaluation surplus	**1 432 509**	**6 338 754**	**5 359 182**	**1 794 142**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

15 LEASES

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

15.1 Amounts recognised in the balance sheet

The recognised right-of-use assets relate to the following type of assets

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Right-of-use assets				
Hotel buildings	309 532 331	730 100 936	245 520 494	26 202 408
Office buildings	3 613 789	38 442 276	2 484 013	1 379 645
Staff Houses	42 632 095	201 158 178	6 941 648	7 219 315
Land	2 133 995	5 581 876	84 820	200 327
	357 912 210	**975 283 266**	**255 030 975**	**35 001 695**
Lease liabilities				
Non-current	255 560 303	157 408 516	255 560 303	35 089 965
Current	4 319 456	1 997 657	4 319 456	445 324
	259 879 759	**159 406 173**	**259 879 759**	**35 535 289**

15.2 Amounts recognised in the statement of profit or loss

Depreciation charge of right-of-use assets				
Hotel buildings	5,792,224	11 639 223	4 926 373	893 367
Office buildings	2,102,280	3 331 120	1 028 134	255 349
Staff Houses	498,892	2 273 414	277 666	174 270
Land	362 560	132 581	115 507	9 007
	8 755 956	**17 376 338**	**6 347 680**	**1 331 993**

Expense relating to variable lease payments not included in lease liabilities (included in operating expenses)

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

16 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	**31 December 2019 ZWL**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Trade payables	460 371 559	420 137 504	460 371 559	93 658 275
Amounts due to related parties	27 003 899	26 118 387	27 003 899	5 822 387
Amount payable to a joint operations partner	-	5 120 232	-	1 141 417
Statutory liabilities	37 941 840	58 546 656	37 941 840	13 051 392
Accruals	83 042 321	70 846 126	83 042 321	15 793 225
Guests deposits (note 21.2)	135 902 878	89 606 680	135 902 878	19 975 382
Other payables	36 829 876	131 140 495	36 829 876	29 234 221
Current	**781 092 373**	**801 516 080**	**781 092 373**	**178 676 299**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	**31 December 2019 ZWL**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Trade payables	-	-	-	-
Amounts due to related parties	46 030 367	83 376 754	46 030 367	18 586 589
Amount payable to a joint operations partner	-	-	-	-
Statutory liabilities	24 037	8 337 579	24 037	1 858 637
Accruals	170 503	-	170 503	-
Guests deposits (note 21.2)	-	-	-	-
Other payables	-	31 402	-	7 000
Current	**46 224 907**	**91 745 735**	**46 224 907**	**20 452 226**

Amount payable to a joint operating partner relates to share of intercompany balance due the Victoria Falls Partnership.

Statutory liabilities relate to pay as you earn (“PAYE”), pension obligations, value added tax (“VAT”) and tourism levy.

Accruals relates to heat, light and water obligations and other good and services provided for with invoices still to be received.

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.

17 CURRENT INCOME TAX LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	**31 December 2019 ZWL**	**31 December 2020 ZWL**	**31 December 2019 ZWL**
Current income tax liabilities as at 01 January	**38 653 834**	**15 116 899**	**8 616 825**	**542 526**
Current income tax charged to statement of comprehensive income (note 20.1)	5 469 837	388 772 393	12 560 181	38 264 294
2019 Income tax payments to ZIMRA	(19 363 509)	(3 255 825)	(6 874 507)	(500 918)
Quarterly provisional payments("QPDs") for current year income tax	-	(192 970 613)	-	(29 689 077)
Effects of IAS29 restatements	(10 457 663)	(169 009 020)	-	-
Current income tax liabilities as at 31 December	**14 302 499**	**38 653 834**	**14 302 499**	**8 616 825**
Current income tax liabilities is further analysed by jurisdiction as follows,				
Payable to Zimbabwe Revenue Authority ("ZIMRA")	14 302 499	37 424 008	14 302 499	7 782 567
Payable to South African Revenue Services ("SARS")	-	1 229 826	-	834 258
	14 302 499	**38 653 834**	**14 302 499**	**8 616 825**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

17 CURRENT INCOME TAX LIABILITIES (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Current income tax liabilities as at 01 January	**2 391 060**	**966 895**	**533 022**	**33 399**
Current income tax charged to statement of comprehensive income (note 20.1)	-	4 909 082	-	761 462
2019 Income tax payments to ZIMRA	-	-	-	-
Quarterly provisional payments("QPDs") for current year income tax	(226,828)	(1 174 570)	(74,286)	(261 839)
	-		-	
Effects of IAS29 restatements	(1 705 496)	(2 310 347)	-	-
Current income tax liabilities as at 31 December	**458 736**	**2 391 060**	**458 736**	**533 022**
Current income tax liabilities is further analysed by jurisdiction as follows,				
Payable to Zimbabwe Revenue Authority ("ZIMRA")	458 736	2 391 060	458 736	533 022
Payable to South African Revenue Services ("SARS")	-	-	-	-
	458 736	**2 391 060**	**458 736**	**533 022**

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

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

	INFLATION ADJUSTED			
	GROUP			
31 December 2020	1 January 2020 ZWL	Current provision ZWL	Utilised/ reversed provision ZWL	31 December 2020 ZWL
The provisions balance is made up of the following:				
Leave pay	4 393 555	-	(7 124 028)	(2 730 473)
Contractual claims	27 520 890	4 372 612	-	31 893 502
Claims from former employees	3 749 220	-	(1 443 925)	2 305 295
Other provisions	7 550 996	49 233 713	-	56 784 709
	43 214 661	**53 606 325**	**(8 567 953)**	**88 253 033**

	HISTORICAL COST			
	GROUP			
31 December 2020	1 January 2020 ZWL	Current provision ZWL	Utilised/ reversed provision ZWL	31 December 2020 ZWL
The provisions balance is made up of the following:	979 424	-	(3 709 897)	(2 730 473)
Leave pay	6 135 037	25 758 465	-	31 893 502
Contractual claims	835 787	1 469 508	-	2 305 295
Claims from former employees	1 683 290	55 101 419	-	56 784 709
Other provisions				
	9 633 538	**82 329 392**	**(3 709 897)**	**88 253 033**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

18 PROVISIONS (CONTINUED)

	INFLATION ADJUSTED			
	GROUP			
31 December 2019	**1 January 2019 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2019 ZWL**
The provisions balance is made up of the following:				
Leave pay	18 187 010	1 465 596	(15 259 051)	4 393 555
Contractual claims	10 155 467	25 885 944	(8 520 521)	27 520 890
Claims from former employees	23 288 275	-	(19 539 055)	3 749 220
Other provisions	2 786 389	7 102 410	(2 337 803)	7 550 996
Incentive bonus	20 974 429	30 579 972	(51 554 401)	-
	75 391 570	**65 033 922**	**(97 210 831)**	**43 214 661**

	HISTORICAL COST			
	GROUP			
31 December 2019	**1 January 2019 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2019 ZWL**
The provisions balance is made up of the following:				
Leave pay	652 709	326 715	-	979 424
Contractual claims	364 467	5 770 570	-	6 135 037
Claims from former employees	835 787	-	-	835 787
Other provisions	100 000	1 583 290	-	1 683 290
Incentive bonus	752 746	6 816 976	(7 569 722)	-
	2 705 709	**14 497 551**	**(7 569 722)**	**9 633 538**

	INFLATION ADJUSTED			
	COMPANY			
31 December 2020	**1 January 2020 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2020 ZWL**
Leave pay	-	-	-	-
Contractual claims	27 520 890	2 287 627	-	29 808 517
Other provisions	7 550 996	627 664	-	8 178 660
Incentive bonus	-	-	-	-
	35 071 886	**2 915 291**	**-**	**37 987 177**

	HISTORICAL COST			
	COMPANY			
31 December 2020	**1 January 2020 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2020 ZWL**
Leave pay	-	-	-	-
Contractual claims	6 135 037	23 673 480	-	29 808 517
Other provisions	1 683 290	6 495 370	-	8 178 660
Incentive bonus	-	-	-	-
	7 818 327	**30 168 850**	**-**	**37 987 177**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

18 PROVISIONS (CONTINUED)

	INFLATION ADJUSTED			
	COMPANY			
31 December 2019	**1 January 2019 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2019 ZWL**
Leave pay	-	-	-	-
Contractual claims	10 155 467	25 885 944	(8 520 521)	27 520 890
Other provisions	2 786 389	7 102 410	(2 337 803)	7 550 996
Incentive bonus	-	-	-	-
	12 941 856	**32 988 354**	**(10 858 324)**	**35 071 886**

	HISTORICAL COST			
	COMPANY			
31 December 2019	**1 January 2019 ZWL**	**Current provision ZWL**	**Utilised/ reversed provision ZWL**	**31 December 2019 ZWL**
Leave pay	-	-	-	-
Contractual claims	364 467	5 770 570	-	6 135 037
Other provisions	100 000	1 583 290	-	1 683 290
Incentive bonus	-	-	-	-
	464 467	**7 353 860**	**-**	**7 818 327**

(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 claims

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, is a defendant in a legal case involving 69 dismissed employees. The employees were dismissed following their involvement in an illegal industrial action. They have since challenged the dismissal through the courts.

(d) Other provisions

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

(e) Incentive bonus

This is a provision for incentive bonus for employees as per the Group incentive bonus scheme.

19 OTHER RESERVES

19.1 Equity settled share based payments reserve

In terms of the Group's share option scheme summarised under note 5(c), options were granted on 19 March 2020. The estimated fair value of the options granted was ZWL0.28. The Group recognised total expenses of ZWL 8 043 669 in respect of share options granted. The options granted vest after 3 years and, accordingly, the fair value will be amortised over those periods. The fair value at the grant date was determined by the independent broker based on the Volume Weighted Average Price ("VWAP") for the Group on the Zimbabwe Stock Exchange (ZSE). The share options exercise price is US$0.03 per share.

19 OTHER RESERVES (CONTINUED)

19.1 Equity settled share based payments reserve (continued)

		INFLATION ADJUSTED		HISTORICAL COST	
	Number of Share Options Granted	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Movements in Share Options during the year					
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	7 540 503	10 287 146	-	8 043 669	-
Outstanding at the end of the year	**7 540 503**	**10 287 146**	**-**	**8 043 669**	**-**
Exercisable at the end of the year	-	-	-	-	-

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

20 INCOME TAXES

20.1 Income tax expense

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Current income tax:				
Income tax on current year profits	5 469 837	388 772 393	4 513 161	38 264 294
Deferred tax:				
Originating and reversal of temporary differences	(355 624 068)	288 476 385	(145 720 942)	4 819 450
Income tax (expense) / credit	**(350 154 231)**	**677 248 778**	**(141 207 781)**	**43 083 744**
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:				
Profit before income tax	(1 855 140 293)	1 516 276 687	(212 860 936)	149 538 767
Tax calculated at domestic tax rates applicable to profits in the respective countries	(458 590 680)	390 441 247	(52 619 223)	38 506 233
Tax effects of:				
-Income not subject to tax:				
Export incentives	(3 778)	(6 697 433)	(3 778)	(278 342)
Profit from disposal of property, plant, and equipment	-		-	
Fair value adjustment of a biological assets	(6 193 993)	(3 975 434)	(6 193 993)	(886 215)
Reversal of provisions	(4 067 345)	(17 479 160)	(4 067 345)	(627 305)
Unrealised exchange gain on monetary assets	(169 000 675)	-	(169 000 675)	-
Monetary loss/(gain)	370 408 380	(37 039 792)	-	-
Other non taxable income	(10 999 230)	-	(10 999 230)	-
	180 143 359	**(65 191 819)**	**(190 265 021)**	**(1 791 862)**

20 INCOME TAXES (CONTINUED)

20.1 Income tax expense (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
-Expenses not deductible for tax purposes:				
Penalty and interest on ZIMRA taxes	71 043	-	71 043	-
Intermediary transaction tax	3 990 489	10 755 352	3 990 489	1 201 271
Impairment of staff debtors	-	114 658	-	25 560
Loss from disposal of property and equipment	872 482	1 397 446	872 482	190 133
Equity settled share based payments costs	1 988 395	-	1 988 395	-
Expected credit loss allowance	6 265 575	33 327 348	6 265 575	4 148 119
Finance costs Lease liabilities	3 635 363	10 535 181	3 635 363	725 743
Unrealised exchange loss on monetary assets	72 263 450	124 625 191	72 263 450	-
Effects of restatement	(173 383 373)	171 244 174	-	-
Other non deductible expenses	12 589 666	-	12 589 666	78 547
	(71 706 910)	351 999 350	101 676 463	6 369 373
Income tax (credit)/expense	**(350 154 231)**	**677 248 778**	**(141 207 781)**	**43 083 744**

The weighted average applicable tax rate was -18.87% (2019: 25.83%).

The applicable tax rates in the different countries for the year were; Zimbabwe 24.72% (2019: 25.75%) South Africa 28% (2019:28%)

20.2 Deferred taxes

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

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
20.2.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax assets:				
-Deferred tax assets to be recovered after more than 12 months	-	-	-	-
-Deferred tax assets to be recovered within 12 months	96 548 043	147 481	97 762 799	146 606
	96 548 043	**147 481**	**97 762 799**	**146 606**
Deferred tax liabilities:				
- Deferred tax liabilities to be recovered after more than 12 months	-	-	-	-
- Deferred tax liabilities to be recovered within 12 months	(414 134 943)	(665 877 129)	(358 095 900)	(100 116 610)
	(414 134 943)	(665 877 129)	(358 095 900)	(100 116 610)
Net deferred tax liabilities	**(317 586 900)**	**(665,729,648)**	**(260,333,101)**	**(99 970 004)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.2 Deferred taxes (continued)

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

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
20.2.1 The analysis of deferred tax assets and deferred tax liabilities is as follows: (continued)				
Deferred tax assets:				
- Deferred tax assets to be recovered after more than 12 months	-	-	-	-
- Deferred tax assets to be recovered within 12 months	5 139 647	147 481	5 139 647	8 863
	5 139 647	**147 481**	**5 139 647**	**8 863**
Deferred tax liabilities:				
- Deferred tax liabilities to be recovered after more than 12 months	-	-	-	-
- Deferred tax liabilities to be recovered within 12 months	(1 716 777)	(2 426 363)	(1 716 777)	(560 457)
	(1 716 777)	**(2 426 363)**	**(1 716 777)**	**(560 457)**
Net deferred tax assets/ (liabilities)	**3 422 870**	**(2 278 882)**	**3 422 870**	**(551 594)**

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
20.2.2 The net movement on the deferred tax account is as follows:				
As at 1 January 2020	(665 729 648)	(159 284 385)	(99 970 004)	(3 789 942)
Statement of comprehensive income	348 142 748	(506 445 263)	(160 363 097)	(96 180 062)
As at 31 December 2020	**(317 586 900)**	**(665 729 648)**	**(260 333 101)**	**(99 970 004)**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
As at 1 January 2020	(2 278 882)	(2 474 371)	(551 594)	14 941
Statement of comprehensive income	5 701 752	195 489	3 974 464	(566 535)
As at 31 December 2020	**3 422 870**	**(2 278 882)**	**3 422 870**	**(551 594)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.2 Deferred taxes (continued)

Deferred tax by tax jurisdiction is further analysed below.

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
20.2.3 Attributable to Zimbabwean tax jurisdiction				
Deferred tax assets	96 548 043	147 481	97 625 057	146 606
Deferred tax liabilities	(414 036 542)	(665 762 899)	(357 859 757)	(100 091 146)
Deferred tax liabilities	**(317 488 499)**	**(665 615 418)**	**(260 234 700)**	**(99 944 540)**
Attributable to South African tax jurisdiction				
Deferred tax assets	137 742	-	137 742	-
Deferred tax liabilities	(236 143)	(114 230)	(236 143)	(25 464)
Deferred tax	**(98 401)**	**(114 230)**	**(98 401)**	**(25 464)**
Net deferred tax liabilities	**(317 586 900)**	**(665 729 648)**	**(260 333 101)**	**(99 970 004)**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Deferred tax assets	5 139 647	147 481	5 139 647	8 863
Deferred tax liabilities	(1 716 777)	(2 426 363)	(1 716 777)	(560 457)
Deferred tax assets / (liabilities)	**3 422 870**	**(2 278 882)**	**3 422 870**	**(551 594)**
Attributable to South African tax jurisdiction				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	-	-	-	-
Deferred tax	**-**	**-**	**-**	**-**
Net deferred tax (assets)/ liabilities	**3 422 870**	**(2 278 882)**	**3 422 870**	**(551 594)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.2.4 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			
	GROUP			
	Accelerated tax depreciation ZWL	Leases ZWL	Other ZWL	Total ZWL
Deferred tax liabilities				
Year ended 31 December 2019				
As at 1 January 2019	(130 514 666)	-	(46 813 957)	(177 328 623)
(Credit) / charged to statement of comprehensive income	(288 177 397)	(202 823 909)	2 452 795	(488 548 511)
As at 31 December 2020	**(418 692 063)**	**(202 823 909)**	**(44 361 162)**	**(665 877 134)**
Year ended 31 December 2020				
As at 1 January 2020	(418 692 063)	(202 823 909)	(44 361 162)	(665 877 134)
Charged to statement of comprehensive income	50 932 392	178 468 680	22 341 119	251 742 191
As at 31 December 2020	**(367 759 671)**	**(24 355 229)**	**(22 020 043)**	**(414 134 943)**

	HISTORICAL COST			
	GROUP			
	Accelerated tax depreciation ZWL	Leases ZWL	Other ZWL	Total ZWL
Deferred tax liabilities				
Year ended 31 December 2019				
As at 1 January 2019	(4 684 007)	-	34 874	(4 649 133)
Credit to statement of comprehensive income	(87 634 902)	-	(7 832 575)	(95 467 477)
As at 31 December 2020	**(92 318 909)**	**-**	**(7 797 701)**	**(100 116 610)**
Year ended 31 December 2020				
As at 1 January 2020	(92 318 909)	-	(7 797 701)	(100 116 610)
Credit) / charged to statement of comprehensive income	(261 954 089)	-	3 974 799	(257 979 290)
As at 31 December 2020	**(354 272 998)**	**-**	**(3 822 902)**	**(358 095 900)**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.2.4 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: (continued)

	INFLATION ADJUSTED			HISTORICAL COST		
	COMPANY					
	Accelerated tax depreciation ZWL	Other ZWL	Total ZWL	Accelerated tax depreciation ZWL	Other ZWL	Total ZWL
Year ended 31 December 2019						
As at 1 January 2019	(1 159 402)	-	(1 159 402)	(28 486)	-	(28 486)
Credited to statement of comprehensive income	(1 266 960)	-	(1 266 960)	(531 971)	-	(531 971)
As at 31 December 2020	**(2 426 362)**	**-**	**(2 426 362)**	**(560 457)**	**-**	**(560 457)**
Year ended 31 December 2020						
As at 1 January 2020	(2 426 362)	-	(2 426 362)	(560 457)	-	(560 457)
Charged to statement of comprehensive income	709 585	-	709 585	(1 156 320)	-	(1 156 320)
As at 31 December 2020	**(1 716 777)**	**-**	**(1 716 777)**	**(1 716 777)**	**-**	**(1 716 777)**

20.3 Deferred taxes

	INFLATION ADJUSTED			
	GROUP			
	Inflation adjusted Unrealised Exchange Losses ZWL	Assessable tax losses ZWL	Other ZWL	Total ZWL
Deferred tax assets				
Year ended 31 December 2019				
Restated as at 1 January 2019	-	-	18 044 237	18 044 237
Credited to statement of comprehensive income	-	-	(17 896 756)	(17 896 756)
As at 31 December 2019	**-**	**-**	**147 481**	**147 481**
Year ended 31 December 2020				
Restated As at 1 January 2020	-	-	147 481	147 481
Charged to statement of comprehensive income	74,025,437	11 210 369	11 164 756	96 400 562
As at 31 December 2020	**74 025 437**	**11 210 369**	**11 312 237**	**96 548 043**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.3 Deferred taxes (continued)

	HISTORICAL COST			
	GROUP			
	Inflation adjusted Unrealised Exchange Losses ZWL	Assessable tax losses ZWL	Other ZWL	Total ZWL
Deferred tax assets				
Year ended 31 December 2019				
Restated as at 1 January 2019	-	-	859 192	859 192
Credited to statement of comprehensive income	-	-	(712 586)	(712 586)
As at 31 December 2019	**-**	**-**	**146 606**	**146 606**
Year ended 31 December 2020				
Restated As at 1 January 2020	-	-	146 606	146 606
Charged to statement of comprehensive income	74 025 437	11 210 369	12 380 385	97 616 191
As at 31 December 2020	**74 025 437**	**11 210 369**	**12 526 991**	**97 762 797**

	INFLATION ADJUSTED			
	COMPANY			
	Inflation adjusted Unrealised Exchange Losses ZWL	Assessable tax losses ZWL	Other ZWL	Total ZWL
Deferred tax assets				
Year ended 31 December 2019				
As at 1 January 2019	-	269 744	-	269 744
Credited to statement of comprehensive income	-	(236 867)	-	(710 601)
As at 31 December 2020	**-**	**32 877**	**-**	**(440 857)**
Year ended 31 December 2020				
As at 1 January 2020	-	32 877	-	(440 857)
Charged to statement of comprehensive income	-	5 106 769	-	5 580 503
As at 31 December 2020	**-**	**5 139 646**	**-**	**5 139 646**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

20 INCOME TAXES (CONTINUED)

20.3 Deferred taxes (continued)

	INFLATION ADJUSTED			
	COMPANY			
	Inflation adjusted Unrealised Exchange Losses ZWL	Assessable tax losses ZWL	Other ZWL	Total ZWL
Deferred tax assets				
Year ended 31 December 2019				
As at 1 January 2019	-	43 427	43 427	-
Credited to statement of comprehensive income	-	(34 565)	(34 565)	-
As at 31 December 2020	**-**	**8 862**	**8 862**	**-**
Year ended 31 December 2020				
As at 1 January 2020	-	8 862	8 862	-
Charged to statement of comprehensive income	-	5 130 784	5 130 784	-
As at 31 December 2020	**-**	**5 139 646**	**5 139 646**	**-**

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.

The Group did not have any unrecognised tax losses (2019: ZWL nil).

21 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group has recognised the following amounts relating to revenue in the statement of statement of comprehensive income:

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Revenue from contracts with customers	1 836 705 765	4 085 716 013	1 219 631 903	447 974 537
Gaming income	3 246 364	14 975 657	1 535 941	1 251 081
Total revenue	**1839 952 129**	**4100 691 670**	**1221 167 844**	**449 225 618**

21.1 Disaggregation of revenue from contracts with customers

	INFLATION ADJUSTED					
	Sale of room nights ZWL	Sale of food and beverages ZWL	Management fees and commissions ZWL	Conferencing ZWL	Other income ZWL	Total ZWL
Year ended 31 December 2020						
The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:						
Segment revenue	961 485 890	796 542 099	50 365 829	37 666 106	41 011 670	1 887 071 594
Inter-segment transactions	-	-	(50 365 829)	-	-	(50 365 829)
Revenue from external customers	**961 485 890**	**796 542 099**	**-**	**37 666 106**	**41 011 670**	**1 836 705 765**
Timing of revenue recognition						
At a point in time	**961 485 890**	**796 542 099**	**-**	**37 666 106**	**41 011 670**	**1836 705 765**

21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

21.1 Disaggregation of revenue from contracts with customers (continued)

	INFLATION ADJUSTED					
	Sale of room nights ZWL	Sale of food and beverages ZWL	Management fees and commissions ZWL	Conferencing ZWL	Other income ZWL	Total ZWL
Year ended 31 December 2019						
Segment revenue	2 273 870 786	1 652 697 706	940 951 705	62 477 140	96 670 381	5 026 667 718
Inter-segment transactions	-	-	(940 951 705)	-	-	(940 951 705)
Revenue from external customers	**2 273 870 786**	**1 652 697 706**	**-**	**62 477 140**	**96 670 381**	**4 085 716 013**
Timing of revenue recognition						
At a point in time	**2 273 870 786**	**1 652 697 706**	**-**	**62 477 140**	**96 670 381**	**4 085 716 013**

	HISTORICAL COST					
	Sale of room nights ZWL	Sale of food and beverages ZWL	Management fees and commissions ZWL	Conferencing ZWL	Other income ZWL	Total ZWL
Year ended 31 December 2020						
The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:						
Segment revenue	651 338 470	518 735 566	21 726 890	20 909 858	28 648 009	1 241 358 793
Inter-segment transactions	-	-	(21 726 890)	-	-	(21 726 890)
Revenue from external customers	**651 338 470**	**518 735 566**	**-**	**20 909 858**	**28 648 009**	**1 219 631 903**
Timing of revenue recognition						
At a point in time	**651 338 470**	**518 735 566**	**-**	**20 909 858**	**28 648 009**	**1 219 631 903**
Year ended 31 December 2019						
Segment revenue	247 452 778	182 199 009	11 239 033	7 606 448	10 716 302	459 213 570
Inter-segment transactions	-	-	(11 239 033)	-	-	(11 239 033)
Revenue from external customers	**247 452 778**	**182 199 009**	**-**	**7 606 448**	**10 716 302**	**447 974 537**
Timing of revenue recognition						
At a point in time	**247 452 778**	**182 199 009**	**-**	**7 606 448**	**10 716 302**	**447 974 537**

21.2 Liabilities related to contracts with customers

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
The Group has recognised the following liabilities related to contracts with customers:				
Balance at 1 January	89 606 680	91 788 465	19 975 382	3 294 173
Revenue recognised in 2020 that was included in the contract liability balance in 2019	(89 606 680)	(91 788 465)	(19 975 382)	(3 294 173)
Contract liability recognised during the year	135 902 878	89 606 680	135 902 878	19 975 382
Contract liability recognised from costs incurred to fulfil a contract at 31 December	**135 902 878**	**89 606 680**	**135 902 878**	**19 975 382**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

22 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Group contributions to the plans during the year charged to the income statement amounted to;				
African Sun Limited Pension Fund	442 299	466 068	236 310	399 886
Catering Industry Pension Fund	327 163	262 840	237 720	225 517
Unemployment Insurance Fund - South Africa	101 012	74 513	46 810	63 932
Provident Fund - South Africa	642 050	7 846	320 691	6 732
National Social Security Authority Scheme	1 197 807	354 361	863 553	304 043
	2 710 331	**1 165 628**	**1 705 084**	**1 000 110**
23 OTHER INCOME AND EXPENSES				
23.1 Other income				
RBZ export incentive	67 061	26 009 448	15 282	1 080 941
Fair value adjustment on biological assets	25 056 606	10 108 508	25 056 606	3 441 613
Foreign exchange gain	128 451 764	383 455 232	50 537 677	27 410 582
	153 575 431	**419 573 188**	**75 609 565**	**31 933 136**
Other income primarily consists of income received; not in the ordinary course of the business and not accounted under IFRS 15 "Revenue from contracts with customers".				
23.2 Other expenses				
Retrenchment costs	20 183 426	-	18 813 235	-
Loss from sale of property and equipment	7 114 668	5 081 622	3 529 442	691 391
Foreign exchange Loss	196 386 731	-	137 405 214	-
	223 684 825	**5 081 622**	**159 747 891**	**691 391**

24 EXPENSES BY NATURE

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Inventory recognised in cost of sales	170 776 529	300 160 686	108 905 580	34 415 247
Outside laundry in cost of sales	12 461 195	20 678 144	7 417 368	2 422 251
Employee costs in costs of sales	223 095 765	344 764 920	129 134 739	37 815 488
Other cost of sales	107 868 152	185 939 283	63 596 559	21 435 863
Cost of sales	**514 201 641**	**851 543 033**	**309 054 246**	**96 088 849**
Employee costs in operating expenses	372 851 474	444 927 010	224 492 718	59 105 294
Equity settled share based payments	10 287 146	-	8 043 669	-
directors' fees	11 188 553	10 472 328	9 254 310	1 164 447
Depreciation, usage and amortization (note 8)	288 175 655	301 482 272	181 807 202	19 786 075
Depreciation-right of use asset (note 15)	8 755 956	17 376 343	6 347 679	1 331 993
Sales and marketing	66 080 767	157 347 916	30 983 408	17 889 852
Operating lease costs: Short term, low value and variable lease expenses	175 978 881	403 834 806	112 400 903	45 043 486
Audit fees and other professional services;	24 863 680	34 847 406	18 418 510	4 499 902
Repairs and maintenance	86 743 858	130 617 907	56 822 250	14 054 799
Electricity and water	99 957 266	124 938 447	57 068 900	15 995 733
Council rates	13 731 900	8 910 369	7 787 921	680 383
Franchise fees	52 533 959	72 763 506	38 386 745	7 249 818
Insurance	43 762 252	34 503 637	30 632 413	3 851 801
Licenses	18 795 961	15 500 658	11 245 234	1 451 399
Vehicle running expenses	8 195 632	9 005 992	5 606 191	932 477
Security	33 463 375	25 260 818	23 654 470	2 428 627
Guest supplies	19 213 305	38 915 883	12 548 694	4 533 802
Banqueting and guest entertainment	9 332 091	13 829 308	6 303 695	1 540 391
Telephone costs	16 527 322	20 156 997	9 782 493	2 272 520
Printing and stationery	12 292 558	25 053 025	7 552 624	2 667 513
Bank charges	12 326 831	18 699 539	8 163 349	2 116 137
Transaction tax	26 369 076	41 768 356	16 142 755	4 665 130
Management fees	-	23 136 781	-	957 096
Consultancy costs	8 252 519	19 521 567	4 946 078	2 520 737
Royalties	39 604 964	72 725 024	38 386 745	7 249 818
Legal expenses	9 567 182	13 550 695	6 749 423	1 350 843
Subscriptions	8 294 534	10 374 715	5 194 137	1 034 236
Commissions	8 294 534	14 188 681	5 194 137	1 414 442
Travel expenses	11 741 676	30 894 447	6 678 468	3 079 808
Other	80 779 253	48 478 242	2 159 835	(11 897 200)
Operating expenses	**1 577 962 160**	**2 183 082 675**	**952 754 956**	**218 971 359**
Total cost of sales and operating expenses	**2 092 163 801**	**3 034 625 708**	**1 261 809 202**	**315 060 208**

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

25 FINANCE COSTS AND INCOME

		INFLATION ADJUSTED		HISTORICAL COST	
		Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
25.1	**Finance income**				
	Interest income on bank deposits	2 528 689	2 916 646	824 335	417 447
	Interest on other receivables at amortised cost	-	729 162	-	105 747
		2 528 689	**3 645 808**	**824 335**	**523 194**
25.2	**Finance costs**				
	Interest on overdue Accounts	(48 606 049)	(4 230 665)	(48 606 049)	(296 290)
	Guarantee commissions payable to Arden Capital Management (Private) Limited	-	(937 714)	-	(40 256)
		(48 606 049)	**(5 168 379)**	**(48 606 049)**	**(336 546)**
	Net financing costs for the year	**(46 077 360)**	**(1 522 571)**	**(47 781 714)**	**186 648**
25.3	**Net interest paid**				
	For the purposes of statement of cash flows, net interest paid comprise the following;				
	Finance costs from continuing operations per statement of comprehensive income	(48 606 049)	(5 168 379)	(48 606 049)	(336 546)
	Total interest paid	**(48 606 049)**	**(5 168 379)**	**(48 606 049)**	**(336 546)**
	Interest received				
	Interest costs on bank deposits	2 528 689	2 916 646	824 335	417 447
	Interest cost on short term investments	-	729 162	-	105 747
		2 528 689	3 645 808	824 335	523 194
	Net interest paid	**(46 077 360)**	**(1 522 571)**	**(47 781 714)**	**186 648**
26	**(LOSS)/EARNINGS PER SHARE**				
	Basic and diluted (loss)/earnings attributable to owners of parent (ZWL cents)	(174.64)	97.36	(8.31)	12.35
	Headline (loss)/earnings attributable to owners of parent (ZWL cents)	(173.81)	97.95	(7.91)	12.43
	Reconciliations of earnings/(loss) used in calculating earnings per share				
	(Loss)/earnings attributable to owners of the parent arising from	(1504 986 062)	839 027 909	(71 653 155)	106 455 023
	(loss)/Profit attributable to owners of parent	**(1504 986 062)**	**839 027 909**	**(71 653 155)**	**106 455 023**
	Adjustments for;				
	Loss from disposal of property, plant and equipment	7 114 668	5 081 622	3 529 442	691 391
	Headline (loss)/earnings attributable to owners of the parent	**(1497 871 394)**	**844 109 531**	**(68 123 713)**	**107 146 414**
	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	861 771 777	861 771 777	861 771 777	861 771 777
	Weighted average number of shares in issue for basic and diluted earnings / (loss) per share	861 771 777	861 771 777	861 771 777	861 771 777

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

26 (LOSS)/EARNINGS PER SHARE (CONTINUED)

For the purpose of basic (loss)/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 (loss)/earnings are calculated by adjusting the weighted number of ordinary shares with the potentially dilutive ordinary shares. As at 31 December 2020 there were no potential dilutive share options (2019: nil).

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Net asset value per share (cents)				
Net assets	2 056 421 997	2 963 677 009	1 882 066 591	469 814 929
Number of ordinary shares in issue	861 771 777	861 771 777	861 771 777	861 771 777
Net asset value per share	**238.63**	**343.91**	**218.40**	**54.52**
27 SUMMARY OF CASH FLOW WORKINGS				
27.1 Cash generated from operations				
(Loss)/profit before income tax	**(1 855 140 293)**	**1 516 276 687**	**(212 860 936)**	**149 538 767**
Adjustments for non-cash items:				
Depreciation and hotel equipment usage (note 8)	288 175 655	301 482 272	181 807 202	19 786 075
Depreciation: right of use assets	8 755 956	17 376 343	6 347 679	1 331 993
Loss from disposal of property and equipment	7 114 668	5 081 622	3 529 442	691 391
Fair value adjustment on biological assets (note 9)	(25 056 606)	(10 108 508)	(25 056 606)	(3 441 613)
Equity settled share based payments costs (note 19.1)	10 287 146	-	8 043 669	-
Provision Expenses	30 013 446	-	30 013 446	-
Monetary loss/(gain)	1 498 415 778	(134 690 152)	-	-
Finance cost-lease liabilities	19 131 094	38 309 750	14 950 200	2 871 670
Finance costs net	46 077 360	1 522 571	47 781 714	(186 648)
		-		
Cash generated from operations before changes in working capital	**27 774 204**	**1 735 250 585**	**54 555 810**	**170 591 635**
Changes in working capital:				
Inventories			-	
-Decrease/(Increase) in inventories	140 644 983	(183 849 294)	(64 799 388)	(29 746 686)
Current trade receivables, financial assets and trade and other payables	34 567 165	49 040 718	320 329 260	99 426 699
-(Increase)/ Decrease in current trade receivables	297 317 623	(290 050 317)	(39 760 063)	(62 689 554)
-Increase/(Decrease) in current trade payables	(262 750 458)	340 088 804	360 089 323	162 152 062
-Receipts from receivables relating to disposal of property and equipment	-	(997 769)	-	(35 809)
-Decrease /(Increase) in non current trade receivables	1 113 729	3 081 891	(4 563 278)	(1 255 789)
-(Decrease)/ Increase in non-current trade and other payables	-	(32 176 908)	-	6 927 829
Cash generated from operations	**204 100 081**	**1 571 346 992**	**305 522 404**	**245 943 688**
27.2 Proceeds from disposal of property and equipment				
Cost of property and equipment disposed of	26 849 224	31 711 804	9 680 405	2 212 095
Accumulated depreciation of property and equipment disposed of	(11 611 931)	(17 979 116)	(4 036 028)	(1 254 155)
Net book amount	15 237 293	13 732 688	5 644 377	957 940
Profit from disposal of property and equipment	(7 114 668)	(5 081 622)	(3 529 442)	(691 391)
-Receipts from receivables relating to disposal of property and equipment	-	997 769	-	35 809
Cash proceeds from disposal of property and equipment	**8 122 625**	**9 648 835**	**2 114 935**	**302 358**

28 RELATED PARTY TRANSACTIONS

28.1 Other related party transactions

The following transactions occurred with related parties during the year

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Variable lease expenses charged by Dawn Properties Limited	112 784 397	219 728 082	75 006 809	24 443 996
Consultancy Fee paid to Dawn Properties Limited	2 117 830	300 938	991 391	134 576
Guarantee commission paid to Arden	-	937 714	-	40 256
General life assurance and funeral cover premium to Getsure Life Assurance (Private) Limited	-	-	-	-
Compensation to key management personnel	13 731 900	41 749 109	7 787 921	6 961 385

Related party transactions are further explained below;

(a) Short term, low value and variable lease expenses payable to dawn properties

Lease rentals relate to the leases of 7 hotels leased from Dawn Properties Limited . Included in short term, low value and variable lease expenses for the group is ZWL122 784 397 (2019 : ZWL48.98 million) charged by Dawn Properties Limited.

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 the following 7 hotel properties from Dawn Properties Limited, a fellow subsidiary of Arden Capital Limited, the parent of the Group:
- Monomotapa Hotel;
- Troutbeck Resort;
- Carribea Bay Resort;
- Great Zimbabwe Hotel;
- Elephant Hills Resort;
- Hwange Safari Lodge; and
- Holiday Inn Mutare

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.

The leases rentals payable to Dawn Properties Limited are for the properties listed below;
- Elephant Hills Resort and Conference Centre - hotel building;
- Monomotapa Hotel - hotel building;
- Caribea Bay Resort - hotel building;
- Hwange Safari Lodge - hotel building;
- Troutbeck Resort - hotel building;
- Great Zimbabwe Hotel - hotel building; and
- Holiday Inn Mutare - hotel building;

(b) Guarantee obtained from Arden Capital Management (Private) Limited for loan facilities

Borrowings amounting to ZWLnil (2019: ZWL4,23 million) were secured by a ZWL7 million guarantee from Arden Capital Management (Private) Limited. Guarantee commission amounting to ZWLnil (2019: ZWL209 038) were charged to the income statement.

(c) Key management compensation

Key management includes directors (executive and non-executive), Human Resources Director, Sales and Marketing Director, Company Secretary and Head of Internal Audit. The compensation paid or payable to key management for employee services is as shown below:

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

28 RELATED PARTY TRANSACTIONS (CONTINUED)

28.1 Other related party transactions (continued)

(c) Key management compensation (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Salaries and other short term employee benefits	-	32 838 742	-	6 281 002
Non-executive directors' fees	13 731 900	8 910 367	7 787 921	680 383
	13 731 900	**41 749 109**	**7 787 921**	**6 961 385**

(d) Year end balances arising from transactions with related parties

		INFLATION ADJUSTED			
	Nature of relationship	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Payables to related parties					
Dawn Properties Limited	Common shareholding	26 087 554	25 735 920	-	-
Arden Capital Management (Private) Limited	Holding company	-	214 950	-	-
African Sun Zimbabwe (Private) Limited	Subsidiary	-	-	46 030 367	18 586 589
		26 087 554	**25 950 870**	**46 030 367**	**18 586 589**
Receivables from related parties					
Meikles Hospitality Limited	Partners	6 951 650	24 918 286	-	-
		6 951 650	**24 918 286**	**-**	**-**

		HISTORICAL COST			
	Nature of relationship	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL	Year ended 31 December 2020 ZWL	Year ended 31 December 2019 ZWL
Payables to related parties					
Dawn Properties Limited	Common shareholding	26 087 554	5 737 126	-	-
Arden Capital Management (Private) Limited	Holding company	-	47 917	-	-
African Sun Zimbabwe (Private) Limited	Subsidiary	-	-	46 030 367	18 586 589
		26 087 554	**5 785 043**	**46 030 367**	**18 586 589**
Receivables from related parties					
Meikles Hospitality Limited	Partners	6 951 650	5 554 857	-	-
		6 951 650	**5 554 857**	**-**	**-**

The payables to Dawn Properties Limited arose from 'lease rentals and are due one month after billing. All balances to and from related parties, no interest is charged and are unsecured.

(e) Receivables from executives

The receivables from executives arose from housing and car loans advanced. Housing and car loans are payable over a 5 year period in 60 equal instalments and no interest is charged.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

28 RELATED PARTY TRANSACTIONS (CONTINUED)

28.1 Other related party transactions (continued)

(e) Receivables from executives (continued)

The balance on loans to executives is analysed below:

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
As at 1 January	**2 070 058**	**3 135 134**	**461 463**	**112 516**
Housing and car loans advanced during the year	-	-	-	438 284
Housing and car loans repaid during the year	-	-	-	(139 668)
Unwinding of interest	-	225 777	-	50 331
Restatement effects	-	(1 290 853)	-	-
As at 31 December	**2 070 058**	**2 070 058**	**461 463**	**461 463**

	INFLATION ADJUSTED		HISTORICAL COST	
	COMPANY			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
As at 1 January	**-**	**-**	**-**	**-**
Housing and car loans advanced during the year	-	-	-	-
Housing and car loans repaid during the year	-	-	-	-
Unwinding of interest	-	-	-	-
Restatement effects	-	-	-	-
As at 31 December	**-**	**-**	**-**	**-**

Receivables from related parties are discounted using the Group's average cost of borrowing of 35% (2019 : 35%)

29 COMMITMENTS

	INFLATION ADJUSTED		HISTORICAL COST	
	GROUP			
	31 December 2020 ZWL	31 December 2019 ZWL	31 December 2020 ZWL	31 December 2019 ZWL
Capital expenditure				
Authorised by Directors and contracted for	9 588 252	-	9 588 252	-
Authorised by Directors but not contracted for	1 088 215 681	5 058 399 113	1 088 215 681	1 127 621 907
	1 097 803 933	**5 058 399 113**	**1 097 803 933**	**1 127 621 907**

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

30 EVENTS AFTER REPORTING DATE

30.1 Dawn Properties Limited ("DPL") transaction update

Acquision of 91,17% Dawn Properties Limited ("DPL")

The Company made an offer to the shareholders of DPL to acquire all the issued ordinary shares in DPL, based on 1 issued ASL ordinary share for every 3,98 DPL issued ordinary shares ("the Original Offer"). Pursuant to the Original Offer, DPL Shareholders holding 2,240,283,488 ordinary shares in DPL, representing 91.17% of the DPL issued ordinary shares accepted the Original Offer and surrendered their shares to the Company on 20 January 2021. In terms of IFRS 3, on this date the Company acquired control considering that 91.17% is a controlling interest interms of Zimbabwe Companies and other Business Entities Act (Chapter 24:31). On this date the Company being the acquirer has significant influence and can effect changes in DPL's operations.

ASL's Intention to Acquire the Remaining Shares

DPL Shareholders holding 216,888,620 ordinary shares in DPL, representing 8.83% of the DPL issued ordinary shares ("Remaining Shares") did not accept the Original Offer. In terms of section 238 (1) of the Companies and Other Business Entities Act [Chapter 24:31] ("the COBE"), the Company notified the holders of the Remaining Shares of its intention to acquire the Remaining Shares within a period of 120 days from the date of the squeeze out notice published on 25 January 2021, on the same terms that applied to the shares whose holders accepted the Original Offer The Remaining Shares will be acquired via a Tag Along in terms of Section 239 of the COBE or Drag Along in terms of section 238(2) of the COBE.

30.2 COVID-19 Lockdowns

The Group's steady recovery in Q4 2020 took a dip at the beginning of 2021 as globally countries tightened travel restrictions in response to a different strain of the Covid-19 virus and surging new cases (second wave). The Zimbabwe government responded by implementing a second lockdown at the beginning of the year. The lockdown was lifted at the end of February 2021. Unlike in the first lockdown, our hotels continued to operate albeit at depressed occupancies. Since the easing of the second lockdown, the Group achieved 24% occupancy in March 2021, an improved performance relative to other months since June 2020. We remain cautiously optimistic for the rest of the year on the back of local and international vaccine rollout programmes.

Group Supplementary Information

For the year ended 31 December 2020

5 YEAR REVIEW	CAGR %	INFLATION ADJUSTED 31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
SHARE PERFORMANCE: Cents Per share						
Basic earnings						
Basic (loss) / earnings per share from continuing operations	-	(174.64)	97.36	29.78	22.13	(25.88)
Basic loss per share from discontinued operations	(100)	-	-	-	-	(11.97)
Basic (loss) / earnings per share for the year	-	(174.64)	97.36	29.78	22.13	(37.85)
Diluted earnings						
Dividend (interim)						
Diluted (loss) / earnings per share from continuing operations	-	(174.64)	97.36	29.78	22.13	(25.88)
Diluted loss per share from discontinued operations	(100)	-	-	-	-	(11.97)
Diluted (loss) / earnings per share for the year	-	(174.64)	97.36	29.78	22.13	(37.85)
Headline earnings						
Headline (loss)/earnings per share	47	(173.81)	97.95	29.69	11.95	(37.08)
Diluted headline (loss)/earnings per share	-	(173.81)	97.95	29.69	11.95	(37.08)
Net asset value	(115)	238.63	343.91	90.47	29.85	11.20
Closing market price	37	232.51	55.80	185.42	46.35	65.67
Share information						
In issue	-	861 771 777	861 771 777	861 771 777	861 771 777	861 771 777
Market capitalisation	37	2 003 705 559	480 868 652	1 597 897 229	399 431 219	565 925 526
ZSE industrial index	179	8 782	327	327	327	145
RATIOS AND RETURNS						
Revenue generation						
Revenue: ZWL	7	1 839 952 129	4 100 691 670	2 444 666 340	1 684 242 650	2 439 588 198
Room occupancy %	(17)	23	48	59	44	49
RevPAR: ZWL	2	1 626	3 804	2 290	1 738	1 738
ADR: ZWL	(18)	7 010	7 891	3 897	3 603	3 592
Profitability and returns						
EBITDA: ZWL	(63)	5 415 550	1 740 277 466	606 058 857	211 871 381	273 966 817
EBITDA margin (%)	(60)	-	42	25	13	11
Pre-tax return on equity (%)	59	(90)	51	48	629	(3 066)
Income after taxation to total capital employed (%)	-	(73)	28	43	276	(749)
Pre-tax return on total assets (%)	(30)	(53)	32	23	124	(224)
Solvency						
Gearing (%)	(20)	26	25	34	34	65
*Interest cover (times)	-	(27)	39	3	4	1
Shareholders' equity to total assets (%)	(1)	58	63	172	171	60
Total liabilities to total shareholders' funds (%)	(51)	71	58	106	405	1 255
Liquidity						
Current assets to interest free liabilities and short term borrowings	(19)	1.31	1.86	1.31	5.08	3.01
Productivity						
Turnover per employee: ZWL	1	2 042 122	3 538 129	2 131 357	1 468 389	2 145 636
Other						
Number of employees	(6)	901	1 159	1 147	1 147	1 137
Number of shareholders	0	7 292	7 173	7 192	7 173	7 192

* Ratio has been calculated excluding non-cash items and material non-recurring items like profit on disposal of subsidiary.

Group Supplementary Information (continued)

For the year ended 31 December 2020

5 YEAR REVIEW	CAGR %	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
	HISTORICAL COST					
SHARE PERFORMANCE: Cents Per share						
Basic earnings						
Basic (loss) / earnings per share from continuing operations	-	(8.31)	12.35	1,18	0,56	0,57
Basic loss per share from discontinued operations	(100)	-	-	-	-	(0.01)
Basic (loss) / earnings per share for the year	-	(8.31)	12.35	1.18	0.56	0.56
Diluted earnings						
Dividend (interim)						
Diluted (loss) / earnings per share from continuing operations	-	(8.31)	12.35	1,18	0,56	0,57
Diluted loss per share from discontinued operations	(100)	-	-	-	-	(0.01)
Diluted (loss) / earnings per share for the year	-	(8.31)	12.35	1.18	0.56	0.56
Headline earnings						
Headline (loss)/earnings per share	-	(7.91)	12.43	1.18	0.56	0.31
Diluted headline (loss)/earnings per share	-	(7.91)	12.43	1.18	0.56	0.31
Net asset value	(310)	218.40	54.52	2.28	1.34	0.77
Closing market price	273	232.51	12.44	10.00	4.80	1.20
Share information						
In issue	-	861 771 777	861 771 777	861 771 777	861 771 777	861 771 777
Market capitalisation	273	2 003 705 559	107 204 409	86 177 178	41 365 045	10 341 261
ZSE industrial index	179	8 782	327	327	327	145
RATIOS AND RETURNS						
Revenue generation						
Revenue: ZWL	(130)	1 221 167 844	449 225 618	68 499 411	51 827 232	43 600 924
Room occupancy %	12%	23	48	59	53	44
RevPAR: ZWL	(122)	1 102	414	64	48	45
ADR: ZWL	(167)	4 749	859	109	93	93
Profitability and returns						
EBITDA: ZWL	62	38 025 860	173 341 858	17 129 262	9 601 179	5 484 832
EBITDA margin (%)	(30)	3	39	25	19	13
Pre-tax return on equity (%)	-	(11)	32	69	51	73
Income after taxation to total capital employed (%)	-	(4)	23	47	32	32
Pre-tax return on total assets (%)	(18)	(6)	19	29	14	14
Solvency						
Gearing (%)	(4)	29	35	(49)	34	34
*Interest cover (times)	-	(2)	57	21	3	4
Shareholders' equity to total assets (%)	30	57	59	41	20	20
Total liabilities to total shareholders' funds (%)	(34)	75	71	141	405	405
Liquidity						
Current assets to interest free liabilities and short term borrowings	20	1.21	1.65	1.06	0.59	0.59
Productivity						
Turnover per employee: ZWL	144	1 355 347	387 598	59 434	45 027	38 347
Other						
Number of employees	(6)	901	1 159	1 147	1 147	1 137
Number of shareholders	0	7 292	7 173	7 192	7 173	7 192

* Ratio has been calculated excluding non-cash items and material non-recurring items like profit on disposal of subsidiary.

Group Supplementary Information (continued)

For the year ended 31 December 2020

5 YEAR REVIEW US$ Translated	CAGR %	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
	UNITED STATES DOLLARS ("US$")					
SHARE PERFORMANCE: Cents Per share						
Basic earnings						
Basic (loss) / earnings per share from continuing operations	-	(2,14)	1,19	1,18	0,56	0,57
Basic loss per share from discontinued operations	(100)	-	-	-	-	(0.01)
Basic (loss) / earnings per share for the year	-	(2,14)	1,19	1.18	0.56	0.56
Diluted earnings						
Dividend (interim)						
Diluted (loss) / earnings per share from continuing operations	-	(2,14)	1,19	1.18	0.56	0.57
Diluted loss per share from discontinued operations	(100)	-	-	-	-	(0.01)
Diluted (loss) / earnings per share for the year	-	(2,14)	1,19	1.18	0.56	0.56
Headline earnings						
Headline (loss)/earnings per share	-	(2,13)	1,20	1.18	0.56	0.31
Diluted headline (loss)/earnings per share	-	(2,13)	1,20	1.18	0.56	0.31
Net asset value	(40)	2.92	4.20	2.28	1.34	0.77
Closing market price	24	2.84	0.68	10.00	4.80	1.20
Share information						
In issue	-	861 771 777	861 771 777	861 771 777	861 771 777	861 771 777
Market capitalisation	24	24 474 318	5 860 048	86 177 178	41 365 045	10 341 261
ZSE industrial index	179	8 782	327	327	327	145
RATIOS AND RETURNS						
Revenue generation						
Revenue: US$	15	22 496 988	54 306 633	68 499 411	51 827 232	43 600 924
Room occupancy %	(15)	23	48	59	53	44
RevPAR: US$	18	20	47	64	48	45
ADR: US$	2	86	96	109	93	93
Profitability and returns						
EBITDA: US$	(67)	66 216	21 278 271	17 129 262	9 601 179	5 484 832
EBITDA margin (%)	(61)	-	42	25	19	13
Pre-tax return on equity (%)	(61)	(90)	51	69	51	73
Income after taxation to total capital employed (%)	-	(73)	28	47	32	32
Pre-tax return on total assets (%)	(61)	(53)	32	29	14	14
Solvency						
Gearing (%)	-	26	25	(49)	34	34
*Interest cover (times)	-	(27)	39	21	3	4
Shareholders' equity to total assets (%)	31	58	63	41	20	20
Total liabilities to total shareholders' funds (%)	(35)	71	58	141	405	405
Liquidity						
Current assets to interest free liabilities and short term borrowings	22	1.31	1.86	1.06	0.59	0.59
Productivity						
Turnover per employee: US$	(10)	24 969	46 856	59 434	45 027	38 347
Other						
Number of employees	(6)	901	1 159	1 147	1 147	1 137
Number of shareholders	0	7 292	7 173	7 192	7 173	7 192

* Ratio has been calculated excluding non-cash items and material non-recurring items like profit on disposal of subsidiary.

US$ Statement of Comprehensive Income Extract

For the year ended 31 December 2020

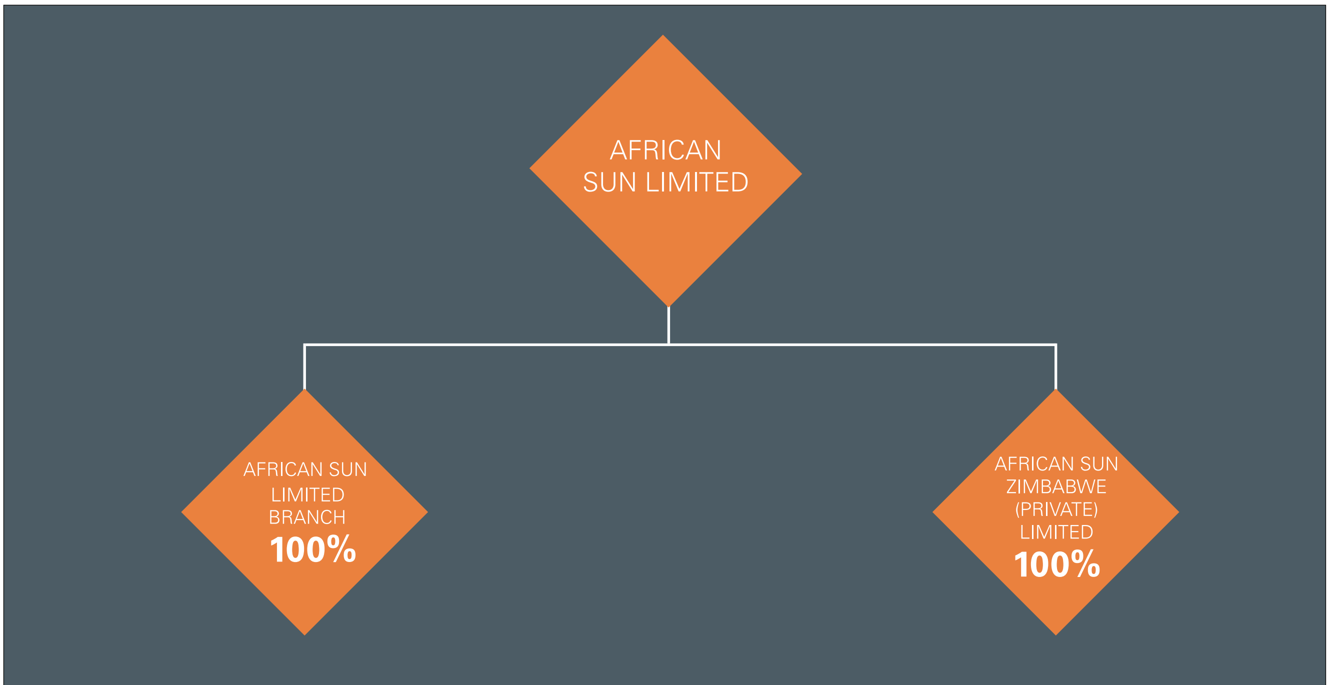
	UNITED STATES DOLLARS ("US$")				
5 YEAR REVIEW	****31 December 2020 US$**	*** 31 December 2019 US$**	**31 December 2018 US$**	**31 December 2017 US$**	**31 December 2016 US$**
Total revenue	**22 496 988**	**54 306 633**	**68 499 411**	**51 827 232**	**43 600 924**
Cost of sales	**(6 287 114)**	**(11 277 228)**	**(19 141 018)**	**(15 444 453)**	**(12 993 608)**
Gross profit	**16 209 874**	**43 029 405**	**49 358 393**	**36 382 779**	**30 607 316**
Other income	1 877 758	5 556 528	2 473 674	1 589 689	1 444 442
Operating expenses	(18 205 949)	(28 911 189)	(37 749 686)	(30 708 927)	(27 900 882)
Profit from sale of subsidiary	-	-	-	-	1 176 165
Reclassified from foreign currency translation reserve	-	-	-	-	755 651
Net impairment (losses) / gain on financial assets	(711 257)	(783 190)	129 910	-	-
Other expenses	(2 734 981)	(67 297)	(25 366)	(358 007)	(364 747)
Operating (loss) / profit	**(3 564 555)**	**18 824 257**	**14 186 925**	**6 905 534**	**5 717 945**
Finance income	30 918	48 282	72 373	7 276	23 690
Finance costs-borrowings	(594 303)	(68 446)	(660 028)	(1 053 399)	(776 864)
Finance costs - lease liabilities	(233 915)	(507 347)	-	-	-
Net monetary (loss) / gain	(18 321 043)	1 783 740	-	-	-
(Loss) / profit before income tax	**(22 682 898)**	**20 080 486**	**13 599 270**	**5 859 411**	**4 964 771**
Income tax credit / (expense)	4 686 831	(8 968 999)	(3 463 411)	(1 042 888)	(28 736)
(Loss) / profit for the year from continuing operations	**(17 996 066)**	**11 111 487**	**10 135 859**	**4 816 523**	**4 936 035**
Discontinued Operations					
Loss from discontinued operations	-	-	-	-	(129 325)
(Loss) / profit for the year	**(17 996 066)**	**11 111 487**	**10 135 859**	**4 816 523**	**4 806 710**
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations	6 691 138	8 795 669	(86 031)	32 399	144 577
Reclassified foreign currency translation reserve	-	-	-	-	(755 651)
Items that may not be subsequently reclassified to profit or loss					
Revaluation surplus (net of tax)	678 109	10 551 342	-	-	-
Total other comprehensive income / (loss)	**7 369 247**	**19 347 010**	**(86 031)**	**32 399**	**(611 074)**
Total comprehensive (loss) / income for the year	**(10 626 819)**	**30 458 497**	**10 049 828**	**4 848 922**	**4 195 636**
Basic (loss) / earnings per share for the year: US$ cents	(2,14)	1,19	1,18	0,56	0,57

** 2020 inflation adjusted numbers were converted to US$ using the closing exchange rate of 81.7866 as at 31 December 2020.

* 2019 inflation adjusted numbers were converted to US$ using the closing exchange rate of 16.8329 as at 31 December 2019.

Group Structure

For the year ended 31 December 2020



African Sun Zimbabwe [Private] Limited is the hotel operating entity. African Sun Limited Branch is the Group's Pan African Central Reservations office, primarily servicing foreign guests into the Group's hotels.

Shareholders' Diary

April 2021	Full Year Results 2020
June 2021	Annual Report 2020 Published
June 2021	Forty-Ninth Annual General Meeting

Anticipated Date

September 2021	Half Year Results 2021
March 2022	Full Year Results 2021
June 2022	Annual Report 2021 Published
June 2022	Fiftieth Annual General Meeting

Shareholders' Profile

As at 31 December 2020

Shareholders analysis as at 31 December 2020 by volume

Range of holdings	Number of shareholders	Percentage	Issued shares	Percentage
1-5000	6 157	84.43	4 880 953	0.57
5001-10000	379	5.20	2 615 937	0.30
10001-25000	416	5.74	6 350 749	0.74
25001-50000	137	1.88	4 788 109	0.76
50001-100001	82	1.12	5 698 631	0.66
100001-200000	51	0.70	7 245 973	0.84
200001-500000	37	0.51	12 029 900	1.40
500001-1000000	11	0.15	7 660 718	0.89
Above 1 000 000	22	0.30	810 500 807	94.05
TOTAL	**7 292**	**100**	**861 771 777**	**100**

Shareholder analysis by type

Range of holdings	Number of shareholders	Percentage	Issued shares	Percentage
Local Companies	635	8.71	519,170,413	60.24
Insurance Companies	17	0.23	273,997,440	31.79
Local Individual Resident	6 059	83.09	29,650,053	3.44
Pension Funds	44	0.60	10,010,501	1.16
Fund Managers	30	0.41	8,003,630	0.93
Trusts	48	0.66	7,452,595	0.86
Local Nominee	98	1.34	5,531,054	0.64
New Non Resident	192	2.63	5,223,061	0.61
Other Investments & Trust	96	1.32	1,477,958	0.17
Foreign Nominee	7	0.10	561,575	0.07
Deceased Estates	37	0.51	235,831	0.03
Foreign Companies	6	0.08	194,529	0.02
Foreign Individual Resident	5	0.07	127,598	0.01
Charitable	13	0.18	114,602	0.01
Government / Quasi	3	0.04	18,207	0.00
Banks	2	0.03	2,730	0.00
Total	**7 292**	**100**	**861,771,777**	**100**

Top ten shareholders

Range of holdings	As at 31 December 2020		As at December 2019	
	Issued shares	Percentage	Issued shares	Percentage
Brainworks Hotels (Private) Limited	497,010,465	57.67	497,010,465	57.67
Old Mutual Life Ass Co Zim Ltd	273,271,220	31.71	273,271,220	31.71
Guramatunhu Family Trust	6,822,652	0.79	6,822,535	0.79
Zimbabwe Sun Employee Share	6,698,969	0.78	6,698,969	0.78
Stanbic Nominees (Pvt) Ltd.	4,294,841	0.50	3,786,423	0.44
Local Authorities Pension Fund	4,043,310	0.47	3,620,863	0.42
Pickover Investments P/L	3,108,442	0.36	3,108,442	0.36
Delta Beverages Pension Fund	2,619,267	0.30	2,619,267	0.30
Other	63,902,611	7.42	64,833,593	7.52
Total	**861,771,777**	**100**	**861,771,777**	**100**

Shareholders' Profile (continued)

As at 31 December 2020

As at 31 December 2020 by Type (Summarised)

Range of holdings	Number of shareholders	Percentage	Issued shares	Percentage
Public	6 926	94.98	828 945 606	96.19
Directors	-	-	-	-
Non-public	366	5.02	32 826 171	3.81
Total	**7 292**	**100**	**861 771 777**	**100**

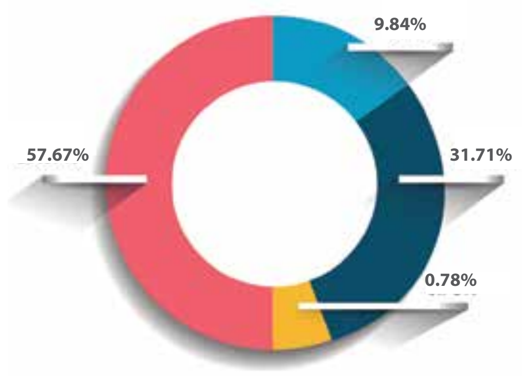
Non-Public includes Employee Share Participation Trust and managerial employees who hold shares in the Company in their individual capacities.
Public refers to Local Companies, Insurance Companies, Nominees, Banks, Investments, Trusts, Pension Funds and other organisations.
Directors mean Company directors who hold shares in the Company directly and indirectly.

Major shareholders	As at 31 December 2020	Percentage	As at 31 December 2019	Percentage
Brainworks Hotels (Private) Limited	497 010 465	57.67	497 010 465	57.67
Old Mutual Life Ass Co Zim Ltd	66 212 575	7.68	66 212 575	7.68
Total	**770 281 685**	**92.64**	**770 281 685**	**92.64**

Resident and non-resident shareholders	As at 31 December 2020	Percentage	As at 31 December 2019	Percentage
Resident	860 888 075	99.90	845 218 411	99.12
Non Resident	883 702	0.10	16 553 366	0.88
Total	**861 771 777**	**100**	**861 771 777**	**100**

The residency of a shareholder is based on place of domicile as recorded in the share register as defined for Exchange Control and does not denotes status in terms of indigenisation regulations.

BRAINWORKS HOTELS (PRIVATE) LIMITED	**57.67%**
OLD MUTUAL LIFE ASS CO ZIM LTD	**31.71%**
PUBLIC INVESTORS	**9.84%**
AFRICAN SUN EMPLOYEE SHARE	**0.78%**



Sun Leisure

Let us drive you there in comfort and style

SUN LEISURE TOURS

Board of Directors

From Left to Right:
E.A. Fundira, P. Saungweme, G. Chikomo and T.M. Ngwenya.

From Left to Right:
A. Makamure, (Chairman), N.G. Maphosa, B.H. Dirorimwe and E.T. Shangwa.

AFRICAN SUN
LIMITED

Board of Directors (continued)

1. **MR.ALEX MAKAMURE**

   Independent non-executive Chairman

   Alex was appointed Chairman of the African Sun Board on 28 June 2018 having joined the Board on 17 October 2012. A Chartered Accountant (Zimbabwe) and also a holder of a Bachelor of Laws, Alex is the Group Finance Director of Delta Corporation Limited.

2. **MR. EDWIN SHANGWA**

   Managing Director

   Ed was appointed to the position of Managing Director on 17 September 2015. An accountant by training and a holder of a Master in Business Administration Degree and a Post Graduate Certificate in Business Research Methods, Ed has experience in the tourism and hospitality industry spanning over 35 years in hotel operations and accounting.

3. **MR. BELIEVE DIRORIMWE**

   Finance Director

   Believe was appointed to the position of Finance Director on 17 September 2015. A Chartered Accountant (Zimbabwe and South Africa) by training and holder of a Master in Business Administration, Believe has been instrumental in the Group's capital raising initiatives, new projects and business restructuring.

4. **MRS. GEORGINA CHIKOMO**

   Independent non-executive Director

   Georgina was appointed to the African Sun Board on 30 August 2018. Georgina is an Accountant. She has a Bachelors Degree in Business Studies as well as a Masters Degree in Business Leadership. Georgina is the Managing Director of ZB Bank Limited.

5. **MR. CONSTANTINE CHIKOSI**

   Independent non-executive Director

   Constantine was appointed to the African Sun Board on 1 May 2021. Constantine holds a law degree from the University of Zimbabwe and is a Chartered Management Accountant (UK). He has a career spanning 20 years with the World Bank Group, which included the opening of the World Bank's offices in Malaysia and Mauritius.

6. **MR. BRETT CHILDS**

   Non-executive Director

   Brett was appointed to the African Sun Board on 16 March 2017. Brett is a Chartered Accountant (South Africa). Brett has extensive experience on business with 30 years' experience in capital raising, IPO's, managing investments and corporate exits.

7. **DR. EMMANUEL ANESU FUNDIRA**

   Independent non-executive Director

   Emmanuel was appointed to the African Sun Board on 17th October 2012 . He is a holder of BSc (Hons) in Economics and MBA in Strategic Management and a PhD in Ecology. A Chartered Marketer and Fellow of the Institute of Marketing Mgt UK with more than 20 years experience in Tourism & Hospitality Management.

8. **MS. NYARADZO G MAPHOSA**

   Independent non-executive Director

   Nyaradzo has served as non-executive director of African Sun since 17 October 2012. A registered Legal Practitioner, Notary Public and Partner with Sawyer and Mkushi Legal Practitioners, Nyaradzo has been in practice for the past 20 years where she is Attorney of record for several financial institutions in Zimbabwe.

Board of Directors (continued)

9. 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.

10. MS. THANDIWE NGWENYA

Independent non-executive Director

Thandi was appointed to the African Sun Board on 30 August 2018. A marketer by profession. Thandi has over 22 years of corporate experience. Thandi holds a Master in Business Administration and a Bachelor of Commerce Honours Degree and is a member of the Marketers Association of Zimbabwe (MAZ) as a Marketing fellow.

11. MR. PETER SAUNGWEME

Non-executive Director

Peter was appointed to the African Sun Board on 8 March 2018. Peter is a Chartered Accountant by training. Peter is the Chief Executive Officer and Chief Finance Officer of Arden Capital Limited.

Executive Management

EXECUTIVE COMMITTEE
Seated: M. Macheka (Human Resources Executive).
Standing from left: B.H. Dirorimwe (Finance Director), E.T. Shangwa (Managing Director) and V.T. Musimbe (Company Secretary).

AFRICAN SUN
LIMITED

Corporate Information

DIRECTORATE

Chairman
A. Makamure

Non-executive Directors
G. Chikomo
C. Chikosi
B. Childs
Dr. E.A. Fundira
N.G. Maphosa
L.M. Mhishi
T.M.Ngwenya
P. Saungweme

Executive Directors
E.T. Shangwa – Managing Director
B.H. Dirorimwe – Finance Director

Board Committees

Risk and Audit Committee
G. Chikomo (Chairperson)
P. Saungweme
Dr. E.A. Fundira
B. Childs

Investment Committee
B. Childs (Chairman)
G. Chikomo
P. Saungweme
N.G. Maphosa

Nominations Committee
A. Makamure (Chairman)
B. Childs
N.G.Maphosa

Human Resources and Remuneration Committee
P. Saungweme (Chairman)
B. Childs
N.G. Maphosa

Sales, Marketing and Innovation Committee
Dr. E.A. Fundira (Chairman)
N.G. Maphosa
T.M. Ngwenya

Corporate Social Responsibility Committee
T. M. Ngwenya (Chairman)
Dr. E.A. Fundira
N.G. Maphosa

Company Secretary
V.T. Musimbe

DIVISIONAL HEADS

D. Kung	Resort Hotel
I. Katsidzira	City and Country
E.T. Shangwa	Other Strategic Business Units

HOTEL AND RESORT GENERAL MANAGEMENT

Property General Managers

Resort Hotels

C. Mulinde	Elephant Hills Resort and Conference Centre
N. Moyo	The Kingdom at Victoria Falls
T. Cameron	Hwange Safari Lodge
P. Sambo	Caribbea Bay Resort
K. Mupfigo	Great Zimbabwe Hotel

City and Country Hotels

I. Katsidzira	Monomotapa Harare
*R. Mavhumashava	Troutbeck Resort
C. Chinwada	Holiday Inn Harare
A. Matema	Holiday Inn Bulawayo
C. Chimbira	Holiday Inn Mutare

*Acting

The Victoria Falls Hotel Partnership

F. Chimba	The Victoria Falls Hotel

Sun Leisure Division

I. Katsidzira	Harare Sun Casino and Makasa Sun Casino
B. H Dirorimwe	Sun Leisure Tours

Independent Auditor

Deloitte & Touche Chartered Accountants (Zimbabwe)
West Block
Borrowdale Office Park
Borrowdale Road, Borrowdale
P.O Box 267, 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
6th Floor, Gold Bridge, Eastgate Complex
Robert Mugabe Road, Harare, Zimbabwe

Registered Office

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

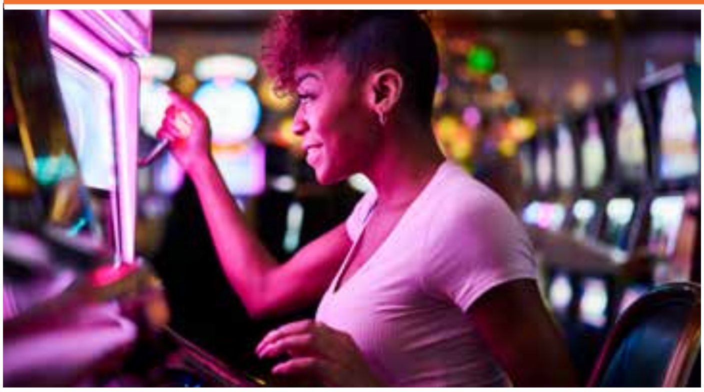
Physical Address

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

Sun Leisure

It's a sure bet
all the way

Sun
CASINOS
Harare & Victoria Falls



Sustainability Report

About Us

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

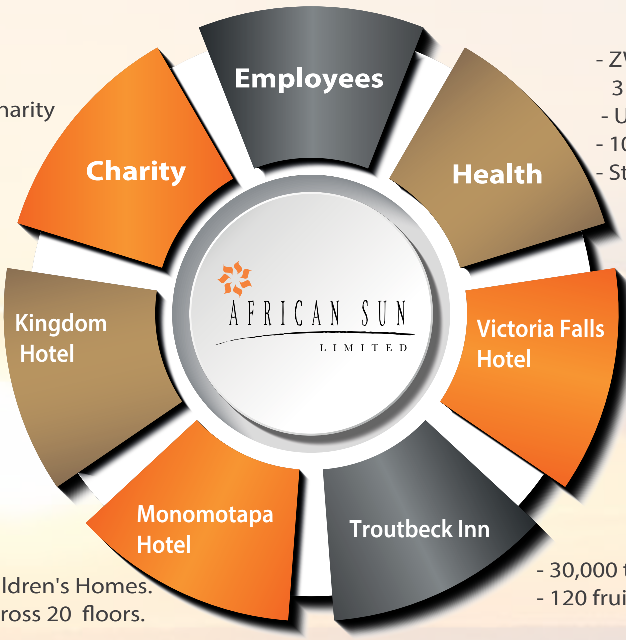
Sustainability Report (continued)

Overview

- 106 students on attachment in the year and 35 Apprentice Chefs and Waiters
- Team is currently 36% female

- ZWL 605 733 raised for charity by casino.

- ZWL1,653,837 worth of linen donated to 3 covid treatment centers.
- USD$196 000.00 on covid related expenses
- 100% of staff under medical aid cover.
- Staff ARVS provided.



- 2,500 live births at adopted maternity ward.
- 30% food waste reduction.

-250 upcycled hospital gowns donated.
- 78 280kg of kitchen biodegradables recycled.
- 1 655kgs of paper, cans, plastic, glass waste recycled.
- 30% reduction in water flow.

- Donations to Amaruran, All Souls and Shammah Children's Homes.
- Water pipe replacement across 20 floors.

- 30,000 trout fingerlings raised.
- 120 fruit trees.

Africa Sun Limited carried out charity work and supported conservation activities in 5 Zimbabwean provinces.

Who are we?

African Sun Limited (the Group) is a leading hospitality provider in Zimbabwe, operating some of the most iconic hotels in the country. We have an illustrious history and bring a local touch to the internationally recognized brands we operate. Our vision is to be the leading Hospitality and Leisure Company in the markets we operate. This entails leading the hospitality and leisure industry in quality, guest satisfaction, stakeholder value creation and sustainability, across all our brands.

Our brands

Through its global brands, African Sun is affiliated and adheres to the policy standards and services of these global groups:

- InterContinental Hotels Group (IHG) - 3 Holiday Inns.
- Leading Hotels of the World (LHW) - 1 Hotel.

OUR OPERATIONS

11 HOTELS

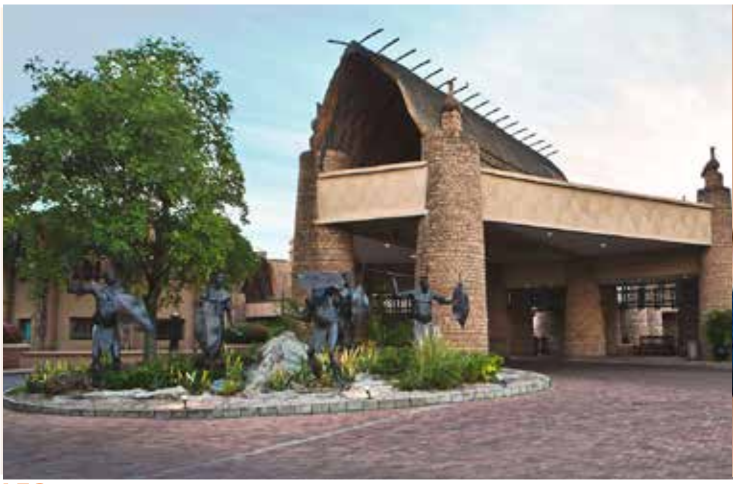
1 803 ROOMS

OUR PEOPLE

901 TOTAL NUMBER OF PERMANENT STAFF

36% WOMEN

64% MEN



What we stand for

Our seven-point "PRILFSC" value system forms the basis of our belief system within the organization. It encompasses Professionalism, Respect, Integrity, Leisure, Fairness, Service Excellence, and Care. Sustainability is embedded into our "PRILFSC" value system as it leads us to respect our environment, our team and our communities, approach them with integrity, care and fairness and limit our resource impact through efficiency as a key part of service excellence and professionalism.

Sustainability

Sustainability in its many forms is built into the ethos of African Sun.

The sun has been a symbol of power, growth, health, passion and the cycle of life in many throughout time. Our brand mark, the 7-point African sun not only represents these values with an African twist but also aligns with 7 key sustainability objectives we are committed to. Our interactions with all our key stakeholders are guided by our commitment to long term value creation and sustainability. This includes how we relate to;

i. Shareholders;
ii. Guests;
iii. Business partners;
iv. Employees; and
v. Community and environment.

How We Manage Sustainability

African Sun's Sustainability Committee ("SC") is a driven and focused internal team that draws from a range of backgrounds to steer our sustainability initiatives in the group and is comprised of; four Executive Committee (Exco) members being the Managing Director, the Finance Director, the Human Resources Executive and the Company Secretary as well as two Divisional Operations Executives. The committee is responsible for the group policy on sustainability including setting goals, targets, and resource allocation and implementation plan.

Whilst the SC is responsible and accountable for the group sustainability implementation and deliverables, we consider it the duty of all ASL staff to be the custodians of sustainability within the Group. At Board Level, the sustainability initiatives and progress thereof fall under the purview of the Corporate Social Responsibility (CSR) Committee first, and then presented to the main Board.

The Group is fully committed to the long-term implementation and achievements of the company's sustainability goals in the time horizons presented below. The Group has moved from Sustainability Planning to Sustainability Growth as evinced by the various initiatives and projects that it has embarked on.

How sustainability benefits our stakeholders

To our Guests
Our sustainable approach to the environment and long-term vision allow our guests to relax and enjoy their stay, in the confidence that they are having a minimum strain on local resources and the environment.

To our Employees
Sustainability requires consistency, which in turn relies on our ability to inspire our team and foster long term relationships with our staff who can reliably implement sustainable policies in the long run. It therefore guides us towards stronger relationships with staff on how to reduce resource impact.

To our Community and Environment
A sustainable approach leads us to empower communities in the areas we operate, utilizing local resources to limit carbon emissions and doing our part to protect the environment for local communities to enjoy biodiversity and nature's beauty for generations to come.

To our Business Partners
Hospitality at scale necessitates local regional and international partnerships with partners who may come from a range of different sustainability rules and norms. Our commitment to internationally recognized SGD led sustainability goals allows our partners to work with us in a sustainable manner compliant with their regulations and norms.

To our Shareholders
Reductions in waste make business sense and increase our shareholder value. Our focus on sustainability means African Sun always considers long term impacts on communities, staff and the environment, allowing us to not only deliver contemporary shareholder value but to keep delivering value

Sustainability Report (continued)

Sustainability focus areas

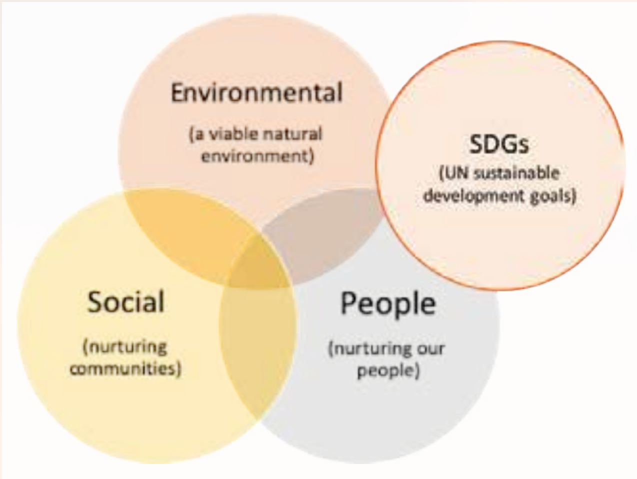
African Sun focuses on four key sustainability pillars (Sustainable Development Goals ("SDGs"), environment, community and team).

Sustainable Development Goals ("SDGs")
– we are guided by the United Nations SDGs and follow appropriate international protocols, applying them in a locally relevant manner to achieve key sustainability goals.

Community
– we deal with and relate to our communities in ways that foster their cohesion, long-term flourishing and growth.

Environment – we nurture and protect our natural environment, limit resource use and minimize the impact of our operations.

People – we empower our team to improve themselves and to adopt sustainable practices in all their roles at African Sun.

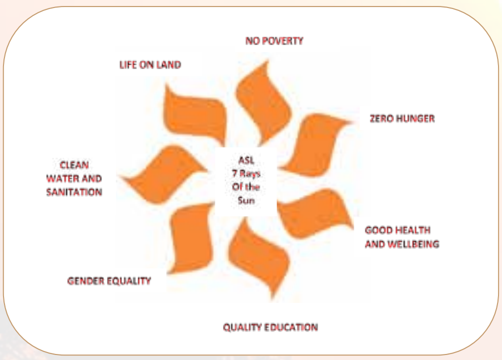


7 Rays of the Sun – African Sun Limited ("ASL") SDGs

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

African Sun Limited has identified 7 of the 17 SDGs that are most relevant to our operating environment in Zimbabwe. These seven SDGs form a key pillar of our approach to sustainability.

Whilst recognizing the importance of all the other SDGs, it is our sincere belief that the Company can make the most impact through the implementation of the selected seven SDGs represented by our African Sun Seven Rays brand mark.



SDG 1: No Poverty

Our first chosen SDG Calls for an end to poverty in all its manifestations by 2030. It also aims to ensure social protection for the poor and vulnerable, increase access to basic services and support people harmed by climate-related extreme events and other economic, social and environmental shocks and disasters. These are issues of critical importance for Zimbabweans as the country has suffered high rates of poverty and unemployment and a slew of climate disasters recently.

Achievements in 2020
The Elephant Hills Resort and Conference Centre donated linen, towels and bed sheets to Rose of Sharon, a registered private voluntary organisation (PVO3/2004) that provides shelter, food, education and health care, social amenities and recreation to needy orphans. Old but still usable towels from The Victoria Falls Hotel have been made into flowerpots in a pilot project that will empower youth in Victoria Falls as they make the flowerpots commercially, in a self-sustaining income generating project.

** Wherever possible, ASL seeks to achieve multiple sustainability goals simultaneously, in this case combining poverty reduction with recycling/upcycling and community resource support.

Goals for 2021
To contribute towards the upliftment of the vulnerable and disadvantaged members of the society by partnering the Mayor's cheer fund in cities that our hotels operate.

SDG 2: No Hunger

SDG 2 addresses sustainable solutions to end hunger in all its forms by 2030 and the achievement of food security. Achieving this goal requires better access to nutritious food by communities at all income levels and the widespread promotion of sustainable agriculture to ensure continued access to healthy foods.

Achievements in 2020

Monomotapa Hotel hosted a luncheon to feed Harare street kids and also donated food to Amaruran Home, All Souls and Shammah Children's Homes.

Troutbeck Resort, which already operates its own greenhouses for sustainable food production has started an open field garden, growing garlic and green vegetables which are a key component of a nutritious diet. The open field farming area was expanded in June 2020 to include sustainable production of ginger and onions, moving the hotel to greater sustainable food security. The hotel embarked on a process of setting up an orchard in June 2020, with 100 apple trees and 20 peach trees. It has supported new local farmers with initial trout stock at reasonable prices for them to start up fish farming projects. As of May 2020 the hotel began sustainable breeding of trout to provide nutritious fish without impacting the aquaculture and biodiversity of the area. The breeding program is targeting producing 30,000 fingerlings.

The Kingdom at Victoria Falls has engaged in a food waste reduction program in partnership with World Wildlife Fund ("WWF"), resulting in the creation of a Food Waste taskforce whose recommendations have led to a 30% reduction in food waste at the hotel

Goals for 2021

IHG hotels to donate groceries in support of True Hospitality for good initiatives as well as continuation and expansion of sustainable food production and food waste reduction initiatives.

SDG 3: Good Health

The Good Health SDG aspires to ensure health and well-being for all, including a bold commitment to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases as well as combat hepatitis, water-borne diseases and other communicable diseases. For ASL, this means intervening to address the health and wellbeing of our staff, guests and the communities around us.

Achievements in 2020

The Kingdom at Victoria Falls adopted the Post Natal ward at Chinotimba Hospital. The hotel ensures that the ward is equipped to service patients so that in-house mothers and new babies are taken care of. To-date since the adoption of the ward, there has been approximately 2 500 births. To ease the shortages of hospital gowns, The Victoria Falls Hotel donated 250 hospital gowns upcycled by the in-house seamstress and made from old and out of use bed sheets whose fabric was still in good condition.

All ASL employees and their immediate family members are on mandatory medical aid in line with the group policy. This ensures they can freely access emergency and routine medical assistance and manage their health and that of their families without financial concerns.

Across the group, hotel staff have been trained in first aid, emergency response and fire safety to safeguard their wellbeing and that of guests in the event of a critical emergency such as a fire.

Goals for 2021

Expand linen donation to health centres in areas that our hotels operate as well as continued adoption and maintenance of selected hospital wards across the country.

SDG 4: Quality Education

Education remains the key to uplifting communities out of poverty and leading to improvements on other sustainability goals. The Quality Education SDG seeks to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, which is an avenue for social mobility and reducing inequalities and building sustainable, inclusive and resilient societies. For ASL education is an opportunity to support communities, empower our staff and lift up the next generation.

Achievements in 2020

African Sun sponsors and recognizes best performing Tourism Students from local higher learning institutions. In line with the United Nations SDG on promotion of Quality Education, the Company sponsored prizes for the best students in tourism programmes at the following institutions, Chinhoyi University of Technology (CUT), National University of Science and Technology (NUST), Midlands State University (MSU), University of Zimbabwe (UZ), Great Zimbabwe University (GZU), Harare Institute of Technology (HIT) and Bulawayo School of Hospitality (BSH). To support the next generation of hoteliers, African Sun Limited also donated Kitchen equipment to Chinhoyi University of Technology (CUT) and will brand the University's Kitchen.

Goals for 2021

The group will continue supporting local universities and colleges through sponsoring prizes for the best Hospitality students as well as absorbing these students for work related learning programs such as industrial attachments. Further to that paying school fees for orphans in selected areas will remain a key target area. Donation of equipment and furniture to local learning institutions is also a key goal. In addition, donations of school uniforms to disadvantaged orphans in the communities that we do business remains key.

SDG 5: Gender Equality

Aims to achieve gender equality and empower all women and girls. Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. African Sun has a deliberate policy which seeks to promote quality, diversity and inclusion in the workplace.

Achievements in 2020

The group is committed to non-discriminatory employment policies that support diversity, equity and inclusion. 36% of our 901 employees are women, with the group moving towards a strategic objective of a 40% female staff compliment. The group has also continued activities from 2019 such as;

i. Offering training opportunities to women in internal programs such as Graduate Development Programmes (GDPs);
ii. Management Development Programmes (MDPs) and Supervisory Development Programmes (SDPs). 3 women are currently enrolled in the Deputy General Manager Development program;
iii. Offering coaching and mentoring to female staff; and
iv. Promotion of deserving women to management and supervisory position.

Goals for 2021

The company aims to achieve a 40% female staff compliment up from the current 36%. However, it may be important to highlight that the Group will always strive to hire the very best based on established key result areas.

SDG 6: Clean Water and Sanitation

The Clean Water and Sanitation SDG aims for the sustainable management of water resources. Access to safe water and sanitation are essential for unlocking economic growth and productivity and provide significant leverage for existing commitments to improving health. African Sun is committed to reducing its own water use, improving water quality and assisting communities that have limited access to potable water.

Achievements in 2020

The Victoria Falls Hotel introduced water flow reducers, in all kitchens, leading to a 30% reduction in water flow. Monomotapa Hotel adjusted flushing systems in rooms to reduce water usage and replaced leaking, old and rusted water mains pipes from the 19th floor through to the basement reducing water leakage and waste and improving water quality. The same hotel also installed float switches on roof holding tanks to eliminate overflowing of tanks and unnecessary continuous running of booster pumps, thereby conserving energy.

Goals for 2021

Drilling of boreholes in selected areas affected by water shortages in localities that our hotels operate.

SDG 7: Life on land

The final SDG which Africa Sun has identified as being of particular importance to our local communities and stakeholder in Zimbabwe is SDG 15, Life on Land. It seeks to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Achievements in 2020

The Kingdom at Victoria Falls, Elephant Hills Resort and Conference Center and The Victoria Falls Hotel make monthly contributions to the Victoria Falls Anti - Poaching Unit ("VFAPU"). The Victoria Falls Anti- Poaching Unit is a non-profit organization dedicated to the conservation and protection of our local wildlife and natural resources.

Goals for 2021

All Hotels to participate in tree planting within their local communities. The plan is to continue implementing green initiatives to ensure sustainable use of resources. All three African Sun Hotels in Victoria Falls will continue supporting anti-poaching efforts by the Victoria Falls Anti- Poaching Unit

Responsible procurement

Ensure that suppliers sign and are aware that they are bound by our Supplier Code of Conduct. Sustainable procurement is about incorporating the benefits of the wider world. It considers that our values of sustainability are carried down or up to our partners. Impact on the environment, economic and social factors along with cost effective pricing are the things that we consider when selecting suppliers. We expect our suppliers to adhere to the same exacting standards. Source food and items responsibly - All food suppliers must meet ASL health regulations, must have Ministry of Health and Child Welfare health certificates which is part of our trading terms and conditions. In the cases of major violations, we cease trading with the supplier.

Charity casino and responsible gaming

The gaming industry, when responsibly managed has the capacity to provide entertainment to informed and responsible adults whilst raising money to support charitable activities that benefit the less fortunate. Under Sun Casinos we are fully committed to responsible gaming through full compliance with the regulatory, set guidelines and policies of the industry as well as through funneling a portion of our proceeds into community support. One of the mandates of our Charity Casino is to raise funds on behalf of charitable organizations by running gaming events on behalf of specific beneficiaries. Despite the challenges presented by Covid-19 the Casino still managed to raise ZWL 605,733.00 during the 2020 financial year which was distributed to various beneficiaries.

COVID-19

ASL, already committed to upcycling and donating linen to benefit local communities, stepped up its efforts in response to the challenges presented by the COVID -19 pandemic and the pressure it placed on local health centers. The group made linen donations to the Midlands Province, Wilkins Hospital, Ekusileni Medical Center valued at ZWL1, 653,837.00. These facilities are all COVID -19 treatment centres.

Environmental responsibility: Partnership with Hwange National Park

Hwange National park is one of the premier wildlife reserves in Africa and the world. ASL's Hwange Safari Lodge is committed to sustainably benefiting from the biodiversity within the park and contributes to protecting the park in partnership with Hwange National Park and the surrounding communities.

This partnership includes;

i. joint initiatives for the upkeep of the park and its wildlife and habitat;
ii. working closely with parks rangers, ecologists, partners and communities to address challenges to wildlife species;
iii. cash and kind support for conservation activities;
iv. maintenance of water and food supply where necessary; and
v. Hwange Safari Lodge personnel educating guests on the park's fauna and flora wildlife and the importance of biodiversity.

Environmental responsibility: Garden Conservation Project

To reduce carbon emissions from food transportation as well as ensure food provided to guests is farmed sustainably, Troutbeck Resort in Nyanga has undertaken in-house sustainable food production. This includes;

i. greenhouses on the hotel grounds where various vegetables are grown all year round and the fresh farm produce is used to prepare meals at the hotel;
ii. a 120-tree fruit orchard;
iii. an open vegetable garden;
iv. a trout breeding project; and
v. effective waste management through use of compost created from food hotel waste.

Sustainability Report (continued)

Environmental responsibility: National Cleanup Campaign

The first Friday of each month is National Clean-up day, an opportunity for staff and management at all out hotels to lead their communities by example through dedicating at least 1 hour to picking up litter and cleaning the hotel grounds and surrounding areas. This monthly event brings together members of our team from all levels, united by their commitment to a clean and safe environment and inspiring partners, communities and other stakeholders to join us in this initiative.

Environment

Environmental responsibility
Waste Management
Green programs

- In partnership with Greenline, separating glass, plastic, paper and food waste for easy recycling through separate bins placed across the hotel and in the kitchens.

Waste Management: Technology and Innovation

The company has been implementing the following with regards to technology and innovation:

i. Use of room key card for controlling lights so as to save energy when there is no one in the room;
ii. Wastepaper management being selected and sold for recycling; and
iii. Replacement of light bulbs with energy efficiency bulbs.

Waste Management

The Victoria Falls Hotel has implemented a waste recycling project as part of its environmental sustainability effort. The hotel has taken the lead on keeping Victoria Falls City as a green destination through running awareness campaigns with departmental representatives educating people on the impact of the project on the environment and on the tourism industry. Training on recycling is an ongoing process to make sure there is buy-in from the whole team since this project's successes depends on continued collective effort from all stakeholders.

From June 2018 to February 2020 a total of 78 280kg of kitchen biodegradables was recycled into compost at The Victoria Falls Hotel; and A total of 1 655kgs of paper, cans, plastic, and glass waste has been sent to the Recycling center to be recycled. As part of its commitment to ASL's sustainability goals, The Kingdom at Victoria Falls has undertaken a range of waste management activities including;

i. Reusing fallen tree leaves and other plant matter as compost for the on-site herb garden;
ii. Reducing food waste by 30% in partnership with WWF; and
iii. Under Vivrea water;

- Eliminating the production, transportation, and disposal of pre-packaged bottled water.
- Eliminating the packaging waste of single-use glass and plastic bottles
- Reducing refrigerated storage requirements by chilling water on demand.

Our business practices across the entire value chain aim for Sustainability, Conservation, Renewable Energy and overall consideration for the future generations. To this end, the Corporate Social Responsibility (CSR) & Environment policy recognizes our responsibility towards our environment and community. Our view is that CSR entails that our business has a responsibility to give back to and be appreciative of the world to which we owe our very existence by focusing amongst other things on the following:

i. Conducting business in a socially responsible and ethical manner; and
ii. Protecting the environment and the safety of people and goods.

The InterContinental Hotel Group (IHG) Green Engage (Carbon Footprint Analysis)

The InterContinental Hotel Group (IHG) Green Engage is an online sustainability platform. It helps our hotels that operate under the IHG Holiday Inn franchise to measure, report and manage their use of energy, carbon, water and waste, minimizing their overall utility costs and environmental impact. The efficient reduction of the Carbon footprint, use of energy, gas and water is important to us. As such, our IHG Hotels have taken the initiative to manage and reduce carbon footprint in their daily activities.

IHG Holiday Inns - Carbon Emission Analysis (2019/2020)

	Holiday Inn Harare			Holiday Inn Bulawayo			Holiday Inn Mutare		
	2019	2020	Variation	2019	2020	Variation	2019	2020	Variation
Total Carbon (kgCO2e)	1,456,137.42	1,118,737.53	23%	882,161.81	863,789.89	2%	446,250.1	448,172.53	<1%
Total Energy (kgCO2e)	2,134,686.11	1,611,624.09	25%	1,251,787.58	1,225,704.21	2%	658,032.35	651,873.43	<1%
Total Gas (kWH)	9,449.98	3,398.31	64%	7.68	6.77	12%	1,372.74	882.31	36%
Total Water (m3)	43,437.8	34,782.3	20%	29,344.7	21,660.90	26%	687.5	1,139.0	66%
Total Electricity (kWH)	2,034,988.80	1,575,771.98	23%	1,251,582.0	1,225,523.0	2%	621,284.1	628,254.0	1%

Our IHG Hotels have gone on a drive to ensure that all the fittings are efficient, environmentally friendly and limit waste, complying with the IHG Green Engage Standards. The results so far have included;

i. Installation of boreholes to reduce burden on municipal water supply;
ii. Installation of energy saver/led bulbs in restaurants and conference rooms; and
iii. Waste separation at source.

Green refurbishment programs

To ensure that our guests can enjoy their stay whilst minimizing their resource usage and environmental impact, African Sun Limited has implemented a Green Refurbishment initiative which includes:

i. Use of materials that do not harm the environment, e.g. no asbestos used;
ii. Use of efficient water closets with lower water requirements;
iii. Use of efficient showers that utilize less water and require less heating;
iv. Use of windows with opening sashes that open and naturally cool the room, avoiding unnecessary use of air conditioning;
v. Lower energy light fittings;
vi. Use of sustainably grown local timber;
vii. Use of LED TVs that require less power;
viii. Use of energy friendly gasses in air conditioning units;
ix. Use of thermostats to control heating of water in geysers; and
x. Prioritizing suppliers who have environmental certification.

Philosophy

Our team philosophy is anchored on creating opportunities for personal growth and balanced lifestyles for all our staff to positively influence lives around them. We continue to create opportunities for talent development within the organisation, to ensure business continuity, sustainability, and succession. Our people remain the backbone and key resource for our business; as a result, we harness on their skills, abilities and combined efforts.

Women empowerment

The group is committed to non-discriminatory employment policies that support diversity, equity and inclusion. 36% of our 901 employees are women, with the group moving towards a strategic objective of a 40% female staff compliment. The group has also continued activities from 2019 such as;

i. Offering training opportunities to women in internal programs such as Graduate Development Programmes (GDPs), Management;
ii. Development Programmes (MDPs) and Supervisory Development Programmes (SDPs);
iii. Offering coaching and mentoring to female staff ; and
iv. Promotion of deserving women to management and supervisory position.

Health and Wellness at work

Africa Sun Limited's sustainable approach to hospitality extends to our employees, with employee wellness being a critical element of our sustainability drive. The employee wellness initiatives in our yearly Wellness Calendar include awareness campaigns for, breast and prostate cancer, diabetes, HIV and AIDS, reproductive health and eye care, including celebrating internationally recognized health days for these and other health challenges.

Hotels have monthly state of the hotel platforms to engage with all employees and annual Managing director`s tour to engage with staff. The Group also has a clinic in Victoria Falls, which caters for the health needs of all employees. In addition, Fire life and safety training programs are conducted for all staff at the Company's expense.

Staff development programmes

African Sun Limited invests in our team through the following staff development programmes

i. Graduate Development Programme;
ii. Deputy General Manager Programme;
iii. Management Development Programme; and
iv. Supervisory Development Programme.

Investing in employee health

The African Sun Limited group values employee safety and well-being. To support the health and safety of our staff, guests and stakeholders in the face of the COVID-19 pandemic and the challenges it presented, the group implemented a COVID-19 Response Plan and Prevention Strategy. This created a Covid19 safe working environment, implementing COVID-19 World Health Organizations protocols and locally appropriate interventions. In 2020, the group spent USD$ 196 000.00 on COVID 19 related expenses i.e. testing, sanitisers, masks for all staff, guests and other stakeholders.

Education

The group is involved in various collaborative partnerships with tertiary institutions to support the training of hospitality's next generation. This includes;

i. Sponsorship of book prize awards for outstanding students in Tourism and Hospitality. (In 2020 book prizes were sponsored to the UZ, HIT and CUT; and
ii. Development of 106 students on attachment in the year and 35 Apprentice Chefs and Waiters from institutions across the nation.

HOTEL	NAME OF AWARD	AWARDING INSTITUTION
African Sun Limited	• Top Companies Survey 2020- Tangible Investor Returns Category	Old Mutual
IHG Hotels (Holiday Brand)	• IHG Winner in the Hotel Sector for Super Brand 2020	Marketers Association of Zimbabwe

Our main priority is the **SAFETY & WELL-BEING** of our **EMPLOYEES & GUESTS** in the time of Covid-19

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
The Kingdom at Victoria Falls	+263 8328 44275-9 or +263 772 132 163 or +263 867 700 4955
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

Harare Sun Casino	+263 242 338232-9
Makasa Sun Casino	+263 8328 44275-9 or +263 772 132 163 or +263 867 700 4955
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 forty –ninth Annual General Meeting (AGM) of Shareholders of African Sun Limited will be held virtually https://eagm.creg.co.zw/Login.aspx on Wednesday, 30 June 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 period ended 31 December 2020, together with the report of the Directors and Auditors therein.

2. Directors Resignations and Appointments

Messrs. L. M Mhishi and C. Chikosi were appointed to the Board on 1 May 2021 and retire at the end of their interim appointments. Being eligible, they will offer themselves for re-election at the Annual General Meeting.

All the other non-executive directors, being Mr. A. Makamure, Mrs. G. Chikomo, Mr. B. Childs, Dr. E A Fundira, Ms. N. G Maphosa, Ms. T.M. Ngwenya and Mr. P. Saungweme 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.

The profiles of Directors to be re-elected and confirmed are included in the Annual Report under the Board of Directors.

Unless otherwise resolved, each Director will be elected separately.

3. Independent Auditors

3.1 To note the appointment of Messrs. Deloitte and Touche (Zimbabwe) as external auditors of the Company.
3.2 To approve the remuneration of the auditor, Deloitte & Touche (Zimbabwe) for the past audit.
3.3 To confirm the re-appointment of Deloitte and Touche (Zimbabwe) as external auditors of the Company for the ensuing year.

4. Director's Fees

To ratify the payment of directors' fees for the Chairman and non-executive directors for the period ended 31 December 2020.

SPECIAL BUSINESS

To consider and if deemed fit, pass with or without amendment the following resolution as a special resolution.

5. Amendment of Article 89 "Borrowing Powers".

From
89 " The directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, save that the Directors shall procure that the aggregate principal amount at any one time outstanding in respect of monies borrowed or raised by the Company and/or any of its subsidiaries for the time being (excluding monies borrowed or submitted by any such Companies from any other such companies but including the principal amount secured by any outstanding guarantees or suretyship given by the Company or any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the monies so borrowed or raised) shall not, without the previous sanction of an ordinary resolution of the Company in a general meeting, exceed Fifty percent (50%) of the issued and paid up capital of the Company as set out in the latest consolidated audited Balance Sheet of the Company and its subsidiaries which has been drawn up to be laid before the shareholders of the Company in a general meeting at the relevant time;

PROVIDED that no such sanction shall be required for the borrowing of any monies intended to be applied and actually applied within ninety (90) days for the repayment (with or without any premium) of any monies then already borrowed and outstanding and notwithstanding that the new borrowing may result in the abovementioned limit being exceeded.

To

89 " The directors may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, save that the Directors shall procure that the aggregate principal amount at any one time outstanding in respect of monies borrowed or raised by the Company and/or any of its subsidiaries for the time being (excluding monies borrowed or submitted by any such Companies from any other such companies but including the principal amount secured by any outstanding guarantees or suretyship given by the Company or any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the monies so borrowed or raised) shall not, without the previous sanction of an ordinary resolution of the Company in a general meeting, exceed One Hundred percent (100%) of the issued and paid up capital of the Company as set out in the latest consolidated audited Balance Sheet of the Company and its subsidiaries which has been drawn up to be laid before the shareholders of the Company in a general meeting at the relevant time;

PROVIDED that no such sanction shall be required for the borrowing of any monies intended to be applied and actually applied within ninety (90) days for the repayment (with or without any premium) of any monies then already borrowed and outstanding and notwithstanding that the new borrowing may result in the abovementioned limit being exceeded.

EXPLANATORY NOTES TO THE PROPOSED SPECIAL RESOLUTION

1. The current borrowing powers constrain the extent to which the Company can borrow and are insufficient to fund the Company's expansion projects and refurbishments. Accordingly, the same need to be amended as requested.

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 need 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

V.T. Musimbe
Company Secretary

Registered Office
African Sun Limited
Monomotapa Hotel,
54 Parklane, Harare, Zimbabwe

8 June 2021

AFRICAN SUN
LIMITED

PROXY FORM FOR THE ANNUAL GENERAL MEETING

For use at the Forty- Ninth Annual General Meeting [AGM] of shareholders of African Sun Limited which will be held virtually at https://eagm.creg.co.zw/eagmzim/Login.aspx on Wednesday, 30 June 2021 at 1200hours (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, 30 June 2021 at 1200 hours 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 ____________________ 2021

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 ______________________________

____

____

STAMP

THE COMPANY SECRETARY

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.

AFRICAN SUN

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