



A new season |
under the African Sun

Integrated Annual Report
2023

EXPERIENCE. EXPLORE. ENJOY.



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The leading Hotel Asset Management Company in Zimbabwe

Financial Highlights

| | 31 December 2023 | 31 December 2022 |
|--|--------------------|-------------------|
| Revenue | USD 54.73 million | USD 42.14 million |
| Occupancy | 52% | 46% |
| EBITDA | USD 9.45 million | USD 17.86 million |
| Profit from continuing operations | USD 0.52 million | USD 7.60 million |
| (Loss)/profit for the year | (USD 0.36) million | USD 7.00 million |
| Finance costs | USD 0.01 million | USD 0.18 million |
| Average daily room rate (ADR) | USD 110 | USD 79 |
| Rooms revenue per available room | USD 57 | USD 36 |
| Total revenue per available room | USD 109 | USD 69 |
| Operating expenses | USD 33.34 million | USD 23.36 million |
| Basic (loss)/earnings per share for the year | (0.02) USD cents | 0.48 USD cents |
| Permanent staff complement | 837 | 863 |



Corporate Profile

African Sun Limited, also referred to as the Company or the Group, is a prominent Hotel Asset Management Company based in Zimbabwe. We take pride in offering competitive and preferred products in the market, positioning ourselves as a leading provider in hospitality and leisure operations across Zimbabwe.

Operations

At present, African Sun manages ten hotels strategically located throughout Zimbabwe. Additionally, we have a Real Estate arm that complements our core business. Of the ten, the Group owns seven properties (Holiday Inn Mutare, Monomotapa Hotel, Troutbeck Resort, Elephant Hills Resort, Hwange Safari Lodge, Great Zimbabwe Hotel and Caribbea Bay Resort) and leases three properties (Holiday Inn Harare, Holiday Inn Bulawayo and The Victoria Falls Hotel).

Hotels and Resorts

Our portfolio comprises four hotels located in all major cities, three of which are affiliated with Intercontinental Hotels Group (IHG): Holiday Inn Harare, Bulawayo, and Mutare. The fourth is the renowned Monomotapa Hotel in the capital city of Harare.

Furthermore, we operate six hotels in tourist destinations, including two prominent properties in the “bucket list” hub of Victoria Falls: Elephant Hills Resort and Conference Centre, and The Victoria Falls Hotel, which is jointly managed with Meikles Hospitality (Private) Limited. Our home-grown brands consist of Troutbeck Resort, nestled in the scenic

Eastern Highlands Mountains of Nyanga; Great Zimbabwe Hotel, conveniently neighbouring the Great Zimbabwe National Monument in Masvingo; and Caribbea Bay Resort, situated on the picturesque shores of Lake Kariba. Additionally, we proudly manage and own Hwange Safari Lodge, adjacent to the famed Hwange National Park, home to an unparalleled and diverse range of wildlife and bird species.

Real Estate

Our real estate division focuses on the maintenance, renovation and construction activities pertaining to our hotel infrastructures. This division also manages the Group’s land bank, ensuring future growth and expansion opportunities, as well as the development of residential properties for sale.

The Group has strategically streamlined its operations to ensure future sustainability. Our commitment to growing shareholder value is underpinned by four pillars: Processes, People, Promotion, and Product.

By prioritising excellence in these areas, African Sun remains dedicated to delivering exceptional service, fostering growth, and maximising value for our stakeholders.



OWNED HOTELS



MONOMOTAPA



LEASED HOTELS



OTHER OPERATIONS



EXPERIENCE. EXPLORE. ENJOY.



Business Overview

Statement of Vision

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

Mission

We provide outstanding hospitality experiences that our guests love.

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

Our Core Values and Beliefs

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

We will do so through:

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

Our Strategic Pillars

The Company initially aims to raise its profile through refurbishment of existing operations and increasing value-added initiatives, before refocusing on growth and expansion. Thus far, the Company has endeavoured in the refurbishment of Caribbea Bay Resort rooms, Great Zimbabwe Hotel rooms and conference centre, Troutbeck Resort and Hwange Safari Lodge. The Company is committed to achieve annual revenue of US\$100 million, a profit before tax margin of 18% and 92% customer satisfaction index by 2032, through its unique proposition of “providing outstanding hospitality experiences that its guests love”.

| HOTEL PORTFOLIO SUMMARY | LOCATION | ROOMS | CONFERENCE CAPACITY | RESTAURANTS |
|--|---|-------|---------------------|-------------|
| Owned Hotels | | | | |
| Elephant Hills Resort and Conference Centre | Victoria Falls | 276 | 1 080 | 3 |
| Monomotapa Hotel | Harare | 243 | 752 | 2 |
| Hwange Safari Lodge | Hwange | 99 | 260 | 2 |
| Holiday Inn Mutare | Mutare | 96 | 620 | 1 |
| Troutbeck Resort | Nyanga | 70 | 420 | 1 |
| Great Zimbabwe Hotel (inclusive of 40 campsites) | Masvingo | 87 | 530 | 1 |
| Caribbea Bay Resort | Kariba | 84 | 320 | 1 |
| Leased Hotels | | | | |
| The Victoria Falls Hotel | Victoria Falls | 149 | 60 | 3 |
| Holiday Inn Harare | Harare | 201 | 690 | 1 |
| Holiday Inn Bulawayo | Bulawayo | 157 | 835 | 1 |
| Total | 10 | 1 462 | 5 567 | 16 |
| OTHER | | | | |
| Dawn Properties Limited | Property investments and development | | | |
| Sun Leisure Tours | Ground handling, transfers and 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** – 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 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 in Nigeria 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 closes The Grace in Rosebank and 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 exits 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.
- **2019** – Separation with Legacy Hospitality Management Services Limited.
- **2021** – African Sun Limited acquired Dawn Properties Limited.
- **2022** – African Sun Limited exits The Kingdom at the Victoria Falls Hotel.
- **2023** – African Sun Limited delists from the Zimbabwe Stock Exchange and lists on the Victoria Falls Stock Exchange by introduction.
- **2023** – African Sun closes the last of its casino operations and its property consultancy division, Dawn Property Consultancy (Private) Limited.



Message from the Chairman



CONSTANTINE CHIKOSI
Chairman

Introduction

On behalf of the Board of Directors of African Sun Limited and its subsidiaries ("the Group"), I am pleased to present to you the audited, consolidated financial statements for the year ended 31 December 2023.

Operating Environment

The past year has been significant for the Group as we continue to recover from the impact of the COVID-19 pandemic, with the Group achieving an occupancy rate of 52% which surpassed the 2019 pre-pandemic occupancy level of 46%. The sustained recovery of international tourism resulted in an improvement of the occupancies, despite the ongoing global inflation and geopolitical tensions. According to the United Nations World Tourism Organisation ("UNWTO") World Tourism Barometer, international tourism ended 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion global travellers.

At the start of the reporting period, the domestic operating environment was characterised by reduced inflation and market stability in response to various initiatives introduced by the authorities to instill economic confidence, foster market discipline, and bolster local currency demand. However, the macroeconomic environment became turbulent from the latter part of the first quarter with significant inflationary pressures and exchange rate volatilities. Annual inflation, as measured by the movement in the official exchange rate, was 780% for the 2023 financial year as compared to 520% for the prior year.

The disparity between the "parallel" market exchange rate and the official exchange rate continued to exert pressure on operating margins, as a result of the notable mismatch between the pricing exchange rate for goods and services in Zimbabwe Dollars ("ZWL"), the exchange rate used by suppliers and the exchange rate used to liquidate foreign currency into ZWL.

To mitigate these challenges, the Group is implementing various initiatives in procurement to minimise the effects of inflationary cost escalations. Additionally, The Group will continue strategic engagements with key service providers to reduce high utility costs.

Change in Functional Currency

The Group changed its functional currency from ZWL to United States Dollars ("USD") on 1 January 2023. Leading up to 31 December 2022, the Group recorded a steady increase in the use of foreign currency across its businesses. This increase was also highlighted by the Reserve Bank of Zimbabwe Governor in his 2023 mid-term monetary policy statement presented on 9 August 2023, in which he reported that 70% of the transactions in the economy and 65% of customer bank deposits were in USD. In line with these macroeconomic developments, the Directors assessed and concluded that the Group's functional currency had changed from ZWL to USD. The change in the Group's functional currency is further supported by the Listing Requirements of the Victoria Falls Stock Exchange ("VFEX"), which requires issuers to present financial statements in USD. For further details, refer to note 2.1.3 in the notes to the financial statements.

The Group complied with the guidance of the International Accounting Standards ("IAS 21"), "The Effects of Changes in Foreign Exchange Rates," which directs entities operating in hyperinflationary economies to translate their last reported inflation-adjusted financial statements using the closing exchange rate at the reporting date, to derive and present comparative financial statements under a newly assessed functional currency.

While the Directors have applied the guidance of IAS 21 to present the comparative financial information the following key factors should be noted:

- The 2022 ZWL internal inflation rate of the Group more closely matched movements in foreign exchange rates which are significantly different to the price index used in 2022 to adjust for inflation.
- There were significant distortions between the official exchange rate during the 2022 year and the pricing exchange for goods and services.

The Directors are therefore of the view that the above factors result in the 2022 comparative information being questionable as a measure of the historic financial performance of the Group and accordingly, would like to advise users to exercise caution in their use.

Going forward the Directors believe the USD functional currency will better portray the Group's financial performance, produce financial reports that are easily comparable year-on-year, and make it easier to track key performance metrics.

Financial Performance

During the year under review, the Group posted an operating profit of USD 3.74 million. The Group, however, recorded a marginal profit after tax from continuing operations of USD 0.52 million, largely as a result of a harsh macroeconomic operating environment, characterised by costs escalating at a higher rate than revenues, compounded by material exchange rate losses triggered by the above mentioned rebasing of the Group's functional currency, as highlighted below. The Group had a high effective tax rate for the year under review, worsened by declining values of capital allowances due to inflation.

Revenue

Group revenue was USD 54.73 million, up 30% against the comparable period. The improved performance was driven by firmer Average Daily Rates ("ADR") which closed 2023 at USD 110, an increase of 39% against USD 79 achieved during the comparable period, as a result of changes in customer mix. Hotel occupancies increased to 52%, six percentage points above 2022. Revenue per Available Room ("RevPAR") for accommodation revenue increased by 58% to USD 57, up from USD 36 in the comparable period.



Message from the Chairman (Continued)

Operating Expenses

The Group's operating expenses, excluding depreciation, increased by 43% to USD 27.63 million compared to USD 19.29 million in 2022 driven largely by exchange rate volatility, inflationary pressures, and the crystallisation of expenses in USD as the economy continued to dollarise at a rapid pace. The Group will continue to monitor costs and implement various cost-saving initiatives.

Profitability

Earnings before interest, tax, depreciation, and amortisation ("EBITDA") was USD 9.45 million, down from USD 17.86 million in 2022, and the loss for the period was USD 0.36 million. Two of the Group's hotels under external leases had their base rentals changed from ZWL to USD, and this had the downstream effect of significantly increasing the lease liability interest and right-of-use assets depreciation compared to 2022.

The discontinued operations loss of USD 0.89 million largely comprises property and equipment impairments post the closure of The Kingdom at Victoria Falls Hotel and the Makasa Sun Casino. This follows the mutual termination of the lease at The Kingdom at Victoria Falls Hotel, due to an untenable lease tenure. The Group will continue looking for suitable expansion opportunities in appropriate locations and with the right timing and funding structures.

With regards to liquidity, the Group operated free of debt and had cash and cash equivalents of USD 10.87 million as at 31 December 2023. The Group is currently in discussions with leading financial institutions to secure funding to complement its healthy cash balances for deployment in carrying out accelerated material hotel refurbishment projects.

Portfolio Transformation: Hotel Refurbishments

Our cash deployment strategy mainly focuses on completing targeted hotel refurbishments to

enhance guest experience. During the period under review, we continued to prioritise strategic capital allocation initiatives. This included the completion of the refurbishment of the remaining 46 rooms at Hwange Safari Lodge and the refurbishment of the public areas which is progressing well. The refurbishment of the public areas at Troutbeck and the Great Zimbabwe conference centre were also completed during the period under review.

Dividend Declaration

Interim Dividend

The Board approved an interim dividend of USD 750 035, which was paid in January 2024.

Final Dividend

The Board resolved to declare a final dividend of USD 350 000 for the year ended 31 December 2023, to be paid out of retained earnings. This brings the total dividend for the year to USD 1.10 million. While the Group has made an attributable loss for the financial year, it has maintained its strong cash-generating capacity. The Group's cash generated from operating activities amounted to USD 5.51 million for the financial year under review.

Outlook

Looking at the year ahead, the UNWTO forecasts international tourist arrivals to fully recover to pre-pandemic levels in 2024, with initial estimates pointing to a 2% growth above the 2019 levels, underpinned by increased air connectivity, and continued recovery of Asian markets and destinations. However, persisting global inflation and rising oil prices translating into higher transport and accommodation costs could weigh down on spending patterns and demand over the forecast period.

On the domestic front, we anticipate yield on the growing demand for Meetings, Incentives, Conferencing, and Events ("MICE") business as well as benefits from several high-profile events, including the Zimbabwe International Trade Fair

("ZITF") and the Victoria Falls Carnival (which event we are hosting at Elephant Hills Resort and Conference Centre), among others.

While macroeconomic uncertainty around inflation and currency instability persists, we are fortunate to have the liquidity and financial flexibility to make prudent investments, aligning with our vision of ensuring a seamless and enjoyable guest experience. During 2024, we have planned significant capital investments into enabling Information Technology and further hotel refurbishments. These investments set the stage for a sustainable growth trajectory for the Group and enhanced returns for our shareholders.

Directorate Changes

Dr Emmanuel Fundira retired as the Chairman of the Board on 29 June 2023, after serving the Group for over 10 years. I was appointed Chairman of the Board of Directors effective 10 July 2023.

Mr Ndangariro Mutizwa stepped down as the Chief Finance Officer on 30 June 2023 and Mr Lewis Chikara was appointed Chief Finance Officer effective 1 October 2023.

Mr Lawrence Ward ("Laurie") was appointed as the Chief Operating Officer effective 8 December 2023.

On behalf of the African Sun Board, I would like to take this opportunity to express my gratitude to Emmanuel, and Ndangariro for their service to the Group and wish them all the best in their future endeavours. In the same vein, I would also like to extend a warm welcome to Lewis and Laurie and wish them the best in their tenure.

Appreciation

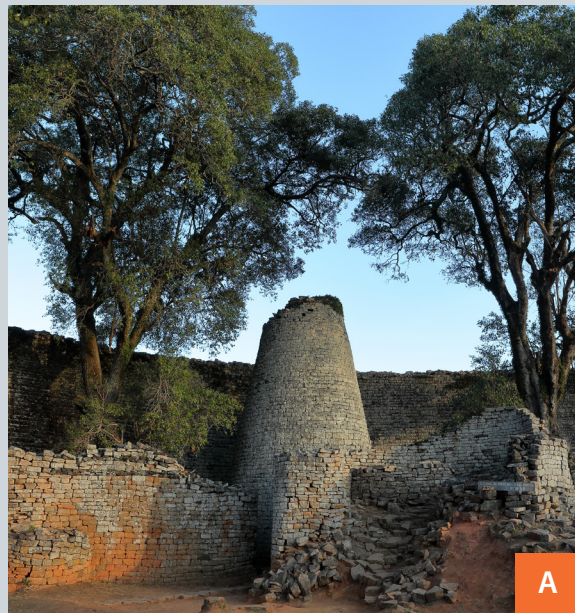
I would like to express my heartfelt gratitude to our Board, executive team, staff, shareholders, and all our broader stakeholders. Your unwavering support and commitment to our vision has been invaluable in getting us to where we are today. Thank you for your continued patronage and support.

C. Chikosi
Chairman

25 April 2024



Our Locations in Pictures



A



B

A new season under the African Sun

- A Great Zimbabwe Ruins,
- B Victoria Falls,
- C Aerial view of Troutbeck Resort,
- D Kariba Dam Sunset, and
- E A Lion at Hwange National Park.



C



D



E



Chief Executive Officer’s Operations Review

Business Environment

In 2023, the global hospitality industry recorded positive growth despite recession fears, with most destinations recovering to pre-COVID levels. Travel volumes increased favourably, driven by strong leisure, group and business demand. African tourism rebounded to 88% of pre-pandemic levels.

Overall, the hospitality sector was characterised by resilience, evolving consumer behaviours, and a growing shift towards sustainable practices. These consumer demands create additional cost pressures, and an increasing need to focus on productivity, sustainability and efficiency. These extra costs of doing business often lag behind higher room rates that the market is prepared to absorb. Zimbabwe and African Sun were not spared from the dynamics of a growing divergence between average room rates not keeping pace with soaring costs.

Looking at the macro-economic environment for 2023, economic growth forecasts varied, with the World Bank predicting 3.5%, down from the previous year’s 4.5%, influenced by global macro-economic conditions and adverse weather conditions. Despite post-COVID-recovery, Zimbabwe continued to face capital constraints, and ongoing price and exchange rate volatility.

Our Strategy

To enhance the competitiveness and appeal of our properties with both local and international guests, a comprehensive strategy of refurbishing targeted hotels remained (and remains) a key imperative and priority. This strategy also involves a parallel process of rebranding and repositioning our properties to align with market trends and consumer expectations. By conducting market research and leveraging international brand experts, our properties will shortly undergo a strategic rebranding process and a fresh “brand promise” that will resonate with our target audience. Simultaneously, investing in staff training to enhance service quality, guest experience, and operational efficiency is and will remain crucial. By empowering employees with the necessary skills, equipment and creating an appealing brand promise, our hotels and resorts can deliver exceptional service and consistency, that sets them apart in the industry. Upgrading our facilities, amenities, menus and overall aesthetics and surrounds will elevate the portfolio’s appeal and guest satisfaction for discerning travellers, families and guests.

We continue to move in line with the new vision “To be a leading provider in hospitality and leisure operations”, which the Board approved in 2022, with operational, financial, ESG and capital allocation targets set for the next ten years that will take us through to 2032, with a focus in the medium term on property refurbishments as highlighted above.

The strategic plan acknowledges the vital importance of an advanced, appropriate, best in class digital infrastructure, with a budget of US\$1.5 million allocated for upcoming IT system upgrades at both hotel and head office level. Regarding capital distribution, we have earmarked over US\$5.7 million to CAPEX in 2024 and a further US\$5.3 million for product and property enhancements and improvements.

Focus on Environment, Social, and Governance (“ESG”)

As a Company we are committed to sustainable development and to integrate ESG considerations into major decision-making, as well as the daily management and operational processes of the Group. We also realise that creating a robust

community starts with fostering a positive work environment at African Sun, and added focus for 2024 will be on uplifting surrounding communities and our staff well-being.

Our sustainability goals are mainly focused on providing a safe and healthy work environment, fair wages and benefits, as well as opportunities for personal and professional growth, complemented by job creation, skills development, environmental protection and social development within our surrounding communities. The Company remains committed in its implementation of ESG in the coming year, with focus on sustainability in terms of Global Reporting Initiative (GRI) standards, as governed by the new ZSE reporting requirements applicable from January 2024.

Our 2023 Sustainability Report speaks to our commitments and achievements found from page 138 to 146 of this integrated annual report.

Capital Allocation and Portfolio Transformation

Our strategy for rebranding and refurbishing the portfolio is a journey that started back in 2021 and will continue to dominate capital allocations over the next few years. Key to the planned upgrades is our ability to generate and raise adequate and affordable funding. Our target is to raise about US\$8 million in 2024 to allow for the completion of the Victoria Falls Hotel and Hwange Safari Lodge refurbishments and to make a start on the Elephant Hills public areas. As at 31 December 2023, the group has spent US\$7.4 million over the past few years on refurbishments and an additional US\$1 million on real estate development under the Dawn Property portfolio, all of which has been funded from internal resources.

During the year under review, the Group undertook the following projects:

- together with our partners, Meikles Hospitality (Private) Limited, preparatory work commenced for the final phase of the Victoria Falls Hotel refurbishment programme;
- completed the remaining 46 rooms at Hwange Safari Lodge, and agreed final concepts for the public areas;
- finishing touches to Troutbeck public areas; and
- completion of the Great Zimbabwe Conference Centre.

Business Information Systems

Digital transformation remains at the centre of our refined strategy. During the year, management embarked on a fundamental and long overdue digitalisation journey.

To this end, the Board sanctioned more than US\$1.5 million for enhancing the existing IT systems in order to expedite the flow of financial data, streamline procurement processes, improve guest service efficiency, facilitate scalability and generate guest profile databases. Enhancements to our digital infrastructure and customer touchpoints, including our website and data analytics tools, will enhance guest experience and operational efficiencies, while reducing costs. These upgrades will empower management at all levels with real-time data, in order to streamline decision-making processes within our remote and decentralised operations.

Our IT governance priorities in 2024 remain the completion of the above transformations, coupled with associated cybersecurity, data privacy frameworks and improving our compliance and control environment.

Our aim is to create an IT environment that aligns with global hospitality best practice, trends and technology.



Chief Executive Officer’s Operations Review (Continued)

People and Culture

One of our strategic pillars and critical focus is on our people, the thrust being on training our employees to be best in class standards. Our strategic approach prioritises staff and organisational culture through training, teamwork, development, leadership, and inclusivity, which are all essential for fostering a positive and high-performing work environment. By investing in continuous training and development programmes, we aim to empower our employees to enhance their skills, knowledge, efficiency and capabilities, ultimately driving individual growth and organisational success.

We recognise that effective leadership plays a crucial role in setting the tone for a supportive and inclusive culture, where diverse perspectives are valued, and employees feel empowered to contribute. Emphasizing inclusivity ensures that all team members feel respected, heard, and included, leading to a more collaborative and innovative workplace. By integrating these elements into our organisational strategy, African Sun aims to create and cultivate a culture that nurtures talent, promotes engagement, and drives sustainable growth, profitability and success.

One of our top priorities remains our leadership development programmes which provides customized experiences, such that each of our selected team members can follow a training and career path best suited for them. The 27 students

engaged in 2023 are gaining work experience at our hotels and other business units under our graduate development programme and are due to finish their rounding and grounding in January 2025.

Financial Performance

The Group’s performance for 2023 was reasonable, showing great recovery post COVID-19. However, positive gains in revenue were often eroded by even higher associated cost increases. The Group closed 2023 with a strong balance sheet, reflected by our solid liquidity and solvency positions that will support planned future growth.

In this report, the focus will be the financial performance for the hospitality segment, as the Group’s financial commentary is included in the Chairman Statement contained on pages 8 to 11.

African Sun’s top three performers for 2023 financial year were Elephant Hills, Holiday Inn Harare and Holiday Inn Bulawayo. These contributed 53% to the Group’s total revenue for the year. The hospitality portfolio achieved an occupancy of 52% for the period under review, a 13% improvement from the 46% achieved in 2022. This equated to almost 270 000 room nights sold during 2023.

The following is a summary of key performance indicators (“KPIs”) for the hospitality division over the past five years:

| | 2023 USD | 2022 USD | 2021 USD | 2020 USD | 2019 USD |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Occupancy | 52% | 46% | 31% | 23% | 48% |
| Average Daily Rate (ADR) | 110 | 79 | 100 | 86 | 96 |
| Total Revenue (Hotels) | 53 503 097 | 41 442 760 | 37 483 696 | 22 496 988 | 54 306 633 |
| EBITDA (Hotels) | 18 073 335 | 9 828 919 | 7 409 210 | 5 363 504 | 21 711 551 |

All the numbers in the table above have been extracted from the Group’s 2023 and prior years inflation-adjusted financial statements, converted into US Dollars for comparison purposes.

The ADR for the year was 39% higher than prior-year, reflecting the positive impacts of negotiated rate increases and rate yielding opportunities during peak conferencing business. This was also driven by the increase in The Victoria Falls Hotel ADR from USD 279 to USD 404, a testimony to the markets willingness to pay higher rates for refurbished rooms.

The three branded InterContinental Hotels Group (“IHG”) hotels, namely, Holiday Inn Harare, Holiday Inn Bulawayo, and Holiday Inn Mutare continue to meet all the requirements of the IHG brand, having all passed brand compliance audits in 2023. Holiday Inn Bulawayo went a step further and was bestowed the IHG 2023 Impact Award.

2024 Outlook

We are excited about the outlook for 2024 as we expect demand for our hotels to continue to grow, although margins will remain depressed until such time as our refurbishments are completed. Increase in international travel is anticipated to strengthen especially into Victoria Falls and Hwange. Local business is also expected to continue to drive our conference business.

We remain focused on being a key leader in the hospitality industry in Zimbabwe and the steps to upgrade our properties will undoubtedly continue to take us there.

It is anticipated that our Real Estate division will contribute to the Group’s revenues, profitability and cash generation during 2024, as the Dawn Properties endeavours to sell non-core assets and excess land holdings.

Appreciation

As we close this year’s annual report, I would like on behalf of Peter Saungweme, who was the substantive CEO throughout 2023, to express our heartfelt appreciation for the outstanding performance and dedication demonstrated by our staff. Their unwavering commitment, hard work and resilience have been instrumental in our success throughout the year. Together, we have achieved remarkable progress, overcome challenges, and continued to drive our organisation forward with passion, as we strive for hospitality excellence. I am truly grateful for their continued support, innovative spirit, and collaborative efforts that have shaped our achievements and positioned us for a bright future. Thanks must also be expressed to the Board, who provided the guidance, wisdom and support to navigate through yet another year.

L. Ward
Acting Chief Executive Officer

25 April 2024



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 and Governance Executive

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 2023, the Company has complied with Victoria Falls Stock Exchange Listings 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. Musimbe
Company Secretary and Governance Executive

25 April 2024



Directors' Report

For the year ended 31 December 2023

The Directors hereby present the audited financial statements of African Sun Limited ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2023.

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Results | | |
| Earnings before interest, tax and depreciation ("EBITDA") | 9 447 663 | 17 855 291 |
| (Loss)/profit for the year | (364 589) | 6 995 327 |
| Headline earnings | 278 843 | 7 503 537 |

Dividend Declaration

Interim Dividend

The Board approved an interim dividend of USD 750 035 which was paid in January 2024.

Final Dividend

The Board resolved to declare a final dividend of USD 350 000 for the year ended 31 December 2023, to be paid out of retained earnings. This brings the total dividend for the year to USD 1.10 million. While the Group has made an attributable loss for the financial year, it has maintained its strong cash-generating capacity. The Group's cash generated from operating activities amounted to USD 5.51 million for the financial year under review.

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Capital commitments | | |
| Authorised by Directors and contracted for | 1 800 000 | 56 396 |
| Authorised by Directors but not contracted for | 9 219 317 | 2 169 176 |
| Total commitments | 11 019 317 | 2 225 572 |

Investments

As at 31 December 2023, the Company held equity investments in the following subsidiaries, with the respective ownership percentages indicated below:

| | | |
|--|------|------|
| African Sun Zimbabwe (Private) Limited | 100% | 100% |
| African Sun South African Branch | 100% | 100% |
| Dawn Properties Limited | 100% | 100% |
| The Victoria Falls Hotel Partnership | 50% | 50% |

Share Capital

The total issued share capital and share premium as of 31 December 2023, amount to USD 16 485 711, which remains unchanged from the previous year (2022: USD 16 485 711). No new shares were issued during the year ending on 31 December 2023.

Reserves

The changes in the reserves of the Group are presented in the consolidated statement of changes in equity, along with detailed information provided in the relevant notes to the consolidated financial statements.

Directors

Dr E. Fundira retired from the Board and as Chairman at the conclusion of the Annual General Meeting on the 28th of June 2023. Mr L. Chikara was appointed as the Chief Finance Officer on 1 October 2023. Mr L. Ward was appointed as the Acting Chief Executive Officer on 20 January 2024. Mr S. Village was appointed to the Board on 22 March 2024 and retires at the end of his interim appointment. Being eligible, he will offer himself for re-election at the Annual General Meeting.

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

Independent Auditor

Members will be asked to approve the re-appointment of Grant Thornton Chartered Accountants (Zimbabwe) as the independent external auditor for the Group and the auditor's remuneration for the year ended 31 December 2023.

Annual General Meeting

The Fifty-second Annual General Meeting of shareholders of African Sun Limited will be held virtually on Wednesday, 26 June 2024.

By order of the Board

C. Chikosi
Chairman

L. Ward
Acting Chief Executive Officer

V. Musimbe
Company Secretary and
Governance Executive

25 April 2024



Corporate Governance Charter

The African Sun Charter

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

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

Stakeholders

For many years, African Sun has had a formalised stakeholder philosophy and structure(s) of corporate governance to manage the interface with the various stakeholder groups. African Sun 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 is constituted with an equitable ratio of executive to non-executive directors and meets at least quarterly. A non-executive director chairs the African Sun Limited Board.

Roles of the Chairman and Chief Executive Officer

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

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

Independence of the Board

The Board maintains its independence through:

- keeping the roles of Chairman and Chief Executive Officer separate;
- the non-executive directors not holding fixed-term service contracts and their remuneration not being tied to the financial performance of the Group;
- all directors having access to the advice and services of the Company Secretary;
- 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% or 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.

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 (Chapter 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.



Corporate Governance Charter (Continued)

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 Chief Executive Officer, which, inter alia, covers operations, finance, capital expenditure, acquisitions and strategy. Any Board member may request the addition of an item to the agenda and will liaise with the Company Secretary 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 authorised 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;
- Marketing and Sales;
- Information Technology Governance; and
- Nominations.

The term’s 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 control and risk management. It is regulated by specific terms of reference and is chaired by a non-executive director. All members of the Committee, not being less than three (3) at any given time, are non-executive directors. Executives of the Group attend the meeting by invitation.

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

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

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

The Investments Committee

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

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

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

The Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee, is made up of a non-executive chairperson, 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 executive directors, senior management and 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, group life assurance and medical aid schemes.

Marketing and Sales Committee

The Marketing and Sales Committee comprises a non-executive chairperson and at least two other non-executive directors. Executive directors and management attend its meetings by invitation. The Committee is responsible for the review of all marketing and sales programmes, overseeing the development, policy formulation and annual review of the Corporate Social Responsibility plan.

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 (social media) 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;
- Advising the Board on the appropriate form of marketing infrastructure best suited to serve African Sun.
- Sets and monitors the implementation of the Group’s CSR strategy and policy;
- Ensuring that the CSR plan is widely disseminated throughout the Group and integrated in the day-to-day activities of African Sun; and
- Reviewing the Sustainability Report that is included in the Integrated Annual Report to ensure that same is timely, comprehensive and relevant.

The Nominations Committee

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

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

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



Corporate Governance Charter (Continued)

Information Technology (IT) Governance Committee

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

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

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

Executive Committee

The Executive Committee (“EXCO”) works with the Chief Executive Officer in carrying out his responsibilities for the day-to-day management of the Group’s operations and consists of eight members as follows;

- the Chief Executive Officer;
- the Chief Finance Officer;
- the Hospitality Executive;
- the Human Resources Executive;
- the Real Estate Executive;
- the Commercial Executive;
- the Legal Executive; and
- the Company Secretary and Governance Executive.

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

- the implementation of strategies and policies;
- managing the day-to-day business affairs;
- prioritising the allocation of capital, 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.

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 discuss worker’s concerns with management. The Group believes in and practices employee 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 (AGM) provides a useful interface with private shareholders, many of whom may also be our customers.

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

Directors’ Attendance of Meetings in 2023

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 | Marketing and Sales Committee | Investment Committee | Corporate Social Responsibility Committee | Information Technology Committee | Nominations Committee |
|--------------------|------------|--|--------------------------|-------------------------------|----------------------|---|----------------------------------|-----------------------|
| Number of meetings | 9 | 4 | 8 | 4 | 4 | 2 | 2 | 1 |
| E. Fundira | 6 | - | - | - | - | - | - | - |
| C. Chikosi | 9 | - | - | 2 | 1 | 1 | 1 | 1 |
| T. Denga | 9 | 1 | - | 4 | - | 2 | 2 | - |
| G. Chikomo | 9 | 4 | 8 | - | 4 | - | - | 1 |
| B. Childs | 9 | - | 8 | 1 | 4 | 2 | - | - |
| V. Lapham | 8 | - | 5 | - | 1 | 2 | 1 | - |
| L. Mhishi | 9 | 4 | 8 | - | 4 | - | - | - |
| A. Siyavora | 9 | 4 | - | 4 | 3 | - | 1 | 1 |
| P. Saungweme | 9 | 4 | 8 | 4 | 4 | 2 | 2 | - |
| N. Mutizwa | 6 | 4 | 4 | 2 | 2 | 1 | 1 | - |
| L. Ward* | - | - | - | - | - | - | - | - |
| L. Chikara | 2 | - | 3 | 1 | 1 | - | 1 | - |
| B. Chiota | 1 | - | 1 | - | 1 | - | - | - |

- In general, the number of meetings increased during the course of the year as a result of the Company’s ongoing restructuring and implementation of various strategic initiatives requiring the Board’s attention.
- Attendance of meetings is reflective of the reconstitution of the Committees as well as movements in the directorships (Executive and Non-executive) of the Company during the course of the year.
- * L. Ward was formally appointed to the Board on 8 December 2023, however by invitation he attended all Board and Committee meetings from 1 April 2023 onwards.

Information and Technology (“IT”) Governance and Management

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

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

1. Board Responsibility

- This embraces establishing and promoting an ethical governance culture as well as gaining independent assurance on the effectiveness of the internal controls. The structures, processes and mechanisms that are required and guided by the IT governance framework are implemented, controlled and monitored by;
- Strategic direction;
 - Evaluation; and
 - Monitoring of the use of IT to support business strategy.



Corporate Governance Charter (Continued)

2. **Performance and Sustainability**

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

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

The Board’s responsibilities include:

 - Monitoring and evaluating the extent to which IT actually sustains and aligns to the business strategic objectives;
 - Monitoring and evaluating the acquisition and use of IT resources to ensure that they support business requirements;
 - Monitoring and evaluating the acquisition and appropriate use of technology, processes and people;
 - Monitoring and evaluating the IT related strategic, legal and operational risks; and
 - Overseeing IT investment to ensure that IT expenditure is in proportion to the delivery of business value.
5. **Risk Management**

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

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

The key core principles of information security that the Group abides by are encapsulated in the following three components;

 - Confidentiality - ensuring that information is accessible only to those 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 five key principles to approaching cyber-risk that should be turned into action points:

 - Cyber-risk is a key component of enterprise risk management requiring Board-level oversight;
 - Cyber-risks have important legal ramifications which need to be understood by both the Board and management;
 - Cyber-risk should be a topic of regular discussion and engagement with expertise to address cyber related risks;
 - Implementation of an effective cyber-risk framework for the business; and
 - Assessment of cyber-risks, determination of cyber-risks to accept, avoid, mitigate or insure against.
8. **Governance Structures**

The Risk and Audit Committee assists the Board in carrying out its IT responsibilities as follows;

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

Directors’ Responsibility for Financial Reporting

African Sun Limited directors are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) 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. 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 18.

The directors have reviewed the Group’s budget and cash flow forecast for the 12 months to 31 December 2024. On the basis of the reviewed forecasts and in light of the current financial position, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the consolidated annual financial statements.

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

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

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

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

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

Given the size, complexity and geographical diversity of the Group, it may be expected that occasional breakdowns in established control procedures may occur. No breakdowns involving material loss have been reported to the directors in respect of the period under review and it is believed that none of these exists, except as indicated on note 33.1.

The Group’s Independent Auditor, Grant Thornton Chartered Accountants (Zimbabwe), has audited the financial statements and their report appears on pages 32 to 35.

The financial statements for the twelve months ended 31 December 2023 which appear on pages 36 to 125 have been approved by the Board of Directors and are signed on their behalf by:



G. Chikomo
Risk and Audit Committee Chairperson

25 April 2024



L. Chikara
Chief Finance Officer



Directors' Declaration

For the year ended 31 December 2023

In the opinion of the directors of African Sun Limited, the consolidated financial statements and accompanying notes, which are presented on pages 36 to 125, have been prepared in accordance with the International Financial Reporting Standards (IFRS). Additionally, the financial statements have been prepared in compliance with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31). The directors assert that the financial statements provide a true and fair view of the Group's financial position as of 31 December 2023, as well as the results of the Group's performance and its cash flows for the year ended on that date. This statement indicates the directors' belief that the financial statements accurately represent the Group's financial standing and performance in accordance with relevant accounting standards and regulatory requirements.

The directors confirm that, based on their assessment, the Group has sufficient resources to continue its operations for the foreseeable future. They believe that the Group will remain a viable going concern in the year ahead.

C. Chikosi
Chairman

L. Ward
Acting Chief Executive Officer

V. Musimbe
Company Secretary and
Governance Executive

25 April 2024

Declaration by the Chief Finance Officer

For the year ended 31 December 2023

I, as the Chief Finance Officer of the Group, hereby confirm that the annual financial statements presented on pages 36 to 125 have been prepared under my supervision. I affirm that I am a member of the Institute of Chartered Accountants of Zimbabwe (ICAZ) and registered with the Public Accountants and Auditors Board, holding a Public Accountant Certificate with the number 05347.

As a member of ICAZ and a registered professional with the Public Accountants and Auditors Board, I have met the necessary qualifications and standards required for financial reporting and supervision. I have applied my professional expertise and judgement to ensure the accuracy and completeness of the financial statements. By providing this confirmation, I take responsibility for the preparation and supervision of the financial statements in accordance with the applicable accounting standards and regulatory requirements.

L. Chikara
Chief Finance Officer

25 April 2024

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Independent Auditor’s Report

To the members of African Sun Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of African Sun Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the Group’s significant accounting policies.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of African Sun Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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 Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Restatement of investment property and property and equipment

We draw attention to **note 2.1.3** to the consolidated financial statements which describes the restatement of property and equipment, and investment property opening balances following the change in functional currency from ZWL to USD on 1 January 2023 including the effects thereof. The consolidated financial statements for the year ended 31 December 2023 are prepared after restating the opening balances of property and equipment, and investment property to present a fair view of the respective balances as at 31 December 2022. Our opinion is not modified in respect of this matter.

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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated financial statements:

Key Audit Matters (continued)

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| IFRS 15 - Revenue from Contracts with Customers <ul style="list-style-type: none">There is a presumed risk of inappropriate revenue recognition specifically identified in ISA 240 (R), ‘The auditor’s responsibility to consider fraud of financial statements.’The risk is exacerbated by the fact that the Group has several revenue sources which have different recognition criteria such as:<ul style="list-style-type: none">i. Sale of room nights;ii. Sale of food and beverages;iii. Gaming;iv. Conferencing;v. Property and related consultancy services; and sundry revenuevi. Rental income andvii. Revenue from the sale of stands not recorded in the correct period.Revenue recognition was identified as a significant risk area and accordingly a key audit matter. | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">Reviewed that the revenue recognition criteria are appropriate and in line with the requirements of IFRS 15.Tested the design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions.We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review.Furthermore, we performed analytical procedures and assessed the reasonableness of explanation provided by management.Performed cut-off tests on year end balances to ensure revenue is recognized in the correct period.Inspected reversals and credit memos performed in the period subsequent to year end and established if they were for valid revenue transactions. <p>Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - Revenue from Contracts with Customers.</p> |
| IFRS 13 – Fair Value Measurement <ul style="list-style-type: none">Investment property and property and equipment represent a substantial percentage (84%) of the Group’s total assets as at 31 December 2023 (2022: 79%).Property and equipment are measured using the revaluation model and investment property is measured using the fair value model which both requires determination of fair values in accordance with IFRS 13 - Fair Value Measurement.The determination of fair values for assets is affected by the prevailing economic environment and involve significant judgements.Property valuation depends to a large extent on estimates and assumptions such as market comparison, similar properties, knowledge of the market, historical transactions, information sources from government platforms and websites and other reliable sources.In view of the importance and complexity of the valuation process and its dependence heavily on a set of assumptions and estimates, we have considered this matter as a key audit matter. | <p>Our audit procedures included the following but were not limited:</p> <ul style="list-style-type: none">Reviewed the Group’s controls relating to the determination of the fair values of the investment property and property and equipment, including controls related to the appropriate review and approval of the valuations.Assessed the competence, capabilities and objectivity of the valuers.Conducted meetings with the internal and independent valuation experts to obtain an understanding of the assumptions used.Evaluated the appropriateness of the valuation methods used to assess whether they were in line with acceptable industry practice and the requirements of IFRS.Engaged a suitably qualified auditor’s expert to independently assess the reasonableness and appropriateness of the valuation models, methodologies and inputs used by the valuers.Verified that all assets are revalued by comparing valuation reports to asset register.Verified rental assumptions used by independently obtaining market research.Compared the internal valuation outcomes of those of the management’s valuers for a sample of properties. Differences noted were assessed against acceptable pre-determined thresholds for reasonableness.Assessed whether the disclosures in the consolidated financial statements are appropriate and in accordance with IFRS 13. <p>Based on our audit work performed and the assumptions used, we satisfied ourselves that the Group complied with the requirements of IFRS 13 – Fair Value Measurement.</p> |

Independent Auditor’s Report (continued)

Other Information

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group’s audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the consolidated financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

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

Grant Thornton

Edmore Chimhowa
Partner
Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

30 April 2024



Consolidated Statement of Financial Position

As at 31 December 2023

| All figures in USD | GROUP | | |
|--|--------|--------------------|--------------------|
| | Note | 31 December 2023 | 31 December 2022 |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 7.1 | 85 553 941 | 79 991 089 |
| Investment property | 9 | 10 680 900 | 12 419 021 |
| Right of use assets | 16.1 | 17 368 760 | 4 895 605 |
| Financial assets | 13.3 | 754 231 | 65 474 |
| Biological assets | 8 | 334 581 | 285 411 |
| Deferred tax assets | 22.2.4 | - | 29 051 |
| Total non-current assets | | 114 692 413 | 97 685 651 |
| Current assets | | | |
| Assets classified as held for sale | 10.8 | 3 600 000 | 3 533 845 |
| Inventories | 12 | 6 806 249 | 4 676 332 |
| Trade receivables | 13 | 1 938 603 | 2 005 012 |
| Other financial assets | 13.3 | 4 425 453 | 2 162 101 |
| Cash and cash equivalents | 14 | 10 869 828 | 11 463 432 |
| Total current assets | | 27 640 133 | 23 840 722 |
| Total assets | | 142 332 546 | 121 526 373 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 15.1.2 | 2 476 768 | 2 476 768 |
| Share premium | 15.2 | 14 008 943 | 14 008 943 |
| Equity settled share based payment reserve | 21 | 223 300 | 213 296 |
| Foreign currency translation reserve | 15.3.2 | 8 346 540 | 8 269 216 |
| Revaluation reserve | 15.3.1 | 32 596 404 | 27 543 868 |
| Retained earnings | | 42 293 531 | 44 270 888 |
| Total equity | | 99 945 486 | 96 782 979 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 22.2.4 | 12 309 226 | 11 567 149 |
| Lease liabilities | 16.2 | 14 438 109 | 1 624 299 |
| Deferred lease income | 20 | - | 1 105 |
| Total non-current liabilities | | 26 747 335 | 13 192 553 |

| All figures in USD | GROUP | | |
|--|-------|--------------------|--------------------|
| | Note | 31 December 2023 | 31 December 2022 |
| Current liabilities | | | |
| Liabilities associated with assets held for sale | 10.6 | - | 152 908 |
| Trade and other payables | 17 | 13 200 844 | 9 455 015 |
| Current income tax liabilities | 18 | 490 530 | 229 565 |
| Provisions | 19 | 1 783 416 | 1 695 112 |
| Deferred lease income | 20 | - | 253 |
| Lease liabilities | 16.2 | 164 935 | 17 988 |
| Total current liabilities | | 15 639 725 | 11 550 841 |
| Total liabilities | | 42 387 060 | 24 743 394 |
| Total equity and liabilities | | 142 332 546 | 121 526 373 |

The notes on pages 44 to 125 are an integral part of these financial statements.

These consolidated financial statements were approved by the Board of Directors on 25 April 2024 and signed on its behalf by:


G. Chikomo
Risk and Audit Committee Chairperson


L. Chikara
Chief Finance Officer

25 April 2024



Company Statement of Financial Position

As at 31 December 2023

| All figures in USD | COMPANY | | |
|--|---------|-------------------|-------------------|
| | Note | 31 December 2023 | 31 December 2022 |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 7.2 | 13 744 | 23 088 |
| Investments | 11.2 | 12 426 229 | 12 426 229 |
| Total non-current assets | | 12 439 973 | 12 449 317 |
| Current assets | | | |
| Other financial assets | 13.3 | 1 875 372 | 9 |
| Cash and cash equivalents | 14 | 354 | 439 |
| Total current assets | | 1 875 726 | 448 |
| Total assets | | 14 315 699 | 12 449 765 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 15.1.2 | 2 476 768 | 2 476 768 |
| Share premium | 15.2 | 14 008 943 | 14 008 943 |
| Equity settled share based payment reserve | 21 | 223 300 | 213 296 |
| Revaluation reserve | 15.3.1 | 68 875 | 68 347 |
| Accumulated losses | | (3 244 645) | (5 897 876) |
| Total equity | | 13 533 241 | 10 869 478 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 22.2.4 | 3 398 | 2 505 |
| Total non-current liabilities | | 3 398 | 2 505 |
| Current liabilities | | | |
| Trade and other payables | 17 | 778 987 | 1 477 174 |
| Current income tax liabilities | 18 | 73 | 608 |
| Provisions | 19 | - | 100 000 |
| Total current liabilities | | 779 060 | 1 577 782 |
| Total liabilities | | 782 458 | 1 580 287 |
| Total equity and liabilities | | 14 315 699 | 12 449 765 |

The notes on pages 44 to 125 are an integral part of these financial statements.

These consolidated financial statements were approved by the Board of Directors on 25 April 2024 and signed on its behalf by:

G. Chikomo
Risk and Audit Committee Chairperson

L. Chikara
Chief Finance Officer

25 April 2024



Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

| All figures in USD | Note | GROUP | |
|--|--------|-------------------|-------------------|
| | | 31 December 2023 | 31 December 2022 |
| Revenue | 23 | 54 726 234 | 42 074 032 |
| Gaming income | 23 | - | 67 579 |
| Total revenue | | 54 726 234 | 42 141 611 |
| Cost of sales | 26.1 | (15 832 160) | (11 438 111) |
| Gross profit | | 38 894 074 | 30 703 500 |
| Other income | 25.1 | 533 360 | 7 450 297 |
| Operating expenses | 26.2 | (33 338 495) | (23 364 758) |
| Net impairment reversal/(losses) on financial assets | 13.5 | 405 609 | (463 928) |
| Other expenses | 25.2 | (2 751 964) | (541 797) |
| Operating profit | | 3 742 584 | 13 783 314 |
| Finance income | 27.1 | 229 036 | 54 514 |
| Finance costs | 27.2 | (9 951) | (183 666) |
| Finance costs - lease liabilities | 16.3 | (1 344 478) | (271 986) |
| Net monetary loss - IAS29* | | - | (5 190 191) |
| Profit before tax | | 2 617 191 | 8 191 985 |
| Income tax expense | 22.1 | (2 096 146) | (591 254) |
| Profit for the year from continuing operations | | 521 045 | 7 600 731 |
| Loss for the year from discontinued operations | 10.4 | (885 634) | (605 404) |
| (Loss)/profit for the year | | (364 589) | 6 995 327 |
| Other comprehensive income - net of tax | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences on translation of foreign operations | 15.3.2 | 77 324 | 324 874 |
| Items that may not be subsequently reclassified to profit or loss | | | |
| Revaluation surplus | 15.3.1 | 5 266 482 | 6 224 722 |
| Total other comprehensive income | | 5 343 806 | 6 549 596 |
| Total comprehensive income for the year | | 4 979 217 | 13 544 923 |
| (Loss)/profit attributable to: | | | |
| Owners of the parent | | (364 589) | 7 055 160 |
| Non-controlling interests | | - | (59 833) |
| | | (364 589) | 6 995 327 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 4 979 217 | 13 604 756 |
| Non-controlling interests | | - | (59 833) |
| | | 4 979 217 | 13 544 923 |
| Earnings per share attributable to: | | | |
| Owners of the parent during the year (USD cents) | | | |
| Basic and diluted (loss)/earnings per share | 28 | (0.02) | 0.48 |
| Headline earnings per share | 28 | 0.02 | 0.51 |

*The net monetary loss is a result of hyperinflation accounting in the prior year, as the Group's functional currency was ZWL a currency of hyperinflationary economy.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

| All figures in USD | Note | GROUP | |
|---|------|--------------------|--------------------|
| | | 31 December 2023 | 31 December 2022 |
| Cash flows from operating activities | | | |
| Cash generated from operations | 29.1 | 7 998 867 | 14 008 586 |
| Finance income received | | 229 036 | 55 809 |
| Finance costs paid | | (9 951) | - |
| Finance cost paid - lease liabilities | | (1 344 478) | (272 487) |
| Income tax paid | 18 | (1 361 627) | (2 233 472) |
| Net cash generated from operating activities | | 5 511 847 | 11 558 436 |
| Cash used in investing activities | | | |
| Proceeds from sale of subsidiary | 10.7 | 309 293 | - |
| Purchase of property and equipment | 7.1 | (5 585 513) | (4 354 590) |
| Purchase of equity investments | | (569 234) | - |
| Proceeds from disposal of investment property | | 788 905 | 268 664 |
| Proceeds from sale of assets held for sale | | - | 459 130 |
| Proceeds from disposal of property and equipment | 29.2 | 200 084 | 84 598 |
| Net cash used in investing activities | | (4 856 465) | (3 542 198) |
| Cash used in financing activities | | | |
| Repayment of borrowings | | (106 887) | (45 638) |
| Dividend paid | | (1 076 679) | (1 525 610) |
| Net increase in cash and cash equivalents for the year | | (1 183 566) | (1 571 248) |
| Cash and cash equivalents at beginning of the year | | (528 184) | 6 444 990 |
| Exchange gains on cash and cash equivalents | | 11 463 432 | 5 720 183 |
| Effects of restatement on cash and cash equivalents | | (65 420) | 1 281 287 |
| Cash and cash equivalents at end of the year | | - | (1 983 028) |
| Net increase in cash and cash equivalents for the year | 14 | 10 869 828 | 11 463 432 |



Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

| All figures in USD | Share capital | Share premium | Equity settled share based payment reserve | Foreign currency translation reserve |
|--|------------------|-------------------|--|--------------------------------------|
| Year ended 31 December 2022 | | | | |
| Balance as at 1 January 2022 | 2 475 268 | 11 948 562 | 182 905 | 7 944 342 |
| Profit/(loss) for the year | - | - | - | - |
| Other comprehensive income: | | | | |
| Currency translation differences | - | - | - | 324 874 |
| Revaluation surplus - net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 324 874 |
| Transactions with owners in their capacity as owners: | | | | |
| Employee share-based compensation | - | - | 30 391 | - |
| Shares issued | 1 605 | 2 200 477 | - | - |
| Treasury shares | (105) | (140 096) | - | - |
| Transfer of NCI to equity attributable to owners of the parent | - | - | - | - |
| Dividend | - | - | - | - |
| Balance as at 31 December 2022 | 2 476 768 | 14 008 943 | 213 296 | 8 269 216 |
| Year ended 31 December 2023 | | | | |
| Balance as at 1 January 2023 | 2 476 768 | 14 008 943 | 213 296 | 8 269 216 |
| Loss for the year | - | - | - | - |
| Other comprehensive income: | | | | |
| Currency translation differences | - | - | - | 77 324 |
| Transfer to retained earnings | - | - | - | - |
| Revaluation surplus - net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 77 324 |
| Transactions with owners in their capacity as owners: | | | | |
| Employee share-based compensation | - | - | 10 004 | - |
| Dividend | - | - | - | - |
| Balance as at 31 December 2023 | 2 476 768 | 14 008 943 | 223 300 | 8 346 540 |

| Revaluation reserve | Retained earnings | Total equity attributable to owners of the parent | Non-controlling interest ("NCI") | Total equity |
|------------------------------------|-------------------|---|----------------------------------|-------------------|
| Year ended 31 December 2022 | | | | |
| 21 319 146 | 35 025 732 | 78 895 955 | 5 977 521 | 84 873 476 |
| - | 7 055 160 | 7 055 160 | (59 833) | 6 995 327 |
| - | - | 324 874 | - | 324 874 |
| 6 224 722 | - | 6 224 722 | - | 6 224 722 |
| 6 224 722 | 7 055 160 | 13 604 756 | (59 833) | 13 544 923 |
| - | - | 30 391 | - | 30 391 |
| - | - | 2 202 082 | - | 2 202 082 |
| - | - | (140 201) | - | (140 201) |
| - | 3 715 606 | 3 715 606 | (5 917 688) | (2 202 082) |
| - | (1 525 610) | (1 525 610) | - | (1 525 610) |
| 27 543 868 | 44 270 888 | 96 782 979 | - | 96 782 979 |
| - | - | - | - | - |
| Year ended 31 December 2023 | | | | |
| 27 543 868 | 44 270 888 | 96 782 979 | - | 96 782 979 |
| - | (364 589) | (364 589) | - | (364 589) |
| - | - | 77 324 | - | 77 324 |
| (213 946) | 213 946 | - | - | - |
| 5 266 482 | - | 5 266 482 | - | 5 266 482 |
| 5 052 536 | (150 643) | 4 979 217 | - | 4 979 217 |
| - | - | 10 004 | - | 10 004 |
| - | (1 826 714) | (1 826 714) | - | (1 826 714) |
| 32 596 404 | 42 293 531 | 99 945 486 | - | 99 945 486 |



Notes to the Financial Statements

For the year ended 31 December 2023

1 General Information

African Sun Limited (referred to as “the Company”) is a Zimbabwean corporation operating as part of a larger group (referred to as “the Group”). The Group’s primary activities involve managing ten hotels, operating two lodges under a timeshare model within Zimbabwe and operating a sales and marketing office in South Africa that focuses on international and regional sales. In addition to its hospitality operations, the Group also has a real estate division. This division owns seven hotel buildings that are operated by the hotel division. Furthermore, the Group holds more than 3,100 hectares of land across Zimbabwe, with 2,630 hectares primarily held for capital appreciation or future development purposes.

As a Zimbabwean corporation, the Company is incorporated and domiciled in Zimbabwe. It is publicly listed on the Victoria Falls Stock Exchange (VFEX). The majority shareholder, of the Company is Arden Capital Management (Private) Limited (formerly Brainworks Capital Management (Private) Limited which owns 60.42% (2022: 60.42%) of the ordinary share capital of the Company.

The Company’s registered address is Monomotapa Hotel, Number 54 Parklane, Harare, Zimbabwe.

2 Summary of Significant Accounting Policies

The following are the key accounting policies that have been consistently applied in the preparation of these financial statements, unless stated otherwise.

2.1 Basis of preparation

2.1.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations provided by the IFRS Interpretations Committee (IFRSIC) applicable to companies reporting under IFRS. These financial statements also comply with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and present a true and fair view of the Group’s financial position as of 31 December 2023, as well as the performance results and cash flows for the year ended on that date.

The financial statements are prepared using the historical cost convention as the primary basis, but certain assets such as investment property, biological assets, financial assets, and property and equipment are revalued.

In preparing the consolidated financial statements, management makes critical accounting estimates and exercises judgement in applying the Group’s accounting policies. Note 4 of the financial statements provides disclosure on areas that involve a higher degree of judgement or complexity, including assumptions and estimates that are significant to the financial statements.

2.1.2 Going concern

The Directors have conducted an assessment of the Group and the Company’s ability to continue operating as a going concern and have determined that preparing these financial statements on a going concern basis is appropriate.

Despite the ongoing effects of the COVID-19 pandemic and prevailing economic challenges, the global tourism industry has shown resilience in its recovery. According to the UNWTO World Tourism Barometer, international tourism reached 88% of pre-pandemic levels by the end of 2023, with an estimated 1.3 billion international arrivals. Tourism experts believe that international tourism is on track to return to pre-pandemic levels in 2024. In line with this recovery, the hotel segment has fully regained its pre-pandemic business levels in terms of occupancy and revenue.

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

2.1.2 Going concern (continued)

In their going concern assessment, the Directors considered the projected performance of the tourism industry, the cash flow and liquidity projections, including key commitments for a period exceeding 12 months from the reporting date. However, should the Group performance be subdued, the Group has enough cash resources to meet all unavoidable operating costs and to continue operations as a going concern in a responsible and sustainable manner. The Group remains debt free, representing leveraging opportunities should there be need for debt finance in the foreseeable future.

The Group maintains a positive outlook on its ability to recover from the loss incurred during the year, attributing it to a range of implemented measures, as detailed below:

- The completion of hotel refurbishments at Hwange Safari lodge and Troutbeck Resort is expected to enhance the average daily rate and improve occupancy levels.
- Strategic marketing initiatives with a specific focus on the international market are anticipated to bolster occupancy and improve average daily rates.
- The Group has plans to finalize the development of 55 residential stands, and the subsequent sale of these properties will contribute to improved revenues and liquidity.
- Furthermore, the Group will be implementing various cost containment strategies to align overheads with business levels.

2.1.3 Change in functional and presentation currency

As of 1 January 2023, the Group made a change in its functional currency and presentation from Zimbabwe Dollars (ZWL) to United States Dollars (USD).

This change was driven by several factors, including the steady increase in the use of foreign currency, particularly USD, across the Group’s businesses following the promulgation of Statutory Instrument (SI) 185 of 2020 on 24 July 2020. The Reserve Bank of Zimbabwe Governor reported during the 2023 mid-monetary policy statement presentation, that 70% of the economy transactions and 65% of customer deposits were in USD. This trend was already reflected in the Group’s revenue and expenditure transactions.

In accordance with the requirements of IAS 21, “The Effects of Changes in Foreign Exchange Rates,” management assessed the currency that best reflected the underlying transactions, events, and conditions relevant to the Group. The assessment considered the following factors:

- (i) USD became the primary currency used in settling transactions related to rooms, food and beverage, and residential properties, accounting for over 60% of the Group’s total revenue as of 31 December 2022.
- (ii) Due to hyperinflation of the ZWL currency, prices of rooms, food, beverage, and properties were indexed against the USD. The Group’s pricing policies were mainly influenced by USD inputs.
- (iii) The Group experienced a rise in USD expenditures for materials, labour, and other costs associated with providing goods and services, driven by increased USD receipts and demand from suppliers.
- (iv) Due to ZWL currency devaluation, the Group preferred to retain USD receipts generated from its operating activities while disposing of ZWL currency as soon as it was generated.

Based on these factors, the Group concluded that there was a change in its functional currency from ZWL to USD, effective from 1 January 2023. The change in functional currency was applied prospectively.

Additionally, African Sun Limited, listed on the VFEX on 14 April 2023, and adopted USD as its presentation currency in compliance with the VFEX listing requirements, which mandate financial statements to be presented in USD.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

2.1.3 Change in functional and presentation currency (continued)

(a) Translation on date of change of functional currency

In the past, the Group’s financial statements were reported in Zimbabwe Dollars (ZWL), a currency that was subject to hyperinflation. In accordance with IAS 29, “Financial Reporting in Hyperinflationary Economies,” the Group restated its historical financial statements to reflect the effects of hyperinflation.

IAS 21 requires entities operating in hyperinflationary economies to translate their last reported inflation-adjusted financial statements using the closing exchange rate at the last reporting date, which was the effective date of the change in functional currency. For the Group, the prior year comparative numbers were translated to USD using the closing rate of USD1:ZWL755 as of 31 December 2022, except for property and equipment and investment properties as disclosed in note 2.1.3 (b).

The resulting translated amounts for non-monetary items were treated as their historical cost from the date of translation going forward. This translation process ensured that the prior year comparative numbers reflected the restated values in USD, taking into account the effects of hyperinflation on the financial statements.

(b) Restatement of property and equipment and investment property opening balances

The Group changed its functional currency to USD on 1 January 2023. As required by IAS 21, inflation-adjusted transactions and balances as at the last reporting date 31 December 2022 were translated to USD using the closing official rate of ZWL1:USD755. On 31 December 2022, the Directors had engaged a professional valuer to value property and equipment, and investment property in both ZWL and USD due to disruptions in the macro-economic environment between USD and ZWL transactions. Directors noted that the property and equipment and investment property balances translated in accordance with IAS 21 were overstated compared to the USD fair values determined by the professional valuer on the same date, 31 December 2022. This was due to use of the ZWL valuation inputs at 31 December 2022 which had an implied correlation with the alternative market rates.

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

The effect of the restatement is as follows:

| | As at 31 December 2022 | Effect of restatement | Restated As at 31 December 2022 |
|--|------------------------------|--------------------------|--|
| All figures in USD | | | |
| Statement of comprehensive income | | | |
| Other income | 10 445 276 | (2 994 979) | 7 450 297 |
| Income tax expense | (1 077 754) | 486 500 | (591 254) |
| Revaluation reserve | 41 636 790 | (14 092 922) | 27 543 868 |
| Statement of financial position | | | |
| Property and equipment | 95 438 062 | (15 446 973) | 79 991 089 |
| Investment property | 14 871 616 | (2 452 595) | 12 419 021 |
| Assets classified as held for sale | 4 076 229 | (542 384) | 3 533 845 |
| Deferred tax liabilities | 13 407 700 | 1 840 551 | 11 567 149 |

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

2.1.4 New or revised Standard or Interpretation issued and effect in the current financial period

2.1.4.1 Amendments to IAS 1 (Presentation of Financial Statements) and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

Effective date

1 January 2023

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

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Effective date

1 January 2023

2.1.4.3 Amendments to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors)—Definition of Accounting Estimate

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

Effective date

1 January 2023

2.1.4.4 Amendments to IAS 12 (Income Taxes)— International Tax Reform—Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-Operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Effective date

1 January 2023



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

2.1.5 New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2023 and are relevant to the Group but have not been early adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

2.1.5.1 Amendments to IAS 1 (Presentation of Financial Statements) – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 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 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 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. Management does not anticipate that the application of the amendments in the future will have a material impact on the Group’s financial statements.

2.1.5.2 Amendments to IAS 1 (Presentation of Financial Statements)—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least 12 months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity’s financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least 12 months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within 12 months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

2.1.5 New standards, amendments and interpretations issued but not effective for the financial period beginning on 1 January 2023 and are relevant to the Group but have not been early adopted (continued)

2.1.5.3 Amendments to IAS 7 (Statement of Cash Flows) and IFRS 7 (Financial Instruments: Disclosures)—Supplier Finance Arrangement

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk. The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements. The carrying amount and associated line items presented in the entity’s statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Management does not anticipate that the application of the amendments in the future will have a material impact on the Group’s financial statements.

2.1.5.4 Amendment to IFRS 16 (Leases)—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate.

Amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application.

Management does not anticipate that the application of the amendments in the future will have a material impact on the Group’s financial statements.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it 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 and 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 following:

- 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
- 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.

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

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Inter-company transactions, balances, and unrealised gains or losses on transactions between group companies are eliminated.

When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

All subsidiaries in the Group have December 31st year ends and are consolidated in the presented financial statements.

In the Company’s separate financial statements, investments in subsidiaries are accounted for at cost less accumulated allowance for impairment.

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

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

2 Summary of Significant Accounting Policies (continued)

2.2 Consolidation (continued)

(c) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date control is lost. The change in carrying amount is recognised in profit or loss. The fair value at the date control is lost becomes the initial carrying amount for subsequently accounting for the retained interest as an associate, joint venture, or financial asset. Additionally, any amounts previously recognised in other comprehensive income related to the entity are accounted for as if the Group had directly disposed of the associated assets or liabilities. This may involve reclassifying amounts previously recognised in other comprehensive income 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 in which the Group is involved. The Group has determined that its investment in The Victoria Falls Hotel Partnership, jointly controlled with Meikles Hospitality (Private) Limited, is a joint operation based on their contractual agreement of sharing control.

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

The accounting policies of the joint arrangements have been adjusted when necessary to ensure consistency with the policies adopted by the Group.

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

2.3 Segment reporting

Segment reporting is conducted in a manner consistent with the internal reporting provided to the chief operating decision maker. In this case, the chief operating decision maker is identified as the “Executive Committee,” comprising the Chief Executive Officer, Chief Finance Officer, Human Resources Executive, Hospitality Executive, Company Secretary, Legal Executive and Real Estate Executive. This executive committee is responsible for allocating resources and assessing the performance of the operating segments. The segment reporting disclosures align with the information reviewed and utilised by the executive committee in their decision-making processes.

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, referred to as the “functional currency.” The financial statements are presented in United States of America Dollars (USD), which is the Group’s functional and presentation currency.

Refer to note 4(g) for the judgement made in determining the functional currency.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.4 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. 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.

Upon consolidation, exchange differences arising from the translation of any net investment in foreign entities, as well as borrowings and other financial instruments designated as hedges of such investments, are recognised in the Group's other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

(c) Group companies

The results and financial position of a group entity that has a functional currency different from the functional currency of the Group (none of which has the currency of a hyper-inflationary economy) are translated into the functional currency of the 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 such cases, income and expenses are translated at the rates on the dates of the transactions.
- (iii) All resulting exchange differences are recognised in other comprehensive income.

Upon consolidation, exchange differences arising from the translation of the net investment in foreign operations, as well as the borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve in 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 from 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 are initially recognised at cost. The cost includes expenditures directly attributable to the acquisition of the items.

Subsequently, property and equipment, with the exception of service stocks, leasehold improvements and capital work in progress, are stated at revalued amounts less subsequent accumulated depreciation and accumulated allowance for impairment. The revalued amount is based on yearly, but at least annual, valuations by external valuers, less subsequent accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Revaluations are performed with sufficient regularity to ensure that the carrying amounts do not materially differ from those determined using fair values at the end of each reporting year. In 2023, property and equipment were valued once on 31 December 2023.

2 Summary of Significant Accounting Policies (continued)

2.5 Property and equipment (continued)

Increases in the carrying amount resulting from the revaluation of property and equipment are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity, up to the extent of any credit balance existing in the revaluation surplus for that specific asset. Any decreases that exceed the previously recognised revaluation surplus of a particular asset should be recognised as an expense in the profit and loss statement. Increases in the carrying amount arising from revaluation are recognized in the profit and loss statement to the extent that they reverse a previously recognised revaluation decrease of the same asset.

The revaluation surplus included in equity for 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 the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss statement in the reporting year in which they are incurred.

Service stocks and capital work in progress were not revalued and continue to be subsequently carried and measured at cost less subsequent accumulated depreciation and accumulated impairment.

Depreciation is recognised using the straight-line method to write off the cost of assets or revalued amounts (except for land) less their residual values over their useful lives.

The estimated useful lives are as follows:

| | |
|----------------------|------------|
| Leasehold properties | 8-25 years |
| Equipment | 6-15 years |
| Freehold properties | 50 years |
| Motor vehicles | 5 years |
| Service stocks | 2 years |

Capital work in progress comprises items of property and equipment that are 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 operate as 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. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation ceases to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

Profits or losses arising from the disposal of property and equipment are determined by comparing the 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 the construction or redevelopment (refurbishment) of existing hotels takes a substantial period between six and 12 months to complete.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.6 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing it at the measurement date. Fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, leasing transactions, and measurements that have similarities to fair value but are not classified as 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, Level 2, or Level 3 based on the degree of observability of the inputs and their significance to the fair value measurement as a whole. The categories 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. The valuation methodology relies on unadjusted quoted prices for identical assets or liabilities in active markets that the Group can 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. The valuation methodology includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and inputs other than quoted prices that are observable for the asset or liability. Additionally, inputs derived primarily from or corroborated by observable market data through correlation or other means are considered.

Level 3: Inputs are unobservable inputs for the asset or liability. The valuation methodology relies on unobservable inputs that are significant to the fair value measurement.

The fair value hierarchy for property and equipment, investment property and biological assets valuations has been disclosed in notes 30, and 8, respectively.

2.7 Biological assets

The Group is actively engaged in agricultural activities, particularly in the management of a Timber plantation located in the Eastern Highlands. The timber from this plantation is intended to be sold upon harvesting.

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, who considers fair values for various stages of forest development. Changes in the carrying value of the biological asset are directly recognised in the statement of comprehensive income.

2.8 Impairment of assets

Goodwill and intangible assets with an indefinite useful life are not subject to amortization and undergo annual impairment testing. Additional impairment tests may be conducted more frequently if events or changes in circumstances indicate potential impairment. Other assets are tested for impairment whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as the higher of the asset’s fair value less costs of disposal and its value in use.

2 Summary of Significant Accounting Policies (continued)

2.8 Impairment of assets (continued)

For impairment assessment purposes, assets are grouped at the lowest levels where separately identifiable cash inflows exist, which are largely independent of the cash inflows from other assets or groups of assets (referred to as cash-generating units). Non-financial assets, excluding goodwill, that have incurred impairment are reviewed periodically for potential reversal of the impairment at the end of each reporting year.

2.9 Trade receivables

Trade receivables represent amounts owed by customers for food, beverages, rooms, property rentals, and property sales made during the normal course of business. These receivables are typically settled within 30 days and are therefore categorised as current assets. Initially, trade receivables are recognised at the unconditional amount of consideration. The Group holds these receivables with the objective of collecting the contractual cash flows and subsequently measures them at amortized cost using the effective interest method, net of allowance for credit losses. The effective interest method is used to calculate the amortized cost of a financial asset or liability and to allocate the interest income or expense over the relevant period.

Note 3.1 provides a description of the Group’s impairments of trade receivables.

2.10 Financial instruments

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

(a) Classification

The Group classifies its financial assets into the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (“FVOCI”) or through profit or loss (“FVPL”).
- Those to be measured at amortized cost.

The classification is based on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

Assets held for the collection of contractual cash flows, where those cash flows consist solely of payments of principal and interest, are measured at amortized cost.

Assets held for the collection of contractual cash flows and for selling the financial assets, where the 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 amortized cost or FVOCI are measured at fair value through profit or loss.

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.10 Financial instruments (continued)

(b) Measurement

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

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

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

(c) Recognition and derecognition

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

(d) Off-setting financial instruments

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

(e) Impairment of financial assets

The Group recognises an allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Group measures the expected credit loss allowance for the financial asset at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on the financial asset has significantly increased since initial recognition. If, at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Group measures the expected credit loss allowance at an amount equal to 12-month expected credit losses.

The Group assesses all available information, including on a forward-looking basis, to determine 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 this, the Group compares the risk of default on the asset as of the reporting date with the risk of default at the date of initial recognition, based on all available information and reasonable forward-looking information. A default on a financial asset occurs when the counterparty fails to make contractual payments within 120 days of the due date.

Expected credit losses on financial assets carried at amortized cost are reversed in subsequent years if the credit loss amount decreases and the decrease can be objectively linked to an event occurring after the impairment was recognised.

The Group monitors all financial assets and contracts 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 measures the loss allowance based on lifetime expected credit losses rather than 12-month ECL.

2 Summary of Significant Accounting Policies(continued)

2.10 Financial instruments (continued)

(e) Impairment of financial assets (continued)

In assessing whether the credit risk on a financial instrument has significantly increased since initial recognition, the Group compares the risk of default on the instrument at the reporting date, considering the remaining maturity, with the anticipated risk of default for the remaining maturity at the initial recognition date. This assessment takes into account both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information based on the Group's historical experience and expert credit assessment.

Multiple economic scenarios are used to determine the probability of default at initial recognition and subsequent reporting dates. Different economic scenarios may result in different probabilities of default. The weighting of these scenarios forms the basis of a weighted average probability of default used to determine whether the credit risk has significantly increased.

Financial assets are written off when the Group has no reasonable expectation of recovery (either in full or in part). This occurs when the Group determines that the borrower lacks assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

2.11 Inventories

Inventories, which include foodstuffs, beverages, maintenance consumables, and other properties, are reported at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, minus the estimated costs required to complete the sale.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include 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 are subject to an insignificant risk of changes in value. Bank overdrafts in the statement of financial position are presented within borrowings.

2.13 Share capital

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

2.14 Trade payables

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

Initially, trade payables are recognised at their fair value, which is typically the amount owed to the suppliers. Subsequently, they are measured at amortized cost using the effective interest method. This method takes into account the time value of money and calculates the carrying amount of the trade payables based on the original amount owed, the contractual payment terms, and the effective interest rate.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.14 Trade payables (continued)

By measuring trade payables at amortized cost using the effective interest method, the company reflects the actual cost of the outstanding obligations over time, considering the timing of payments and the interest implications. This approach provides a more accurate representation of the liabilities on the company’s financial statements.

2.15 Income tax

The income tax expense for the year comprises current income tax and deferred tax. Tax is recognised in the statement of comprehensive income, except for items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting year in South Africa and Zimbabwe, where the Group’s subsidiaries operate and generate taxable income. Management evaluates positions taken in tax returns regarding situations where applicable tax regulations are subject to interpretation. Liabilities are established where appropriate based on the amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, for temporary differences 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 the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, does not affect either accounting or taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised for deductible temporary differences arising from investments in subsidiaries, associates, and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Provisions

Provisions are recognised when the Group has 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.

When there are multiple similar obligations, the likelihood of an outflow being required for settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow for any specific item within 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. This is done 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 over time, due to the passage of time, is recognised as interest expense.

2 Summary of Significant Accounting Policies (continued)

2.17 Employee benefits

(a) Pension obligations

The Group contributes to five defined contribution plans. One of the contributions is mandatory and publicly administered, while the others are contractual and privately administered. The publicly administered pension benefits scheme is administered by the National Social Security Authority (“NSSA”), which is a national scheme introduced through the NSSA Act (Chapter 17:04). A defined contribution plan is a pension plan in which the Group makes fixed contributions into a separate entity. The Group has no legal or constructive obligations to make further contributions if the fund does not hold sufficient assets to pay all employees the benefits related to their service in the current year and prior years. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at either of the following dates:

- (i) when the Group can no longer withdraw the offer of those benefits, or
- (ii) when the Group recognises costs for a restructuring that falls within the scope of IAS 37 ‘Provisions, Contingent Liabilities, and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

(c) Bonus plans

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

(d) Share Options

The Group issued share options to managerial employees. The options are valued at fair value on the grant date. 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. The liability is disclosed in a share options reserve, which is part of equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision, if any, is recognised in profit or loss, adjusting the cumulative expense to reflect the revised estimate, with a corresponding adjustment to the share options reserve. The fair value on the grant date was calculated using the Volume Weighted Average Price (“VWAP”) for the Group on the Victoria Stock Exchange (VFEX) over a 30-day period. The strike price was determined taking into account the expected volatility of the Group’s share price.

According to the share option rules, the options vest three years after grant and may be exercisable in whole or in part no later than one year from the vesting date. If the options remain unexercised after four years from the grant date, they 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 upon exercise. The accrued value of employee services is credited to the equity-settled share-based payments reserve until the options are exercised. The value transferred to the equity-settled share-based reserve is amortized to retained earnings as the related share options are exercised or forfeited.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 Summary of Significant Accounting Policies (continued)

2.18 Revenue recognition

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

(a) Revenue from sale of room nights

This revenue is recognised each night when the Group has satisfied the performance obligations related to the revenue. This involves providing the specified room to the customers, at which point the performance obligation to the customer is satisfied. The transaction price is specified to the customer when they make a reservation or a booking. Customers generally pay upfront for the service, except for customers on account who pay according to pre-agreed conditions.

(b) Revenue from sale of food and beverages

The Group recognises revenue when a customer takes possession of the ordered food or beverage. The performance obligation is considered 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 follows customary business practice for the sale of food and beverages.

(c) Revenue from gaming

Gaming income consists of the net table and slot machine win derived from casino operations with gambling patrons. According to accounting standards, betting transactions concluded under gaming operations meet the definition of derivatives. 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 in casino operations. Due to the short-term nature of the Group’s casino operations, all income is recognised immediately in profit or loss at fair value.

(d) Revenue from conferencing

The Group provides conference facilities at its respective hotels and derives revenue from them. Revenue is recognised when the performance obligation is satisfied, which occurs when the Group has provided a conference facility to the customer as per their request and the Group’s capability. The conference package may include food and beverages, which are allocated to revenue from the sale of food and beverages in accordance with the revenue recognition policy described in note 2.18 (b) above.

(e) Revenue from properties and related consultancy services

The Group operates a subsidiary in the real estate industry that primarily focuses on acquiring, developing, and selling residential properties. Revenue is generated through both property leasing and sales. Recognition of revenue takes place when the performance obligation is fulfilled, which happens when the title to a property is transferred to a buyer and when the services outlined in the contract terms have been completed. Generally, revenue from property sales is recognised at a specific point in time. However, for timeshare properties, revenue is typically recognised over a period of time.

(f) Sundry revenue

This comprises various ancillary activities performed at the Group’s hotels. Although the nature of the income varies, the performance obligations are satisfied at a point in time. These activities include, among others, guest laundry, horse riding, and game drives. The transaction price for each activity is specified on the price list accessible to the customer before they utilise the given service.

2 Summary of Significant Accounting Policies (continued)

2.19 Cost of sales

The cost of sales includes the purchase price of goods and other costs incurred in bringing the inventories to the location and condition ready for use or sale. These costs encompass expenses related to purchasing, storing, and transportation to the extent that it pertains to preparing the inventories for use or sale.

Additionally, the salaries and wages of employees directly involved in the sale of room nights, food, and beverages are included in the cost of sales.

2.20 Leases

The Group has entered into various lease agreements for properties, equipment, and other assets, primarily in the form of operating leases where the lessor retains ownership of the leased asset. These leases cover a range of assets such as office buildings, hotel buildings, land, and residential houses, each with distinct terms and conditions including lease periods, renewal options, and rental escalation clauses.

The Group applies the requirements of IFRS 16 - Leases to all lease arrangements, except for leases of low-value assets and short-term leases (leases with a lease term of 12 months or less). The Group assesses whether a contract contains a lease at the inception date. A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of the lease, the Group recognises a right-of-use asset and a lease liability.

Lease liabilities are initially measured at the present value of lease payments, discounted using the incremental borrowing rate at the lease commencement date. The following are the lease payments that are considered in determining the initial lease liability balance:

- Fixed payments, including in-substance fixed payments, minus any lease incentives receivable.
- Variable lease payments based on an index or a rate.
- Amounts expected to be paid by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise it.
- Penalties for terminating the lease, if the lease term incorporates the lessee exercising that option.

Subsequently, lease liabilities are increased by interest expense and decreased by lease payments made.

The Group determines the incremental borrowing rate to discount lease payments, representing the rate the Group would have to pay to borrow funds necessary to acquire a similar asset in a comparable economic environment under similar terms and conditions.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

2 **Summary of Significant Accounting Policies (continued)**

2.20 **Leases (continued)**

Right-of-use assets (ROU assets) and lease liabilities are initially recognised at the lease commencement date based on the present value of lease payments, including any initial direct costs, lease incentives, and estimated restoration costs. ROU assets are measured at cost, which includes the initial recognition amount, lease payments made at or before the commencement date, initial direct costs, and lease incentives received.

Subsequently, ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

If there are modifications to the lease agreement that result in a change in the lease scope, lease term, or lease payments, the Group reassesses the lease classification and accounts for the modification as a separate lease if necessary.

Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the lease commencement date. Subsequent changes in variable lease payments are recognised in the period in which the event or condition that triggers the change occurs.

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 expenses 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.

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

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

All hotels property leases on which right of use assets have been recognised contain variable payment terms that are linked to revenues generated from the hotels. For individual hotels, variable lease payment are due when the amount calculated based percentages ranging from 5% to 15% of sales, depending on the nature of the revenue is higher than the fixed rental for the hotel. Variable lease payments that depend on sales are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

2.21 **Dividend distribution**

The dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the year when the dividends are declared by the Company's directors.

2 **Summary of Significant Accounting Policies (continued)**

2.22 **Investment property**

Investment property comprises completed property held for renting or capital appreciation, as well as property under construction or development for future use as investment property. When property is held under a lease and its purpose is to earn rentals or capital appreciation, it is classified as investment property, rather than being intended for sale in the ordinary course of business or for use in production or administrative functions.

Initially, investment property is measured at cost, including transaction costs and applicable borrowing costs. After recognition, investment property is reported at fair value, reflecting market conditions at the reporting date. Any gains or losses arising from changes in fair value are included in the statement of profit or loss in the period they occur. Fair values are assessed annually by an accredited external independent valuer, using valuation models recommended by the International Valuation Standards Committee.

Subsequent expenditure is capitalised to the carrying amount of the asset only when it is probable that future economic benefits associated with the expenditure will be realised by the Company and the cost of the item can be reliably measured. Repairs and maintenance costs are expensed when incurred. When a portion of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Investment property is derecognised when it is disposed of or permanently withdrawn from use with no expected future economic benefit from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers between investment property and other categories are made only when there is a change in use. In the case of a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change in use.

If owner-occupied property becomes investment property, the Company accounts for it according to the policy stated under property and equipment up to the date of the change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.

When an investment property undergoes a change in use, such as starting development with the intention to sell, the property is transferred to inventories. The deemed cost for subsequent accounting as inventories is its fair value at the date of the change in use.

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

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to classification as held for sale and their fair value less costs to sell. However, certain held for sale assets, such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, these assets are no longer subject to depreciation or amortization.

Any profit or loss resulting from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item: profit or loss from discontinued operations (see Note 10).



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management

3.1 Financial risk factors

The Group is exposed to various financial risks including market risk (such as foreign exchange risk, fair value and cash flow interest rate risks), credit risk, and liquidity risk. To mitigate the potential adverse effects on the Group’s financial performance arising from the unpredictability of financial markets, the Group has implemented an overall risk management programme.

The Group Finance Department (“Group Finance”) is responsible for conducting risk management activities in accordance with policies approved by the Board of Directors. Working closely with the Group’s operating subsidiaries, Group Finance identifies, evaluates, and hedges financial risks.

The Board of Directors establishes the principles for overall risk management and approves policies that address specific areas of risk management. These areas include foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, as well as the investment of excess liquidity. By implementing these risk management measures, the Group aims to minimise potential adverse impacts on its financial performance.

3.1.1 Market risk

Market risk refers to the potential for the fair value or future cash flows of a financial instrument to fluctuate due to changes in market prices. This risk encompasses three main types: foreign exchange risk, price risk, and interest rate risk.

(a) Foreign exchange risk

Foreign exchange risk pertains to the possibility of fluctuations in the fair value or future cash flows of a financial instrument due to changes in foreign exchange rates.

The Group is exposed to foreign exchange risk stemming from various currency exposures, primarily concerning the United States of America dollar and the South African rand. This risk arises from future commercial transactions, recognised cash and bank balances, trade receivables, trade payables, and net investments in foreign operations denominated in a currency other than the Company’s functional currency.

To effectively manage the Group’s foreign exchange risk associated with future commercial transactions and recognised assets and liabilities, Group Finance has established a policy. This policy permits the use of forward contracts and asset and liability matching methods, as applicable.

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

The table below provides a summary of the Group’s exposure to foreign exchange risk as of 31 December 2023. It includes the carrying amounts of the Group’s cash and bank balances, trade receivables, and trade payables, categorised by currency.

| All figures in USD | GROUP | | COMPANY | |
|------------------------------|------------------|--------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Assets | | | | |
| Zimbabwe dollar | 1 576 955 | - | - | - |
| United States dollar | - | 10 758 266 | - | 439 |
| South African rand | 332 389 | 275 793 | - | - |
| Euro | 119 250 | 296 498 | - | - |
| Australian dollar | - | 54 | - | - |
| | 2 028 594 | 11 330 611 | - | 439 |
| Liabilities | | | | |
| Zimbabwe dollar | (817 855) | - | (16 748) | - |
| United States dollar | - | (3 475 375) | - | - |
| South African rand | (70 614) | (660 745) | - | - |
| | (888 469) | (4 136 120) | (16 748) | - |
| Net currency position | 1 140 125 | 7 194 491 | (16 748) | 439 |

As of 31 December 2023, if the United States dollar had weakened/strengthened by 10% (2022: 10%) against all other currencies, assuming all other variables remained constant, the profit for the year would have been lower by USD 114 014 (2022: USD 719 448). This change is primarily due to the foreign exchange loss on the translation of Zimbabwean 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 2023

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

The table below summarises the changes in assets and liabilities denominated in various currencies resulting from a 10% (2022: 10%) weakening of the United States dollar:

| | GROUP | | COMPANY | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Assets | | | | |
| Zimbabwe dollar | 157 696 | - | - | - |
| United States dollar | - | 1 075 827 | - | 44 |
| South African rand | 33 239 | 27 579 | - | - |
| Euro | - | 5 | - | - |
| Australian dollar | 11 925 | 29 650 | - | - |
| | 202 860 | 1 133 061 | - | 44 |
| Liabilities | | | | |
| Zimbabwe dollar | (81 785) | - | (1 675) | - |
| United States dollar | - | (347 538) | - | - |
| South African rand | (7 061) | (66 075) | - | - |
| | (88 846) | (413 613) | (1 675) | - |
| Net currency position | 114 014 | 719 448 | (1 675) | 44 |

As of 31 December 2023, there were no hedges in place (2022: USD nil).

(b) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. These changes can arise from factors specific to the individual financial instrument or its issuer, as well as factors that affect all similar financial instruments traded in the market. Price risk encompasses fluctuations in market prices, excluding those arising from foreign exchange risk and interest rate risk.

(c) Cash flow and fair value interest rate risk

Fair value interest rate risk refers to the potential for the fair value or future cash flow of a financial instrument to fluctuate due to changes in market interest rates.

The Group's interest rate risk primarily arises from its long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings that have both fixed rates and a variable element expose the Group to both cash flow interest rate risk and fair value interest rate risk.

The Group conducts ongoing analysis of its interest rate exposure in a dynamic manner. This involves simulating various scenarios that consider factors such as refinancing, renewal of existing positions, and alternative financing. Through these simulations, the Group calculates the potential impact on profit or loss resulting from defined shifts in interest rates. The same interest rate shift is applied to all currencies in each simulation, and the scenarios are run for all interest-bearing borrowings.

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.1 Market risk (continued)

(c) Cash flow and fair value interest rate risk (continued)

Based on the simulations performed, the maximum increase or decrease in post-tax profit and equity resulting from a 10% shift in interest rates, with all other variables held constant, would be USD nil (2022: USD nil). These simulations are conducted quarterly to ensure that the maximum potential loss remains within the limit set by management, considering the nature of the existing loan facilities.

Currently, the Group does not hedge its short-term loans due to the characteristics and terms of the loan facilities. However, for long-term loans, the Group assesses risks and considers hedging when necessary. As of 31 December 2023, there were no hedges in place (2022: USD nil).

3.1.2 Credit risk

Credit risk is the risk that one party involved in a financial instrument fails to fulfil their obligation, resulting in a financial loss for the other party. The Group Finance manages credit risk on a Group level. This risk arises from cash held in banks, deposits with banks and financial institutions, as well as credit exposures to hotel customers, including outstanding receivables. Only well-established and reliable institutions are utilised when dealing with banks and financial institutions.

When assessing the credit quality of corporate customers, Group Finance considers factors such as their financial position, past experience, and market conditions. Customer credit limits are established based on internal and external information, and their utilisation is regularly monitored by Group Finance. As of 31 December 2023, there were no customers with balances exceeding their credit limits (2022: USD nil). However, a few debtors with a good track record may be allowed to exceed their credit limit under the supervision of the business unit general manager and hotel financial controller. Management believes that these amounts are collectible based on the historical record of the clients in question and the existing controls in place for managing such excess amounts.

Counterparty risk is further managed by maintaining constant engagement with credit customers to assess their current position and recoverability. All credit granted is subject to specific terms and conditions, and in cases where customers breach these terms, the Group takes legal action if the amounts involved are significant and recovery is feasible. As of 31 December 2023, customers with balances totalling USD 2 750 were handed over to debt collectors (2022: USD 4 563). Receivables handed over for legal action are typically written off as uncollectible, and they are reversed upon recovery.

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

| | GROUP | | COMPANY | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Trade receivables | 2 157 885 | 2 645 394 | - | - |
| Other financial assets (excluding prepayments) | 2 787 244 | 873 531 | 1 875 372 | 9 |
| Cash and cash equivalents | 10 869 828 | 11 463 432 | 354 | 439 |
| | 15 814 957 | 14 982 357 | 1 875 726 | 448 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

Impairment of financial assets

The Group has five types of financial assets that are subject to the expected credit loss model of IFRS 9. These financial assets include:

- Trade receivables from the sale of room nights, food, beverages, conferencing, property rentals, property sales, and other related activities.
- Staff receivables.
- Other receivables.
- Cash and cash equivalents.

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

(i) Trade receivables

The Group utilises the simplified approach of IFRS 9 for measuring expected credit losses, which involves using a lifetime expected credit loss allowance for all trade receivables. To determine the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the number of days past due. The trade receivables are categorised into the following groups:

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

The Legacy Management Services amounts pertain to trade receivables that were outstanding when the contract with the former manager was terminated. These balances are considered fully recoverable from the management fees balance due to Legacy Management Services.

The expected credit loss rates are derived from the payment profiles of sales over a period of 60 months prior to 1 January 2023.

The historical expected credit loss rates are adjusted to account for current and forward-looking information on macroeconomic factors that impact the customers' ability to settle the receivables. The Group has identified the effects of Covid-19, current liquidity challenges, inflation, and foreign currency shortages as the most relevant factors. Consequently, the historical credit loss rates have been adjusted based on the expected changes in these factors.

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

Based on this approach, the expected credit loss allowance for trade receivables as of 31 December 2023, and 31 December 2022, for the various groups were determined as follows:

| As at 31 December 2023 | Current | 30+ Days | 60+ Days | 90+ Days | 120+ Days | Balance |
|---------------------------------------|------------------|----------------|---------------|---------------|----------------|------------------|
| Corporates | | | | | | |
| Gross carrying amounts | 77 731 | 4 013 | 1 927 | 128 | 1 669 | 85 468 |
| Expected credit loss rate | 3.54% | 3.54% | 3.53% | 50.00% | 100.00% | 5.50% |
| Expected credit loss allowance | 2 755 | 142 | 68 | 64 | 1 669 | 4 698 |
| Tour operators | | | | | | |
| Gross carrying amounts | 133 082 | 119 594 | 61 898 | 49 958 | 57 319 | 421 851 |
| Expected credit loss rate | 3.77% | 3.77% | 3.77% | 50.00% | 100.00% | 22.32% |
| Expected credit loss allowance | 5 013 | 4 505 | 2 332 | 24 979 | 57 319 | 94 148 |
| Government | | | | | | |
| Gross carrying amounts | 95 001 | - | - | - | - | 95 001 |
| Expected credit loss rate | 2.13% | 0.00% | 0.00% | 0.00% | 0.00% | 2.13% |
| Expected credit loss allowance | 2 020 | - | - | - | - | 2 020 |
| Non-governmental organisations | | | | | | |
| Gross carrying amounts | 501 754 | 81 702 | 24 405 | 12 647 | 10 501 | 631 009 |
| Expected credit loss rate | 2.24% | 2.24% | 2.24% | 50.00% | 100.00% | 4.82% |
| Expected credit loss allowance | 11 242 | 1 831 | 547 | 6 324 | 10 501 | 30 445 |
| Legacy management services | | | | | | |
| Gross carrying amounts | - | - | - | - | 173 411 | 173 411 |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected credit loss allowance | - | - | - | - | - | - |
| Real estate | | | | | | |
| Gross carrying amounts | 9 424 | - | 28 | 3 784 | 361 227 | 374 463 |
| Expected credit loss rate | 100.00% | 0.00% | 100.00% | 100.00% | 10.45% | 13.62% |
| Expected credit loss allowance | 9 424 | - | 28 | 3 784 | 37 749 | 50 985 |
| Other | | | | | | |
| Gross carrying amounts | 18 971 | 8 818 | 387 | - | 17 440 | 45 616 |
| Expected credit loss rate | 18.14% | 18.13% | 18.09% | 0.00% | 100.00% | 49.43% |
| Expected credit loss allowance | 3 441 | 1 599 | 70 | - | 17 440 | 22 550 |
| Debtors in residence | | | | | | |
| Gross carrying amounts | 331 066 | - | - | - | - | 331 066 |
| Expected credit loss rate | 4.36% | 0.00% | 0.00% | 0.00% | 0.00% | 4.36% |
| Expected credit loss allowance | 14 436 | - | - | - | - | 14 436 |
| Total gross carrying amounts | 1 167 029 | 214 127 | 88 645 | 66 517 | 621 567 | 2 157 885 |
| Overall expected credit loss rate | 4.14% | 3.77% | 3.44% | 52.85% | 20.06% | 10.16% |
| Total expected credit losses | 48 331 | 8 077 | 3 045 | 35 151 | 124 678 | 219 282 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

| As at 31 December 2022 | Current | 30+ Days | 60+ Days | 90+ Days | 120+ Days | Balance |
|---------------------------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Corporates | | | | | | |
| Gross carrying amounts | 11 463 | 1 046 | 1 231 | - | 3 978 | 17 718 |
| Expected credit loss rate | 5.04% | 5.04% | 5.04% | 0.00% | 100.00% | 26.36% |
| Expected credit loss allowance | 577 | 53 | 62 | - | 3 978 | 4 670 |
| Tour operators | | | | | | |
| Gross carrying amounts | 170 426 | 171 318 | 92 115 | 52 081 | 150 964 | 636 904 |
| Expected credit loss rate | 2.05% | 2.84% | 2.84% | 50.00% | 100.00% | 29.51% |
| Expected credit loss allowance | 3 490 | 4 864 | 2 616 | 26 041 | 150 964 | 187 975 |
| Government | | | | | | |
| Gross carrying amounts | 38 298 | 34 661 | 69 591 | 86 211 | 219 020 | 447 781 |
| Expected credit loss rate | 2.40% | 2.40% | 2.40% | 50.00% | 100.00% | 59.30% |
| Expected credit loss allowance | 918 | 831 | 1 668 | 43 106 | 219 020 | 265 543 |
| Non-governmental organisations | | | | | | |
| Gross carrying amounts | 84 865 | 115 035 | 34 357 | 7 931 | 3 294 | 245 482 |
| Expected credit loss rate | 2.58% | 2.58% | 2.58% | 50.00% | 100.00% | 5.41% |
| Expected credit loss allowance | 2 185 | 2 962 | 885 | 3 966 | 3 294 | 13 292 |
| Legacy management services | | | | | | |
| Gross carrying amounts | - | - | - | - | 375 079 | 375 079 |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected credit loss allowance | - | - | - | - | - | - |
| Real estate | | | | | | |
| Gross carrying amounts | 60 240 | 402 | 1 312 | 86 730 | 58 944 | 207 628 |
| Expected credit loss rate | 1.52% | 1.85% | 2.68% | 50.00% | 100.00% | 49.74% |
| Expected credit loss allowance | 914 | 7 | 35 | 43 365 | 58 944 | 103 265 |
| Other | | | | | | |
| Gross carrying amounts | 31 480 | 8 420 | 367 | 132 | 16 678 | 57 077 |
| Expected credit loss rate | 13.82% | 13.82% | 13.82% | 50.00% | 100.00% | 39.08% |
| Expected credit loss allowance | 4 350 | 1 164 | 49 | 66 | 16 678 | 22 307 |
| Debtors in residence | | | | | | |
| Gross carrying amounts | 657 725 | - | - | - | - | 657 725 |
| Expected credit loss rate | 6.59% | 0.00% | 0.00% | 0.00% | 0.00% | 6.59% |
| Expected credit loss allowance | 43 330 | - | - | - | - | 43 330 |
| Total gross carrying amounts | 1 054 497 | 330 882 | 198 973 | 233 085 | 827 957 | 2 645 394 |
| Overall expected credit loss rate | 5.29% | 2.99% | 2.67% | 50.00% | 54.70% | 24.21% |
| Total expected credit losses | 55 764 | 9 881 | 5 315 | 116 544 | 452 878 | 640 382 |

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

The reconciliation of closing expected credit loss allowances for trade receivables as of 31 December 2023, to the opening expected credit loss allowances is as follows:

Expected credit loss allowance

| | GROUP | |
|--|------------------|------------------|
| All figures in USD | 31 December 2023 | 31 December 2022 |
| As at 1 January | 640 382 | 176 508 |
| Movement due to discontinued operations | (55 934) | 70 526 |
| Net impairment (reversal)/losses on financial assets during the year | (365 166) | 393 348 |
| As at 31 December | 219 282 | 640 382 |

(ii) Other financial assets at amortised cost

Other financial assets at amortized cost include debtors and receivables from staff and key management personnel, as well as receivables from related parties.

The credit loss allowance for other financial assets at amortized cost as of 31 December 2023, is reconciled to the opening loss allowance on 1 January 2023, and the closing loss allowance as of 31 December 2022, as follows:

| | GROUP | | |
|--|------------------------------------|-------------------|-----------------|
| All figures in USD | Staff and key management personnel | Other receivables | Total |
| Expected credit loss allowance | | | |
| As at 1 January 2022 | 1 156 | 56 543 | 57 699 |
| Net impairment losses on financial assets for the year | 242 | 70 338 | 70 580 |
| As at 31 December 2022 | 1 398 | 126 881 | 128 279 |
| As at 1 January 2023 | 1 398 | 126 881 | 128 279 |
| Net impairment losses on financial assets for the year | (284) | (40 159) | (40 443) |
| As at 31 December 2023 | 1 114 | 86 722 | 87 836 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(iii) Other financial assets at amortised cost (continued)

The net movement in impairment on financial assets recognised in profit or loss is as follows:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Net movement in expected credit loss allowance for trade receivables | (365 166) | 393 348 |
| Net movement in expected credit loss allowance for other financial instruments at amortised cost | (40 443) | 70 580 |
| Net impairment (reversal)/losses on financial assets | (405 609) | 463 928 |

(iv) Cash and cash equivalents

There is no concentration of credit risk regarding cash at bank, as the Group maintains accounts with high-quality financial institutions that are adequately capitalised and possess solid asset bases. The financial institutions holding the Group's cash and cash equivalents have the following external credit ratings:

| All figures in USD | GROUP | | COMPANY | |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| AA | 3 137 905 | 6 423 876 | - | - |
| AA- | 1 056 183 | 730 547 | - | - |
| A+ | 142 304 | 461 942 | - | - |
| A | 2 908 082 | 1 185 440 | 354 | 439 |
| A- | 2 793 167 | 2 471 394 | - | - |
| BBB+ | 418 366 | 49 883 | - | - |
| BBB | - | 323 | - | - |
| BBB- | 7 931 | 39 194 | - | - |
| BB- | - | 177 | - | - |
| | 10 463 938 | 11 362 776 | 354 | 439 |

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

3.1.3 Liquidity risk

Liquidity risk refers to the potential difficulty the Group may face in meeting obligations related to financial liabilities that are settled through cash or other financial assets.

Cash flow forecasting is conducted at the operating entity level of the Group and consolidated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure adequate cash is available to meet operational needs. It also maintains sufficient headroom on undrawn committed borrowing facilities to prevent any breach of borrowing limits or covenants (where applicable) on borrowing facilities. These forecasts consider the Group's debt financing plans, covenant compliance, internal financial position ratio targets, and external regulatory or legal requirements such as currency restrictions, if applicable.

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.3 Liquidity risk (continued)

Any excess cash held by the operating entities beyond working capital requirements is transferred to Group Finance. Group Finance invests surplus cash in interest-bearing current accounts, time deposits and money market deposits. The selection of investment instruments takes into account appropriate maturities or sufficient liquidity to provide the necessary headroom, as determined by the aforementioned forecasts.

The tables provided below analyse the Group's liquidity gap by categorising it into relevant maturity groupings based on the remaining time until contractual maturity at the reporting date. The amounts presented in the tables represent contractual undiscounted cash flows.

| All figures in USD | GROUP | | | Total |
|---|---------------------|--------------|----------------------|--------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | |
| As at 31 December 2023 | | | | |
| Liabilities | | | | |
| Trade and other payables | (13 200 844) | - | - | (13 200 844) |
| Lease Liabilities | (164 935) | (755 853) | (13 682 256) | (14 603 044) |
| Total liabilities | (13 365 779) | (755 853) | (13 682 256) | (27 803 888) |
| Assets held for managing liquidity risk | | | | |
| Trade and other receivables | 6 364 056 | 136 674 | 617 557 | 7 118 287 |
| Cash and cash equivalents | 10 869 828 | - | - | 10 869 828 |
| Total assets held for managing liquidity risk | 17 233 884 | 136 674 | 617 557 | 17 988 115 |
| Liquidity surplus/(gap) | 3 868 105 | (619 179) | (13 064 699) | (9 815 773) |
| Cumulative liquidity surplus/(gap) | 3 868 105 | 3 248 926 | (9 815 773) | - |
| As at 31 December 2022 | | | | |
| Liabilities | | | | |
| Trade and other payables | (9 455 015) | - | - | (9 455 015) |
| Lease Liabilities | (17 988) | (134 104) | (1 490 195) | (1 642 287) |
| Total liabilities | (9 473 003) | (134 104) | (1 490 195) | (11 097 302) |
| Assets held for managing liquidity risk | | | | |
| Trade and other receivables | 2 135 960 | 2 162 101 | - | 4 298 061 |
| Cash and cash equivalents | 11 463 432 | - | - | 11 463 432 |
| Total assets held for managing liquidity risk | 13 599 392 | 2 162 101 | - | 15 761 493 |
| Liquidity gap | 4 126 389 | 2 027 997 | (1 490 195) | 4 664 191 |
| Cumulative liquidity surplus | 4 126 389 | 6 154 386 | 4 664 191 | |

The Group currently faces a negative liquidity gap of USD 9 815 773 (2022: USD 4 598 717) as a result of cash balances and trade receivables being lower than the outstanding obligations. This indicates a shortfall in available funds to cover the Group's financial liabilities.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.3 Liquidity risk (continued)

| All figures in USD | COMPANY | | | Total |
|---|---------------------|--------------|----------------------|-------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | |
| As at 31 December 2023 | | | | |
| Liabilities | | | | |
| Borrowings | - | - | - | - |
| Trade and other payables | (778 987) | - | - | (778 987) |
| Total liabilities | (778 987) | - | - | (778 987) |
| Assets held for managing liquidity risk | | | | |
| Trade receivables | 1 875 372 | - | - | 1 875 372 |
| Cash and cash equivalents | 354 | - | - | 354 |
| Total assets held for managing liquidity risk | 1 875 726 | - | - | 1 875 726 |
| Liquidity gap | 1 096 739 | - | - | 1 096 739 |
| Cumulative liquidity surplus | 1 096 739 | 1 096 739 | 1 096 739 | - |
| As at 31 December 2022 | | | | |
| Liabilities | | | | |
| Trade and other payables | (1 477 174) | - | - | (1 477 174) |
| Total liabilities | (1 477 174) | - | - | (1 477 174) |
| Assets held for managing liquidity risk | | | | |
| Trade receivables | 9 | - | - | 9 |
| Cash and cash equivalents | 439 | - | - | 439 |
| Total assets held for managing liquidity risk | 448 | - | - | 448 |
| Liquidity gap | (1 476 726) | - | - | (1 476 726) |
| Cumulative liquidity gap | (1 476 726) | (1 476 726) | (1 476 726) | - |

The Company's liquidity surplus primarily stems from the dividends received during the year from its subsidiaries, specifically Dawn Properties Limited. These dividend inflows contributed significantly to the Company's overall liquidity position.

3 Financial Risk Management (continued)

3.2 Capital management

(i) Risk management

The capital structure of the Group primarily consists of equity, which includes issued ordinary share capital and premium, retained earnings, and other reserves as detailed in note 15 of the financial statements.

The Group's capital management objectives are twofold: to ensure the Group's ability to continue operating as a going concern, providing returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure that minimizes the cost of capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

To maintain or adjust shareholders' equity, the Group may take various actions, including adjusting the amount of dividends paid to shareholders, returning capital to shareholders, issuing new shares, or selling assets to reduce debt.

The Group monitors its capital position based on the gearing ratio. This ratio is calculated by dividing net debt by total capital. Net debt is determined by deducting cash and cash equivalents from total borrowings (including current and non-current borrowings as presented in the statement of financial position). Total capital is the sum of "equity" as reported in the statement of financial position and net debt.

As of 31 December 2023, the gearing ratio was negative, indicating that the Group's debt exceeded its cash holdings. The gearing ratios at 31 December 2023, and 2022 were as follows:

| All figures in USD | GROUP | | COMPANY | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Lease liabilities | 14 603 044 | 1 642 287 | - | - |
| Less cash and cash equivalents (note 14) | (10 869 828) | (11 463 432) | (354) | (439) |
| Net debt | 3 733 216 | (9 821 145) | (354) | (439) |
| Total equity | 99 945 486 | 96 782 979 | 13 533 241 | 10 869 478 |
| Total capital | 99 945 486 | 96 782 979 | 13 533 241 | 10 869 478 |
| Gearing ratio | (4%) | 10% | 0% | 0% |
| Net debt reconciliation | | | | |
| Lease liabilities | 14 603 044 | 1 642 287 | - | - |
| Less cash and cash equivalents (note 14) | (10 869 828) | (11 463 432) | (354) | (439) |
| Net debt | 3 733 216 | (9 821 145) | (354) | (439) |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

3 Financial Risk Management (continued)

3.2 Capital management (continued)

(ii) Dividends

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Final dividend for the year ended 31 December 2022 of USD 0.0729 cents per fully paid share (2021: USD 0.0363 cents) | 1 076 679 | 536 998 |
| An interim dividend of USD 0.0507 cents per fully paid share was declared for the year ended 31 December 2023 (2022: USD 0.0669 cents), out of the profits for the year ended 31 December 2023. | 750 035 | 988 611 |
| Total dividends declared and paid during the year | 1 826 714 | 1 525 610 |
| Subsequent to year-end, a final dividend of USD 0.0237 cents per fully paid share was declared (2022 – USD 0.0729 cents), out of the profits for the year ended 31 December 2023. | 350 000 | 1 076 679 |

4 Critical Accounting Estimates and Judgements

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

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

The Group’s financial statements are prepared in compliance with applicable tax laws and regulations. The determination of the Group’s tax liabilities involves the use of estimates and assumptions, which are subject to inherent uncertainties. The Group identifies and determines its tax obligations based on the tax laws and regulations of the jurisdictions in which it operates. The Group regularly monitors changes in tax legislation and assesses their potential impact on tax liabilities. The Group’s tax liabilities are determined based on the interpretation and application of complex tax laws and regulations. The Group relies on internal and external tax experts to ensure proper compliance and accurate interpretation of the tax laws. The calculation of tax liabilities requires the estimation of taxable income and deductible expenses. These estimates are based on management’s assessment of the Group’s operations, including revenue recognition, cost allocation, and the availability of tax incentives and exemptions. The Group evaluates uncertain tax positions in accordance with the applicable tax laws and accounting standards. The recognition and measurement of uncertain tax positions require judgement and estimation of the likelihood of success in challenging tax positions.

The Group’s significant operations are based in Zimbabwe and therefore, its tax liabilities are determined in accordance with the Zimbabwean tax legislation. It is important to note that the local tax legislation has undergone changes, leading to different interpretations among taxpayers and the tax administration authority, Zimbabwe Revenue Authority (ZIMRA). During the current reporting period, the Group focused on the following areas in determining its current year tax obligation:

(i) Determination of Capital Allowances and Tax Bases

The Group has assessed its capital allowances and tax bases in accordance with the requirements of Finance Act no. 10 of 2022. This legislation provides guidance on the allowable deductions for capital expenditures and the determination of tax bases for various assets.

4 Critical Accounting Estimates and Judgements (continued)

(a) Income taxes (continued)

(ii) Preparation of ZWL and USD Tax Returns

In compliance with the new requirements of the Income Tax Act Section 37AA, the Group has prepared separate tax returns for transactions conducted in Zimbabwean Dollars (ZWL) and United States Dollars (USD). This involves the appropriate splitting of income and expenses between the two currencies, aligning with the regulatory provisions.

(iii) Application of Public Notice no. 75 of 2022 and Inconsistency with Income Tax Act Section 37AA

The Group has considered the implications of Public Notice no. 75 of 2022 on opening balances, which addresses the treatment of certain tax-related items. However, the Group concluded that there is an inconsistency between this notice and the provisions outlined in the Income Tax Act Section 37AA. The Group has carefully assessed the impact of these inconsistencies in order to comply with the relevant regulations while ensuring accurate tax reporting.

The Group acknowledges that the interpretation and application of the evolving tax legislation may introduce uncertainty in determining its tax obligations. It actively engages with professional tax advisors and closely monitors developments in tax laws and regulations to ensure compliance.

(b) Recognition of deferred tax assets and liabilities

The recognition and measurement of deferred tax assets and liabilities involve estimating the timing and amount of future taxable income and the applicable tax rates. These estimates are based on management’s assessment of future business plans and tax planning strategies. The Group regularly reviews its tax assumptions and adjusts them as necessary to reflect changes in tax laws, regulations, and business circumstances.

However, the actual tax liabilities may differ from these estimates due to changes in tax laws, changes in the Group’s business operations, or the outcome of tax audits and disputes.

(c) Determination of lease terms

The Group leases various office buildings, hotel buildings, golf course, car park and staff housing. Rental contracts are typically made for fixed years of two years to 15 years. Leases for hotel buildings have extension options for renewal at the end of the lease up to five renewals at the option of the Group.

The Group determined that the non-cancellable year of the leases are the original lease terms, together with the years covered by options to extend the leases that the Group is reasonably certain to extend because of both significant leasehold improvements undertaken, and the importance of the underlying lease assets to the Group’s operations.

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

4 Critical Accounting Estimates and Judgements (continued)

(d) Measurement of expected credit losses on financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3.1.

(e) Key assumptions used in estimating the fair value of property and equipment and investment property

The property and equipment and investment property, was valued as at 31 December 2023 by Edinview Property Global (Private) Limited (EPG) in accordance with the relevant professional guidelines and statements issued under the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual, International Valuations Standards Committee ("IVSC") and the Real Estate Institute of Zimbabwe ("REIZ") Standards.

Freehold properties were valued in USD 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.

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

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

(f) Going concern

The Directors assess the ability of the Group to continue operating as a going concern at the end of each reporting period. As at 31 December 2023, the Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. Some of the initiatives implemented to ensure the Group improves its profitability and continues as a going concern are discussed in note 2.

While management believes that the going concern assumption is appropriate, it is important to note that there are inherent uncertainties in business operations and external factors that may impact the entity's ability to continue as a going concern. These uncertainties include, but are not limited to, unforeseen economic downturns, significant changes in industry conditions, or adverse legal or regulatory developments.

(g) Functional currency assessment

The financial statements have been prepared using the functional currency as the basis for measurement and presentation. Assets and liabilities denominated in foreign currencies are translated into the functional currency using the appropriate exchange rates at the reporting date. Income and expenses denominated in foreign currencies are translated using the average exchange rates for the reporting period, or in accordance with applicable accounting standards.

It is important to note that the selection of the functional currency is a matter of judgement based on the specific circumstances of the Company. The functional currency assumption may change if there are significant changes in the Company's operations or economic environment.

5 Change in Accounting Policy

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

6 Segment Information

The Group's operations are divided into five distinctive business segments, which are categorised according to the products and services offered. The Executive Committee, serving as the chief operating decision-maker, assesses the performance of each segment and determines the allocation of resources based on these segmentations.

Operating segments are;

- 1. City and Country Hotels**
This particular segment includes Troutbeck Resort, Holiday Inn Harare, Holiday Inn Bulawayo, Holiday Inn Mutare, and Monomotapa Hotel.
- 2. Resort Hotels**
This segment comprises Elephant Hills Resort and Conference Centre, Hwange Safari Lodge, Great Zimbabwe Hotel, and Caribbea Bay Resort.
- 3. Partnership Hotel**
The Victoria Falls Hotel, which is jointly operated with Meikles Hospitality (Private) Limited, makes up this segment. The Victoria Falls Hotel is an affiliate of the Leading Hotels of the World ("LHW"), a prestigious organisation in the hospitality industry. The operation and management of The Victoria Falls Hotel involve a partnership between the Group and Meikles Hospitality, emphasising a collaborative approach to deliver exceptional services and experiences in line with the standards set by LHW.
- 4. Real Estate**
Within this segment, there are eight hotels owned by the Group. Out of these eight hotels, seven are leased to the hotel operating segments mentioned earlier. Additionally, the segment also includes two timeshare lodges, residential properties located in Harare, and extensive undeveloped land holdings spread across Zimbabwe. The purpose of holding these properties may vary, with some intended for sale while others are held for potential capital appreciation.
- 5. Other**
This segment consists of three components: Sun Leisure, Central Office, and the South Africa Reservation Office. Sun Leisure serves as the Group's travel and tours division, offering various travel and leisure services. The Central Office provides centralised administrative and support functions to facilitate the operations of the Group. The South Africa Reservation Office operates as a regional sales and marketing office based in South Africa, with a primary focus on international and regional sales activities.

The Executive Committee evaluates the performance of the operating segments using the following key indicators:

- Occupancies;
- Hotel revenue per available room ("RevPAR");
- Hotel average daily room rate ("ADR");
- Revenues; and
- Profitability.

Segment Revenue

Segment revenue represents revenue earned by each business segment from external 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 does not rely on any one specific customer as none of its customers contributes a minimum of 10% of its revenue.

The Executive Committee have reassessed the relevance of the current basis for determining segment analysis, with changes in hotel differentiations expected from 2024 onwards.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

6 Segment Information (continued)

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

| All figures in USD | City and Country Hotels | Resort Hotels | Partnership Hotel |
|---|----------------------------|--------------------|----------------------|
| Year ended 31 December 2023 | | | |
| Revenue: | | | |
| Sale of room nights | 14 922 614 | 9 083 180 | 3 977 265 |
| Sale of food and beverages | 12 826 342 | 7 854 030 | 1 297 319 |
| Management fees and commissions | - | - | - |
| Conferencing | 741 249 | 1 534 728 | - |
| Property development sales | - | - | - |
| Property rentals | - | - | - |
| Other income | 378 145 | 712 382 | 175 844 |
| Revenue from contracts with customers | 28 868 350 | 19 184 320 | 5 450 428 |
| Revenue from discontinued operations | | | |
| Casino | - | - | - |
| The Kingdom at Victoria Falls Hotel | - | 3 035 | - |
| Material (expenses)/income | | | |
| Cost of sales | (8 765 524) | (5 462 528) | (1 127 386) |
| Employee benefit expenses | (4 381 006) | (3 030 389) | (635 595) |
| Operating lease costs | (1 821 516) | (2 018 879) | (542 217) |
| Fair value gains/(loss) on investment property | - | - | - |
| Exchange gain/(loss) | 3 268 469 | 3 038 059 | (1 964 818) |
| | (11 699 577) | (7 473 737) | (4 270 016) |
| Other information | | | |
| EBITDA | 10 961 937 | 7 488 070 | (376 672) |
| Depreciation and impairment loss | (1 633 231) | (1 535 446) | (637 273) |
| Rights of use assets amortisation | (475 031) | (73 147) | (10 304) |
| Finance costs - borrowings (net) | 8 133 | 17 501 | 12 858 |
| Finance costs - lease liabilities | (1 140 754) | (139 808) | (19 771) |
| Profit/(loss) before tax | 7 721 054 | 5 757 170 | (1 031 162) |
| Total assets as at 31 December 2023 | 30 570 657 | 15 045 888 | 5 849 928 |
| Additions to non-current assets (other than financial instruments and deferred tax assets): | | | |
| -Property and equipment | 1 645 726 | 3 064 649 | 72 866 |
| Total liabilities as at 31 December 2023 | 16 826 075 | 5 837 435 | 872 931 |
| Key performance indicators | | | |
| Occupancy (%) | 59% | 44% | 36% |
| ADR | 91 | 112 | 404 |
| RevPAR | 53 | 49 | 146 |
| Total RevPAR | 103 | 104 | 200 |

| Real Estate | Others | Intersegment transactions | Consolidated |
|--------------------|--------------------|------------------------------|---------------------|
| - | - | - | 27 983 059 |
| - | - | - | 21 977 691 |
| - | 345 716 | (307 396) | 38 320 |
| - | - | - | 2 275 977 |
| 390 815 | - | - | 390 815 |
| 4, 10 499 | - | (3 742 645) | 467 854 |
| - | 805 118 | (478 971) | 1 592 518 |
| 4 601 314 | 1 150 834 | (4 529 012) | 54 726 234 |
| - | 10 981 | - | 10 981 |
| - | - | - | 3 035 |
| (339 113) | (137 609) | - | (15 832 160) |
| (263 716) | (3 957 980) | - | (12 268 686) |
| - | (44 519) | 3 742 645 | (684 486) |
| 897 709 | - | (803 830) | 93 879 |
| (4 400 406) | (739 135) | (1 306 886) | (2 104 717) |
| (4 105 526) | (4 879 243) | 1 631 929 | (30 796 170) |
| 93 928 | (4 151 859) | (4 567 741) | 9 447 663 |
| (6 389) | (426 098) | (854 018) | (5 092 455) |
| - | (4 142) | - | (612 624) |
| 35 724 | 144 869 | - | 219 085 |
| - | (44 145) | - | (1 344 478) |
| 123 263 | (4 531 375) | (5 421 759) | 2 617 191 |
| 77 839 730 | 25 452 576 | (12 426 233) | 142 332 546 |
| - | 370 981 | 431 291 | 5 585 513 |
| 5 079 700 | 8 799 780 | 4 971 139 | 42 387 060 |
| - | - | - | 52% |
| - | - | - | 110 |
| - | - | - | 57 |
| - | - | - | 109 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

6 Segment Information (continued)

| All figures in USD | City and Country Hotels | Resort Hotels | Partnership Hotel |
|---|----------------------------|--------------------|----------------------|
| Year ended 31 December 2022 | | | |
| Revenue: | | | |
| Sale of room nights | 12 717 807 | 7 002 548 | 2 013 990 |
| Sale of food and beverages | 8 952 111 | 5 433 531 | 531 537 |
| Management fees and commissions | - | - | - |
| Conferencing | 472 347 | 489 219 | - |
| Property development sales | - | - | - |
| Property rentals | - | - | - |
| Other income | 1 698 742 | 1 457 098 | 323 280 |
| Revenue from contracts with customers | 23 841 007 | 14 382 396 | 2 868 807 |
| Gaming | - | - | - |
| Total revenue | 23 841 007 | 14 382 396 | 2 868 807 |
| Revenue from discontinued operations | | | |
| Dawn Property Consultancy (Private) Limited | - | - | - |
| The Kingdom at Victoria Falls Hotel | - | 3 798 062 | - |
| Material (expenses)/income | | | |
| Cost of sales | (6 635 760) | (3 949 500) | (576 351) |
| Employee benefit expenses | (2 829 859) | (1 709 659) | (370 032) |
| Operating lease costs | (2 213 633) | (1 583 686) | (281 502) |
| Fair value gains on investment property | - | - | - |
| Exchange (loss)/gain | (1 020 519) | (1 250 118) | 623 423 |
| | (12 699 771) | (8 492 963) | (604 462) |
| Other information | | | |
| EBITDA | 5 648 795 | 2 910 388 | 1 269 737 |
| Depreciation and impairment loss | (1 587 692) | (851 229) | (329 737) |
| Rights of use assets amortisation | (82 429) | (190) | (70) |
| Finance costs - borrowings (net) | (111 770) | (74 861) | - |
| Finance costs - lease liabilities | (261 170) | (471) | (183) |
| Net monetary loss - IAS 29 | - | - | - |
| Profit/(loss) before tax | 3 605 734 | 1 983 637 | 939 747 |
| Total assets as at 31 December 2022 | 23 517 787 | 16 733 854 | 6 166 766 |
| Total assets include: | | | |
| Additions to non-current assets (other than financial instruments and deferred tax assets): | | | |
| -Property and equipment | 1 165 344 | 2 130 953 | 544 585 |
| Total liabilities as at 31 December 2022 | 6 903 729 | 5 684 738 | 723 335 |
| Key performance indicators | | | |
| Occupancy (%) | 58% | 41% | 27% |
| ADR | 78 | 92 | 279 |
| RevPAR | 45 | 38 | 74 |
| Total RevPAR | 85 | 78 | 105 |

| Real Estate | Others | Intersegment transactions | Consolidated |
|-------------------|--------------------|------------------------------|---------------------|
| - | - | - | 21 734 345 |
| - | - | - | 14 917 179 |
| - | 507 497 | (507 497) | - |
| - | - | - | 961 566 |
| 280 384 | - | - | 280 384 |
| 3 396 261 | - | (2 977 793) | 418 468 |
| - | 288 977 | (6 007) | 3 762 090 |
| 3 676 645 | 796 474 | (3 491 297) | 42 074 032 |
| - | 67 579 | - | 67 579 |
| 3 676 645 | 864 053 | (3 491 297) | 42 141 611 |
| 724 773 | - | - | 724 773 |
| - | - | - | 3 798 062 |
| (201 433) | (75 067) | - | (11 438 111) |
| (284 078) | (2 420 620) | - | (7 614 248) |
| (7 296) | (21 315) | 2 977 795 | (1 129 637) |
| 17 947 587 | - | (17 633 418) | 314 169 |
| 1 867 519 | 6 881 398 | - | 7 101 703 |
| 19 322 299 | 4 364 396 | (14 655 623) | (12 766 124) |
| 25 127 044 | 742 431 | (17 843 104) | 17 855 291 |
| (132 770) | (392 349) | (677 796) | (3 971 573) |
| - | (17 716) | - | (100 405) |
| 843 | 56 636 | - | (129 152) |
| - | (10 162) | - | (271 986) |
| (2 834 474) | (2 355 716) | - | (5 190 190) |
| 22 160 643 | (1 976 876) | (18 520 900) | 8 191 985 |
| 94 431 431 | 11 456 608 | (30 780 073) | 121 526 373 |
| 42 381 | 199 109 | 272 218 | 4 354 590 |
| 2 499 693 | 2 996 921 | 5 934 978 | 24 743 394 |
| - | - | - | 46% |
| - | - | - | 79 |
| - | - | - | 36 |
| - | - | - | 69 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

7 Property and Equipment

7.1 Group

| All figures in USD | Freehold properties | Leasehold properties | Equipment |
|---|---------------------|----------------------|--------------------|
| Year ended 31 December 2022 | | | |
| Opening net book value | 54 765 240 | 2 342 995 | 8 824 253 |
| Additions | 272 218 | 765 046 | 890 489 |
| Transfers in/(out) | - | 856 821 | 380 413 |
| Foreign exchange difference | - | - | 5 472 |
| Disposals | - | (52 224) | (151 265) |
| Accumulated depreciation on disposals | - | 52 224 | 58 383 |
| Assets held for sale | - | - | (132 777) |
| Revaluation-cost | 21 822 000 | 2 002 324 | 7 937 577 |
| Revaluation-depreciation | (1 724 989) | 405 507 | (4 643 305) |
| Depreciation and usage | (726 615) | (1 066 942) | (1 920 919) |
| Closing net book value | 74 407 854 | 5 305 751 | 11 248 321 |
| As at 31 December 2022 | | | |
| Revalued cost | 81 014 209 | 8 279 167 | 29 917 356 |
| Accumulated depreciation and accumulated impairment | (6 606 355) | (2 973 416) | (18 669 035) |
| Net book value | 74 407 854 | 5 305 751 | 11 248 321 |
| Amounts restated | (12 472 375) | (1 030 285) | (1 645 963) |
| Restated net book value | 61 935 479 | 4 275 466 | 9 602 358 |
| Year ended 31 December 2023 | | | |
| Opening net book value | 61 935 479 | 4 275 466 | 9 602 358 |
| Additions | 431 291 | 1 139 794 | 2 815 056 |
| Transfers in/(out) | - | 2 102 274 | - |
| Foreign exchange difference | - | - | (2 109) |
| Impairment | - | - | - |
| Disposals | - | (18 884) | (2 575 442) |
| Accumulated depreciation on disposals | - | 6 832 | 1 953 300 |
| Asset held for sale | - | - | - |
| Revaluation-cost | 4 385 148 | - | (1 460 507) |
| Revaluation-depreciation | 133 448 | - | 2 418 144 |
| Depreciation and usage | (904 766) | (834 059) | (2 563 776) |
| Closing net book value | 65 980 600 | 6 671 423 | 10 187 024 |
| As at 31 December 2023 | | | |
| Revalued cost | 71 146 418 | 10 011 791 | 24 941 504 |
| Accumulated depreciation and accumulated impairment | (5 165 818) | (3 340 368) | (14 754 480) |
| Net book value | 65 980 600 | 6 671 423 | 10 187 024 |

| Service stocks | Motor vehicles | Capital work in progress | Total |
|----------------|------------------|--------------------------|---------------------|
| 114 325 | 1 659 330 | 1 554 846 | 69 260 989 |
| 107 589 | 318 980 | 2 000 268 | 4 354 590 |
| 532 | - | (1 237 766) | - |
| - | - | - | 5 472 |
| - | (2 649) | - | (206 138) |
| - | 1 928 | - | 112 535 |
| - | (164 338) | - | (297 115) |
| - | 273 954 | - | 32 035 855 |
| - | 448 565 | - | (5 514 222) |
| (87 036) | (512 392) | - | (4 313 904) |
| 135 410 | 2 023 378 | 2 317 348 | 95 438 062 |
| 222 446 | 2 164 238 | 2 317 348 | 123 914 764 |
| (87 036) | (140 860) | - | (28 476 702) |
| 135 410 | 2 023 378 | 2 317 348 | 95 438 062 |
| - | (298 350) | - | (15 446 973) |
| 135 410 | 1 725 028 | 2 317 348 | 79 991 089 |
| 135 410 | 1 725 028 | 2 317 348 | 79 991 089 |
| 303 468 | 416 393 | 479 511 | 5 585 513 |
| - | - | (2 102 274) | - |
| - | - | - | (2 109) |
| - | - | - | - |
| - | (122 971) | - | (2 717 297) |
| - | 21 620 | - | 1 981 752 |
| - | (314 604) | - | - |
| - | 672 163 | - | 2 610 037 |
| (198 562) | (617 636) | - | 3 223 755 |
| 240 316 | 1 779 993 | 694 585 | (5 118 799) |
| 438 878 | 1 786 747 | 694 585 | 85 553 941 |
| (198 562) | (6 754) | - | 109 019 923 |
| 240 316 | 1 779 993 | 694 585 | (23 465 982) |
| 240 316 | 1 779 993 | 694 585 | 85 553 941 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

7 Property and Equipment (continued)

7.1 Group (continued)

On the effective date of the change in functional currency, the property and equipment were valued in USD instead of the ZWL functional currency. This decision was made because the valuation inputs for the ZWL functional currency as at December 31, 2022, were influenced by alternative market rates, and translating the ZWL balances of property and equipment into USD using the closing official rate would have led to an overvaluation of property and equipment in USD. In order to present the fair view of the Group’s comparative financial position, the Directors determined that valuing the property and equipment on December 31, 2022 in the newly assessed functional currency, USD, was appropriate. The Directors made the resolution to adopt the USD valuation figures for property and equipment to ensure a fair representation of the opening balance sheet following the change in functional currency (refer to note 2.1.3 (b) for the effects of restatement of the opening balances).

As of December 31, 2023, the Group revalued all categories of property and equipment, except for Leasehold Improvements, Capital Work In Progress, and Services Stocks. These specific categories of assets were carried at their original cost without any revaluation adjustments. The decision to maintain these assets at cost without revaluation suggests that their fair values were not deemed to have significantly changed since their initial recognition.

Capital work in progress represents the costs incurred for refurbishment equipment and hotel furniture, fittings, and equipment during the financial year. These assets are still in the process of being completed and are not yet ready for use. As per accounting practices, capital work in progress is not depreciated until it is brought into use or deemed ready for its intended purpose. Once the assets are completed and put into operation, they are reclassified as property and equipment and depreciation is then applied based on their useful lives. Until that point, the costs associated with capital work in progress are not subject to depreciation.

Included in depreciation for the year ended 31 December 2023 is an amount of USD 26 345 which relates to discontinued operations. However, this specific amount has not been included in the depreciation expense reported in the statement of profit or loss and other comprehensive income.

As of December 31, 2023, the Group did not have any contractual commitments for the acquisition of property and equipment (2022: USD nil). This means that there were no binding agreements or obligations in place that required the Group to purchase additional property and equipment at that time.

7 Property and Equipment (continued)

7.2 Company

| All figures in USD | Leasehold properties | Equipment | Total |
|---|----------------------|-----------|-----------|
| Year ended 31 December 2022 | | | |
| Opening net book value | 19 579 | 17 363 | 36 942 |
| Disposals | - | (375) | (375) |
| Accumulated depreciation on disposals | - | 283 | 283 |
| Revaluation- cost | 14 835 | 39 304 | 54 139 |
| Revaluation- depreciation | (10 626) | (31 325) | (41 951) |
| Depreciation | (18 262) | (4 023) | (22 285) |
| Closing net book value | 5 526 | 21 227 | 26 753 |
| As at 31 December 2022 | | | |
| Revalued cost | 55 423 | 75 786 | 131 209 |
| Accumulated depreciation and accumulated impairment | (49 897) | (54 559) | (104 456) |
| Net book value | 5 526 | 21 227 | 26 753 |
| Amounts restated | (755) | (2 910) | (3 665) |
| Restated net book value | 4 771 | 18 317 | 23 088 |
| Year ended 31 December 2023 | | | |
| Opening net book value | 4 771 | 18 317 | 23 088 |
| Revaluation- cost | - | 703 | 703 |
| Depreciation | (3 922) | (6 125) | (10 047) |
| Closing net book value | 849 | 12 895 | 13 744 |
| As at 31 December 2023 | | | |
| Revalued cost | 23 566 | 46 911 | 70 477 |
| Accumulated depreciation and accumulated impairment | (22 717) | (34 016) | (56 733) |
| Net book value | 849 | 12 895 | 13 744 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

8 Biological Assets

The Group possesses biological assets in the form of a timber plantation, primarily intended for the eventual sale of raw timber. As of 31 December 2023, the total area covered by the timber plantation is approximately 174.0 hectares (2022: 150.5 hectares).

The carrying amount of the timber plantation was assessed as fair value less cost to sell as of 31 December 2023. For the plantation aged between 15 to 30 years, fair value determination was based on prices and relevant information derived from market transactions involving timber of similar age. Market prices obtained from the local market, which is considered the primary market, were utilised for the valuation. Fair values for timber plantations under 15 years of age were determined by considering the amount required currently to replace the asset's service capacity (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.

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Timber plantations | | |
| Mature (trees which are 15 years and older) | 191 394 | 158 613 |
| Immature (trees which are below 15 years) | 143 187 | 126 798 |
| | 334 581 | 285 411 |

The fair value measurements of the timber has been categorised as level 3 (2022 : 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 2023:

| All figures in USD | Level 3 | Total |
|--------------------|----------------|----------------|
| Timber plantations | | |
| -mature | 191 394 | 191 394 |
| -immature | 143 187 | 143 187 |
| | 334 581 | 334 581 |

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

| All figures in USD | Level 3 | Total |
|--------------------|----------------|----------------|
| Timber plantations | | |
| -mature | 158 613 | 158 613 |
| -immature | 126 798 | 126 798 |
| | 285 411 | 285 411 |

8 Biological Assets (continued)

The reconciliation in the fair value of biological assets is as follows:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Fair value as at 1 January | 285 411 | 539 052 |
| Fair value gains/(losses) less estimated point of sale costs | 49 170 | (253 641) |
| As at 31 December | 334 581 | 285 411 |
| Net fair value gains/(losses) for the year included in the statement of comprehensive income | 49 170 | (253 641) |

No timber was sold during the year (2022: USD nil).

There are no biological assets with restricted title or pledged as collateral (2022: USD nil).

There are no commitments for the development or acquisitions of biological assets (2022: USD nil).

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

Observability

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

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

9 Investment Property

| All figures in USD | GROUP 31 December 2023 | 31 December 2022 |
|--|------------------------------|---------------------|
| As at 01 January | 12 419 021 | 15 358 276 |
| Additions | - | - |
| Transfer to assets classified as held for sale | (1 410 000) | (3 642 384) |
| Disposals | (1 332 000) | (279 561) |
| Fair value gains | 1 003 879 | 982 690 |
| As at 31 December | 10 680 900 | 12 419 021 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

9 Investment Property (continued)

To fairly represent the Group's comparative financial position after the change in functional currency, the investment properties were restated. The management concluded that valuing the investment property on December 31, 2022, in the newly adopted functional currency, USD, was the appropriate course of action. This decision was made to ensure a fair representation of the opening balance sheet following the change in functional currency. For more comprehensive information regarding the impact of restating the opening balances, please refer to note 2.1.3 (b) in the accompanying documentation. It provides detailed explanations and disclosures related to the effects of restatement.

Investment property comprises real estate properties held for the purpose of earning rentals and capital appreciation. Initially, investment property is recognised at its cost and subsequently measured at fair value. Any changes in fair value, resulting in gains or losses, are recognised in the profit or loss statement. As of 31 December 2023, all investment properties were reported at their fair value. For more detailed information regarding the underlying assumptions utilised in determining the fair value of investment properties, please refer to Note 4(e) in the financial statements.

In line with the Group's strategy to optimise its property portfolio and focus on properties with higher returns, the Board made the decision to sell the Beitbridge Express Hotel. Additionally, two commercial stands were also put up for sale during the year. The previous year's transfer from investment property to assets classified as held for sale, as mentioned above, pertains to the reclassification of the Beitbridge Express Hotel from investment property to non-current assets held for sale. Similarly, in the current year, the transfer refers to the two commercial stands being sold. All of these assets fulfilled the necessary criteria to be classified as non-current assets held for sale. Throughout the year, the Group actively marketed these assets to various interested parties, with the objective of finalising the sales by the end of June 2024.

10 Discontinued Operations and Assets Classified as Held for Sale

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

The Group successfully disposed DPC at the beginning of the current year. Refer to note 10.7 for details relating to the disposed assets and liabilities of DPC.

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

The Group made the mutual decision to terminate the lease agreement for The Kingdom at Victoria Falls Hotel with Makasa Sun (Private) Limited ("the Landlord") effective December 31, 2022. This decision was approved by the Board on June 20, 2022, with the intention to cease operations by the end of the year. Please refer to note 10.4 for details regarding the costs incurred after the hotel's closure, which are included in the loss from discontinued operations.

10.3 Harare Sun Casino and Makasa Casino

Following the closure of The Kingdom at Victoria Falls Hotel, the Group made the decision to terminate its "Casino" operations. The license for the Harare Sun Casino was closely linked to the Makasa Casino, which operated within The Kingdom hotel. Consequently, with the closure of The Kingdom hotel, both casinos were subsequently shut down. The closure of The Kingdom hotel had a significant impact on the operations and licensing of the associated casinos, leading to their termination.

10 Discontinued Operations and Assets Classified as Held for Sale (continued)

10.4 Analysis of the profit for the year from discontinued operations

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

Statement of comprehensive income for the period ended 31 December 2023

| All figures in USD | DPC | Casino | Kingdom Hotel | Total |
|---|----------|------------------|------------------|------------------|
| Revenue | - | 10,981 | 3 035 | 14 016 |
| Cost of sales | - | (4 544) | (6 446) | (10 990) |
| Other expenses | - | (21 319) | (374 548) | (395 867) |
| Operating expenses | - | (206 096) | (286 697) | (492 793) |
| Loss for the year from discontinued operations | - | (220 978) | (664 656) | (885 634) |

Statement of comprehensive income for the year ended 31 December 2022

| All figures in USD | DPC | Windspike | Kingdom Hotel | Total |
|--|----------------|----------------|--------------------|--------------------|
| Revenue | 1 065 996 | - | 4 562 516 | 5 628 512 |
| Cost of sales | - | - | (1 457 513) | (1 457 513) |
| Other income/(expenses) | 207 376 | 131 015 | (1 281 077) | (942 686) |
| Operating expenses | (943 978) | (875) | (2 974 766) | (3 919 619) |
| Finance income/(costs) | 1 294 | - | (57 630) | (56 336) |
| Net monetary gain (IAS29) | 470 216 | - | - | 470 216 |
| Profit/(loss) before tax | 800 904 | 130 140 | (1 208 470) | (277 426) |
| Income tax expense | (26 348) | (8 477) | (114 137) | (148 962) |
| Profit/(loss) for the year from discontinued operations before the intra-company transactions elimination | 774 556 | 121 663 | (1 322 607) | (426 388) |
| Intra-group transactions eliminated | (179 016) | - | - | (179 016) |
| Profit/(loss) for the year from discontinued operations | 595 540 | 121 663 | (1 322 607) | (605 404) |

10.5 Analysis of cash flows from discontinued operations

| All figures in USD | DPC | Windspike | Kingdom Hotel | Total |
|--|----------------|-----------|------------------|-----------------|
| Net cash generated from operating activities | 787 426 | - | (107 763) | 679 663 |
| Net cash used in investing activities | (32 438) | - | (44 710) | (77 148) |
| Net cash used in financing activities | - | - | (90) | (90) |
| Net increase/(decrease) in cash and cash equivalents for the year | 754 988 | - | (152 563) | 602 425 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

10 Discontinued Operations and Assets Classified as Held for Sale (continued)

10.6 Analysis of assets and liabilities from discontinued operations

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

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Property and equipment | - | 297 115 |
| Inventories | - | 18 386 |
| Trade and other receivables | - | 118 344 |
| Total assets classified as held for sale | - | 433 845 |
| Liabilities | | |
| Trade and other payables | - | 63 538 |
| Deferred tax liabilities | - | 69 726 |
| Current income tax liabilities | - | 18 277 |
| Provisions for other liabilities | - | 1 367 |
| Liabilities associated with assets classified as held for sale | - | 152 908 |

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

10.7 Disposal of Dawn Property Consultancy (Private) Limited

On 7 January 2023, the Group disposed of its 100% equity interest in its subsidiary, Dawn Property Consultancy (Private) Limited. The subsidiary was classified as held for sale in the 2022 consolidated financial statements. The consideration was received fully in cash on 07 January 2023. This became the effective date of loss of control in DPC. At the date of disposal, the carrying amounts of DPC net assets were as follows:

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

10 Discontinued Operations and Assets Classified as Held for Sale (continued)

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

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

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

10.8 Assets classified as held for sale

The carrying amounts of non-current assets held for sale as at 31 December 2023 is summarised as follows:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| As at 01 January | 3 533 845 | 845 815 |
| Transfer from investment property (note 9) | 1 410 000 | 3 642 384 |
| Disposal Group assets (note 10.6) | - | 433 845 |
| Fair value gain on assets classified as held for sale | (910 000) | (537 507) |
| Disposal | (433 845) | (850 692) |
| As at 31 December | 3 600 000 | 3 533 845 |

Disposal amount relates to Dawn Property Consultancy (Private) Limited which was successfully disposed of during the current period. The closing balance relates to Beitbridge Express Hotel and two commercial stands that remained unsold as at 31 December 2023.

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell as required by IFRS 5 - "Non-current assets held for sale and discontinued operations". Management remains committed to sell the hotel in line with the Board's resolution and has been actively marketing the hotel and the sale is expected to have been completed before the end of June 2024.

11 Investments

11.1 Principal subsidiaries

The Group had the following subsidiaries at 31 December 2023 and 31 December 2022:

| Name | Country of incorporation and place of business | Ultimate parent | Immediate parent | Nature of Business |
|---|---|--|---------------------|-----------------------|
| (i) African Sun Zimbabwe (Private) Limited | Zimbabwe | Arden Capital Management (Private) Limited | African Sun Limited | Hotel and catering |
| (ii) African Sun Limited South African Branch | Republic of South Africa | Arden Capital Management (Private) Limited | African Sun Limited | Regional sales office |
| (iii) Dawn Properties Limited | Zimbabwe | Arden Capital Management (Private) Limited | African Sun Limited | Real Estate |

All subsidiary undertakings are fully consolidated in the Group's financial statements. The parent company directly holds a proportion of voting rights in the subsidiary undertakings that is equivalent to the proportion of ordinary shares held.

As of the current reporting period, the Group maintains a 100% shareholding in all of its subsidiaries, which remains unchanged from the previous year (2022: 100%).



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

11 Investments (continued)

11.2 Investment in subsidiaries

| All figures in USD | COMPANY | |
|---|-------------------|-------------------|
| | 31 December 2023 | 31 December 2022 |
| Investment in subsidiaries | 12 426 229 | 12 426 229 |
| Investment in subsidiaries are as follows: | | |
| (i) African Sun Zimbabwe (Private) Limited 100% owned (2022: 100%) | | |
| At acquisition | 1 309 205 | 1 309 205 |
| Shareholders' loan | 3 729 978 | 3 729 978 |
| Total investment in African Sun Zimbabwe (Private) Limited | 5 039 183 | 5 039 183 |
| (ii) African Sun Limited South Africa Branch 100% owned (2022: 100%) | | |
| Shareholders' loan | 300 000 | 300 000 |
| Total investment in African Sun Limited South Africa Branch | 300 000 | 300 000 |
| (iii) Dawn Properties Limited 100% (2022: 100%) | | |
| At acquisition | 7 087 046 | 4 884 964 |
| Additional shares acquired during the year | - | 2 202 082 |
| Total investment in Dawn Properties Limited | 7 087 046 | 7 087 046 |
| Total investment in subsidiaries | 12 426 229 | 12 426 229 |

The loan provided to African Sun Zimbabwe (Private) Limited and African Sun Limited South Africa Branch does not accrue any interest. These loans extended to subsidiaries are unsecured, meaning they are not backed by any collateral, and they do not have specific fixed repayment dates.

The investments in subsidiaries were not impaired during the year (2022: USD nil).

11.3 Interest in joint operation

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

11 Investments (continued)

11.3 Interest in joint operation (continued)

Summarised Statement of Financial Position of The Victoria Falls Hotel

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--------------------------------------|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Property and equipment | 2 878 952 | 3 646 993 |
| Right of use assets | 321 108 | 39 574 |
| Total non-current assets | 3 200 060 | 3 686 567 |
| Current assets | | |
| Cash and cash equivalents | 629 502 | 831 417 |
| Trade and other receivables | 451 489 | 294 357 |
| Intercompany | 1 179 792 | (301 927) |
| Inventories | 389 083 | 177 730 |
| Total current assets | 2 649 866 | 1 001 577 |
| Total assets | 5 849 926 | 4 688 144 |
| Liabilities | | |
| Non-current liabilities | | |
| Lease liabilities | 290 427 | 1 303 |
| Total non-current liabilities | 290 427 | 1 303 |
| Current liabilities | | |
| Trade and other payables | 529 067 | 722 032 |
| Provision for other liabilities | 53 437 | - |
| Total current liabilities | 582 504 | 722 032 |
| Total liabilities | 872 931 | 723 335 |
| Net assets | 4 976 995 | 3 964 809 |

Summarised Statement of Comprehensive Income of The Victoria Falls Hotel

| | | |
|---------------------------------|--------------------|----------------|
| Revenue | 5 450 428 | 2 868 807 |
| Cost of sales | (1 127 386) | (576 351) |
| Gross profit | 4 323 042 | 2 292 456 |
| Operating expenses | (3 389 386) | (1 976 132) |
| Other (expenses)/income | (1 964 818) | 623 423 |
| (Loss)/profit before tax | (1 031 162) | 939 747 |

These figures represent the Group's proportional share of the joint operation's financial position and performance in accordance with its 50% interest in The Victoria Falls Hotel Partnership.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

11 Investments (continued)

11.4 Interest in Dawn Properties Limited

The Group holds a 100% interest in Dawn Properties Limited (DPL), which is a company based in Zimbabwe and operates in the real estate industry. DPL holds investments in land and buildings throughout the country, which include seven hotels that are leased to African Sun Zimbabwe (Private) Limited, another subsidiary of the Group. The consolidated financial statements of the Group include the following amounts, representing the assets, liabilities, sales, and results of the subsidiary, DPL:

Summarised Statement of Financial Position

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| All figures in USD | | |
| Assets | | |
| Non-current assets | | |
| Property and equipment | 49 330 | 164 959 |
| Investment property | 68 617 000 | 83 023 841 |
| Total non-current assets | 68 666 330 | 83 188 800 |
| Current assets | | |
| Assets held for sale | 3 600 000 | 4 076 229 |
| Inventories | 3 531 159 | 2 755 046 |
| Related party receivables | - | 3 725 704 |
| Trade receivables | 1 287 296 | 310 468 |
| Cash and cash equivalents | 878 532 | 375 184 |
| Total current assets | 9 296 987 | 11 242 631 |
| Total assets | 77 963 317 | 94 431 431 |
| Liabilities | | |
| Non-current liabilities | | |
| Deferred lease income | - | 1 104 |
| Deferred tax liabilities | 3 609 199 | 1 573 040 |
| Total non-current liabilities | 3 609 199 | 1 574 144 |
| Current liabilities | | |
| Trade and other payables | 963 949 | 416 822 |
| Related party payables | 123 587 | - |
| Provision for other liabilities | 4 952 | 53 241 |
| Deferred lease income | - | 253 |
| Income tax | 501 600 | 302 325 |
| Total current liabilities | 1 594 088 | 772 641 |
| Total liabilities | 5 203 287 | 2 346 785 |
| Net assets | 72 760 030 | 92 084 646 |
| Summarised Statement of Comprehensive Income | | |
| Revenue | 4 601 314 | 3 676 645 |
| Cost of sales | (339 113) | (201 433) |
| Gross profit | 4 262 202 | 3 475 212 |
| Operating expenses | (914 932) | (1 046 303) |
| Finance income | 35 724 | 1 116 |
| Other (expenses)/income | (3 259 731) | 19 730 891 |
| Profit before tax | 123 263 | 22 160 916 |

11 Investments (continued)

11.4 Interest in Dawn Properties Limited (continued)

These figures represent the financial position and performance of Dawn Properties Limited as a consolidated subsidiary within the Group's financial statements.

12 Inventories

| | 31 December 2023 | 31 December 2022 |
|---------------------------|---------------------|---------------------|
| All figures in USD | | |
| Property inventory | 3 531 159 | 2 755 046 |
| Food and beverage | 1 390 487 | 864 021 |
| Shop merchandise | 17 727 | 14 362 |
| Consumable stocks | 1 266 393 | 731 791 |
| Maintenance stocks | 600 483 | 311 112 |
| Total | 6 806 249 | 4 676 332 |

The Group's property inventory consists of two main components: residential stands under development and completed residential units. The residential stands under development are plots of land being prepared for construction, while the completed residential units are fully constructed and ready for sale. The Group currently has 55 residential stands under development, with the expectation that they will be completed during the 2024 financial period. These stands are in the process of being prepared and constructed to meet the demand for residential properties.

The cost of inventories that were recognised as expenses and included in the "cost of sales" amounted to USD 4 882 129 (2022: USD 4 234 340) in the current period. The cost of sales includes the expenses directly associated with the production or acquisition of inventories that have been sold during the reporting period. This figure indicates the amount incurred by the Group in order to acquire the inventories that would be subsequently sold to customers.

There were no items of inventory impaired during the year (2022: USD nil). The Group's inventory holdings were not considered to have any significant impairment issues that would require a write-down of their value during both the current and previous years.

13 Trade and Other Receivables

13.1 Trade receivables

| | 31 December 2023 | 31 December 2022 |
|--------------------------------|---------------------|---------------------|
| All figures in USD | | |
| Trade receivables - gross | 2 157 885 | 2 645 394 |
| Less: expected credit losses | (219 282) | (640 382) |
| Trade receivables - net | 1 938 603 | 2 005 012 |

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

| | | |
|----------------------|-----------|-----------|
| Zimbabwe dollar | 116 746 | 132 358 |
| United States dollar | 2 041 139 | 2 513 036 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

13 Trade and Other Receivables (continued)

13.2 Expected credit losses on trade receivables

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

| | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| All figures in USD | | |
| As at 1 January | 640 382 | 176 508 |
| Movement due to discontinued operations | (55 934) | 70 526 |
| Net impairment (reversal)/losses on financial assets recognised in profit or loss | (365 166) | 393 348 |
| As at 31 December | 219 282 | 640 382 |

13.3 Other financial assets

| | GROUP | | COMPANY | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Prepayments | 2 480 276 | 1 482 323 | - | - |
| Other receivables | 1 861 007 | 202 965 | 76 500 | 9 |
| Receivables from related parties (note 31.2) | 54 935 | 535 718 | 1 798 872 | - |
| Investments in shares | 617 557 | - | - | - |
| Staff receivables | 253 745 | 134 848 | - | - |
| Total other financial assets | 5 267 520 | 2 355 854 | 1 875 372 | 9 |
| Less :expected credit losses allowance | (87 836) | (128 279) | - | - |
| | 5 179 684 | 2 227 575 | 1 875 372 | 9 |
| Non-current portion | 754 231 | 65 474 | - | - |
| Current portion | 4 425 453 | 2 162 101 | - | - |
| | 5 179 684 | 2 227 575 | 1 875 372 | 9 |

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

The fair value of staff receivables (both current and non-current) is based on cash flows discounted using the Group average cost of borrowing of 8% (2022: 8%).

The loans relate to car loans which are payable over five years.

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

| | GROUP | | COMPANY | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Receivables from related parties | 8.00% | 8.00% | 8.00% | 8.00% |
| Loans receivables | 10.00% | 10.00% | 10.00% | 10.00% |
| Staff receivables | 8.00% | 8.00% | 8.00% | 8.00% |

13 Trade and Other Receivables (continued)

13.4 Expected credit losses on other receivables

| | GROUP | | COMPANY | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Movements on the Group's allowance for expected credit losses are as follows: | | | | |
| As at 1 January | 128 279 | 57 699 | - | - |
| Allowance for expected credit losses | (40 443) | 70 580 | - | - |
| As at 31 December | 87 836 | 128 279 | - | - |

13.5 Expected credit losses on trade and other receivables

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

| | | | | |
|--|-----------|---------|---|---|
| As at 1 January | 768 661 | 234 207 | - | - |
| Movement due to discontinued operations | (55 934) | 70 526 | - | - |
| Net impairment (reversal)/losses on financial assets recognise in profit or loss | (405 609) | 463 928 | - | - |
| As at 31 December | 307 118 | 768 661 | - | - |

14 Cash and Cash Equivalents

| | GROUP | | COMPANY | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Cash at bank and on hand | 10 536 977 | 11 463 430 | 354 | 439 |
| Short-term bank deposits | 332 851 | 2 | - | - |
| | 10 869 828 | 11 463 432 | 354 | 439 |
| The breakdown of cash at hand by currency are as follows: | | | | |
| Zimbabwe dollar | 1 357 380 | 1 096 222 | - | - |
| United States dollar | 9 067 218 | 9 794 865 | 354 | 439 |
| South African rand | 325 980 | 275 793 | - | - |
| Euro | 119 250 | 296 498 | - | - |
| Australian dollar | - | 54 | - | - |
| | 10 869 828 | 11 463 432 | 354 | 439 |
| The cash and cash equivalent balance is further separated as follows: | | | | |
| USD account balance | 9 067 218 | 9 794 865 | 354 | 439 |
| Foreign currency account balance | 1 802 610 | 1 668 567 | - | - |
| | 10 869 828 | 11 463 432 | 354 | 439 |

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 2023

15 Share Capital and Other Capital Reserves

15.1 Share capital

| | | COMPANY | |
|---|--|--------------------|------------------|
| | | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | |
| 15.1.1 | Authorised share capital 1 700 000 000 Ordinary shares at USD 0.01 per share | 17 000 000 | 17 000 000 |
| The total authorised number of ordinary shares is 1.7 billion (2022: 1.7 billion) with a par value of USD0.01 per share. No additional shares were authorised during the year ended 31 December 2023 (2022: nil). | | | |
| 15.1.2 | Issued Shares 1 477 901 495 Ordinary shares | 2 476 873 | 2 476 873 |
| | Treasury shares | (105) | (105) |
| | Share capital | 2 476 768 | 2 476 768 |
| A total of 3 543 942 were held as treasury shares as at 31 December 2023. | | | |
| All issued shares are fully paid. | | | |
| No new shares were issued during the year ended 31 December 2023 (2022: 54 384 275). | | | |
| 15.1.3 | Unissued shares Ordinary shares | 222 098 505 | 222 098 505 |
| The unissued shares are under the control of the directors, subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange Listing Requirements. | | | |
| 15.1.4 | Directors' shareholdings As of 31 December 2023, directors held a total of 16 210 shares directly in the Company (2022: 16 210). | | |
| 15.2 | Share premium Share premium (USD) | 14 008 943 | 14 008 943 |
| The was no movement in share premium during the year ended 31 December 2023 (2022: USD 14 008 943). | | | |

15 Share Capital and Other Capital Reserves (continued)

15.3 Other capital reserves

15.3.1 Revaluation reserve

The revaluation reserve is used to record increases in the fair value of property and equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity. The revaluation surplus net of deferred tax transferred to the revaluation reserve is as follows:

| | GROUP | | COMPANY | |
|--|-------------------|-------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| As at 01 January | 27 543 868 | 21 319 146 | 68 347 | 61 756 |
| The movement in revaluation reserve is as follows: | | | | |
| Revaluation - gross | 5 833 792 | 26 521 633 | 703 | 12 188 |
| Amounts restated | - | (15 508 958) | - | (3 665) |
| | 5 833 792 | 11 012 675 | 703 | 8 523 |
| Deferred tax | (567 310) | (6 203 989) | (175) | (1 932) |
| Amounts restated | - | 1 416 036 | - | - |
| | (567 310) | (4 787 953) | (175) | (1 932) |
| Revaluation surplus - net of tax | 5 266 482 | 6 224 722 | 528 | 6 591 |
| Transfer to retained earnings | (213 946) | - | - | - |
| As at December | 32 596 404 | 27 543 868 | 68 875 | 68 347 |

15.3.2 Foreign currency translation reserve

The foreign currency translation reserve (FCTR) balance is specific to the African Sun South African Branch, which uses the South African rand as its functional currency. The reserve represents the cumulative gains or losses arising from the translation of the South African branch's financial statements from its functional currency (South African rand) to the Group's functional currency, which is the United States of America dollar (USD). This reserve is used to account for the effects of exchange rate fluctuations between the functional currency and the reporting currency (USD). It ensures that the financial statements accurately reflect the impact of currency exchange rate changes on the South African branch's financial position and results.

| | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| All figures in USD | | |
| Movements in FCTR during the year | | |
| As at 01 January | 8 269 216 | 7 944 342 |
| Exchange differences on translation of foreign operations | 77 324 | 324 874 |
| As at December | 8 346 540 | 8 269 216 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

16 Leases

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

16.1 Reconciliation of the right-of-use assets is as follows:

| All figures in USD | Hotel buildings | Other buildings | Land | Total |
|---------------------------------------|------------------------|------------------------|---------------|---------------------------------|
| As at 01 January 2022 | 2 171 054 | 425 443 | 12 323 | 2 608 820 |
| Additions/Re-measurement Depreciation | 2 387 190 (84 931) | - (15 452) | - (22) | 2 387 190 (100 405) |
| As at 31 December 2022 | 4 473 313 | 409 991 | 12 301 | 4 895 605 |
| Additions/Re-measurement Depreciation | 9 918 742 (475 031) | 3 167 037 (135 934) | - (1 659) | 13 085 779 (612 624) |
| As at 31 December 2023 | 13 917 024 | 3 441 094 | 10 642 | 17 368 760 |

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

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

16.2 Analysis of lease liabilities is as follows:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--------------------------------|-------------------|------------------|
| Non-current | 14 438 109 | 1 624 299 |
| Current | 164 935 | 17 988 |
| Total lease liabilities | 14 603 044 | 1 642 287 |

16.3 Finance costs - lease liabilities

| | | |
|---|------------------|---------|
| Interest expense for leasing arrangements | 1 344 478 | 271 986 |
|---|------------------|---------|

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

16.4 Lease payments not recognised as a liability

| | | |
|----------------------------|----------------|-----------|
| Leases of low value assets | 44 519 | 7 296 |
| Variable lease payments | 639 967 | 1 129 637 |
| | 684 486 | 1 136 933 |

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

17 Trade and Other Payables

| All figures in USD | GROUP | | COMPANY | |
|--|-------------------|------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Trade payables | 4 500 951 | 5 507 573 | - | 20 481 |
| Amounts due to related parties (note 31.2) | 19 657 | 88 109 | - | 1 456 693 |
| Statutory liabilities | 1 147 780 | 559 092 | 13 225 | - |
| Accruals | 1 515 379 | 131 500 | - | - |
| Guests deposits (note 23.2) | 3 894 917 | 2 812 620 | - | - |
| Other payables | 2 122 161 | 356 121 | 765 762 | - |
| Total trade and other payables | 13 200 844 | 9 455 015 | 778 987 | 1 477 174 |

Statutory liabilities refer to the obligations of the Group arising from various statutory requirements. In this case, the statutory liabilities include Pay As You Earn (PAYE), pension obligations, Value Added Tax (VAT), and tourism levy. At the end of the year 2023, the Group has outstanding liabilities related to these statutory obligations, indicating the amounts that are yet to be settled with the respective authorities.

Accruals are liabilities that arise from expenses incurred but not yet paid or settled by the Group. In this context, the accruals specifically pertain to heat, light, and water obligations, goods and services provided but not settled. These accruals do not include provisions for possible obligations. Provisions are typically made for uncertain liabilities or expected future expenses that meet specific criteria outlined in accounting standards. Accruals, on the other hand, pertain to known expenses that have been incurred but not yet settled.

Guest deposits are funds received from hotel guests in advance, either on or before the booking date, to secure a reservation. These deposits are held by the Group and utilised in the future when the guests avail themselves of the booked services. Refunds may be issued in specific cases, based on the terms and conditions outlined in the Group's refund policy. It is important to note that these guest deposits cannot be recognised as revenue until the Group has rendered the goods and services to the customers. In other words, the revenue from these deposits is only recognised when the guests have received the intended accommodations or services as per their reservation.

Other payables include sundry creditors who provide miscellaneous goods and services that are not directly related to the core costs and services of the business. These sundry creditors represent suppliers or service providers who offer a range of products or services that are not considered integral to the primary operations of the business.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

18 Current Income Tax Liabilities

| | GROUP | | COMPANY | |
|--|--------------------|------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| As at 01 January | 229 565 | 226 240 | 608 | 2 089 |
| Current income tax charged to statement of comprehensive income (note 22.1) | 1 892 328 | 1 981 456 | - | - |
| Income tax charged to discontinued operations | - | 156 702 | - | - |
| Income tax payments | (1 361 627) | (2 233 472) | - | - |
| Income tax liability associated with discontinued operations | - | (18 277) | - | - |
| Effects of foreign currency translation | (269 736) | 116 916 | (535) | (1 481) |
| As at 31 December | 490 530 | 229 565 | 73 | 608 |
| Current income tax liabilities is further analysed by jurisdiction as follows: | | | | |
| Payable to Zimbabwe Revenue Authority ("ZIMRA") | 486 950 | 231 319 | 73 | 608 |
| Payable to South African Revenue Services ("SARS") | 3 580 | (1 754) | - | - |
| Current income tax liabilities as at 31 December | 490 530 | 229 565 | 73 | 608 |

19 Provisions

Provisions are recognised by the Group when there is a present legal or constructive obligation arising from past events, and it is probable that an outflow of economic benefits will be required to settle the obligation. Additionally, a reliable estimate can be made of the amount of the obligation. To determine a reliable estimate, the Group considers the amount it would reasonably expect to pay to settle the obligation as of the reporting date. This estimation takes into account relevant factors such as contractual obligations, legal requirements, historical data, expert opinions, and any other pertinent information available.

| | GROUP | | | 31 December 2023 |
|---|----------------|-------------------|-----------------------------|------------------|
| | 1 January 2023 | Current provision | Utilised/reversed provision | |
| All figures in USD | | | | |
| 31 December 2023 | | | | |
| The provisions balance is made up of the following: | | | | |
| Leave pay | 215 006 | 369 780 | - | 584 786 |
| Performance bonus | 317 782 | 136 306 | (181 476) | 136 306 |
| Other provisions | 1 162 324 | (100 000) | - | 1 062 324 |
| | 1 695 112 | 406 086 | (181 476) | 1 783 416 |

19 Provisions (continued)

| | GROUP | | | 31 December 2022 |
|---|----------------|----------------------------|-----------------------------|------------------|
| | 1 January 2022 | Current provision | Utilised/reversed provision | |
| All figures in USD | | | | |
| 31 December 2022 | | | | |
| The provisions balance is made up of the following: | | | | |
| Leave pay | 152 796 | 62 210 | - | 215 006 |
| Contractual claims | 12 369 | - | (12 369) | - |
| Performance bonus | - | 317 782 | - | 317 782 |
| Other provisions | 456 643 | 705 681 | - | 1 162 324 |
| | 621 808 | 1 085 673 | (12 369) | 1 695 112 |
| | COMPANY | | | 31 December 2023 |
| | 1 January 2023 | Current provision/transfer | Utilised/reversed provision | |
| All figures in USD | | | | |
| 31 December 2023 | | | | |
| Other provisions | 100 000 | - | (100 000) | - |
| | 100 000 | - | (100 000) | - |
| | COMPANY | | | 31 December 2022 |
| | 1 January 2023 | Current provision | Utilised/reversed provision | |
| All figures in USD | | | | |
| 31 December 2022 | | | | |
| Other provisions | 49 477 | 50 523 | - | 100 000 |
| | 49 477 | 50 523 | - | 100 000 |

(a) Leave pay

This amount represents the Group's obligation to compensate employees for their accrued but unused annual leave days. To account for this liability, the Group creates a provision for leave pay.

(b) Contractual claims

The stated amount refers to a provision that the Group is required to pay to a counterparty as a result of a service contract. The counterparty has made an additional claim against the Group, leading to the need for this provision. However, after obtaining legal advice, it has been determined that the outcome of the legal claim will not result in any additional losses beyond the amount already provided for in the provision.

(c) Performance bonus

The Group has a performance-based bonus policy for its employees, and the provision for employee bonuses is calculated based on this policy. The specific amount provided for in the financial statements is determined by considering the criteria and calculations outlined in the bonus policy. This provision represents the estimated liability for bonuses to be paid out to employees, taking into account performance metrics and other predetermined factors specified in the policy.

(d) Other provisions

This amount includes provision for exit costs from foreign operations and interest on contractual obligations. The exit costs provided for in previous years were reversed during the year after management concluded that the probability of incurring the costs was now remote.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

20 Deferred Lease Income

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Non-current portion of deferred lease income | - | 1 105 |
| Current portion of deferred lease income | - | 253 |
| Total deferred lease income | - | 1 358 |
| As at 1 January | 1 358 | 24 715 |
| Amortised in the current year | (1 358) | (23 358) |
| As at 31 December | - | 1 358 |

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

21 Equity Settled Share-Based Payment Reserve

According to the Group's share option scheme rules, options were granted on 18 March 2020, and were recognised at their fair value. The granted options have a vesting period of three years, meaning they became exercisable on 17 March 2023. Consequently, the fair value of the options was amortized over the course of the three year-vesting period. The amortization expense represents the recognition of the share-based compensation cost over the vesting period, providing a systematic allocation of the fair value of the options granted. As a result, the Group recorded an additional expense of USD 10 004 related to the share options granted during the year.

| All figures in USD | Number of Share Options Granted | 31 December 2023 | 31 December 2022 |
|--|---------------------------------|------------------|------------------|
| As at 01 January | 30 162 012 | 213 296 | 182 905 |
| Employee share-based compensation for the year | - | 10 004 | 30 391 |
| As at 31 December | 30 162 012 | 223 300 | 213 296 |
| Exercisable at the end of the year | 30 162 012 | 223 300 | 121 826 |

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

22 Income Taxes

22.1 Income tax expense

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Current income tax: | | |
| Income tax on current year profits | 1 892 328 | 1 981 456 |
| Deferred tax: | | |
| Originating and reversal of temporary differences | 203 818 | (1 390 202) |
| Income tax expense | 2 096 146 | 591 254 |

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 tax | 2 617 191 | 8 191 985 |
| Tax calculated at domestic tax rates applicable to profits in the respective countries | 1 014 316 | 19 059 021 |
| Tax effects of: | | |
| Income not subject to tax and non-deductible expenses: | | |
| Fair value adjustment on investment property | 663 210 | (16 273 091) |
| Unrealised exchange gain on monetary assets | 1 336 731 | (2 385 441) |
| Gain from the disposal of property and equipment | 39 691 | (41 812) |
| Fair value adjustment on biological assets and financial assets | (24 100) | (31 790) |
| Reversal of provisions | (165 564) | 126 045 |
| Unrecognised tax losses | 61 824 | 216 336 |
| Penalty and interest on taxes | 3 837 | 1 668 |
| Intermediary transaction tax | 147 038 | 174 351 |
| Equity settled share-based payments costs | 2 473 | 5 082 |
| Fixed leases | (817 484) | 51 497 |
| Donations | 8 271 | 18 238 |
| Entertainment expenses | 243 767 | 91 098 |
| Effects of restatement | - | (270 431) |
| Other non-taxable items | (417 864) | (149 517) |
| Income tax expense | 2 096 146 | 591 254 |

The weighted average applicable tax rate was 73.98% (2022: 9.63%).

The applicable tax rates in the different countries for the year were, Zimbabwe 24.72% (2022: 24.72%); South Africa 28% (2022:28%)



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

22 Income Taxes (continued)

22.2 Deferred taxes

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

| | GROUP | | COMPANY | |
|--|---------------------|---------------------|------------------|------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| Deferred tax assets: | | | | |
| -Deferred tax assets to be recovered within 12 months | 247 514 | 1 117 174 | - | - |
| | 247 514 | 1 117 174 | - | - |
| Deferred tax liabilities: | | | | |
| -Deferred tax liabilities to be recovered within 12 months | (12 556 740) | (12 655 272) | (3 398) | (2 505) |
| | (12 556 740) | (12 655 272) | (3 398) | (2 505) |
| Net deferred tax liabilities | (12 309 226) | (11 538 098) | (3 398) | (2 505) |
| 22.2.2 The net movement on the deferred tax account is as follows: | | | | |
| As at 1 January 2023 | (11 538 098) | (8 140 347) | (2 505) | 48 675 |
| Charged to statement of comprehensive income | (771 128) | (3 397 751) | (893) | (52 261) |
| As at 31 December 2023 | (12 309 226) | (11 538 098) | (3 398) | (2 505) |
| | - | - | - | - |
| 22.2.3 Analysis of deferred tax movement | | | | |
| Movement charged to profit or loss | 203 818 | (1 390 202) | 718 | 49 248 |
| Movement charged to other comprehensive income | 567 310 | 4 787 953 | 175 | 3 013 |
| | 771 128 | 3 397 751 | 893 | 52 261 |

22 Income Taxes (continued)

22.2 Deferred taxes (continued)

| | GROUP | | COMPANY | |
|---|------------------------------|------------------------------|--------------------|---------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| All figures in USD | | | | |
| 22.2.4 Deferred tax by tax jurisdiction is further analysed below: | | | | |
| Attributable to Zimbabwean tax jurisdiction | | | | |
| Deferred tax assets | 246 732 | 1 085 562 | - | - |
| Deferred tax liabilities | (12 554 003) | (12 652 711) | (3 398) | (2 505) |
| Deferred tax liabilities | (12 307 271) | (11 567 149) | (3 398) | (2 505) |
| Attributable to South African tax jurisdiction | | | | |
| Deferred tax assets | 782 | 31 612 | - | - |
| Deferred tax liabilities | (2 737) | (2 561) | - | - |
| Deferred tax (liabilities)/assets | (1 955) | 29 051 | - | - |
| Net deferred tax liabilities | (12 309 226) | (11 538 098) | (3 398) | (2 505) |
| 22.2.5 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: | | | | |
| | GROUP | | | |
| | Accelerated tax depreciation | Subject to capital gains tax | Other | Total |
| Deferred tax liabilities | | | | |
| Year ended 31 December 2022 | | | | |
| As at 1 January 2022 | (3 123 024) | (4 446 310) | (1 154 419) | (8 723 753) |
| (Charged)/credit to statement of comprehensive income | (6 200 240) | 2 302 599 | (33 878) | (3 931 519) |
| As at 31 December 2022 | (9 323 264) | (2 143 711) | (1 188 297) | (12 655 272) |
| Year ended 31 December 2023 | | | | |
| As at 1 January 2023 | (9 323 264) | (2 143 711) | (1 188 297) | (12 655 272) |
| Acquisition of subsidiary | - | - | - | - |
| (Charged)/credit to statement of comprehensive income | 6 157 960 | (6 538 215) | 478 787 | 98 532 |
| As at 31 December 2023 | (3 165 304) | (8 681 926) | (709 510) | (12 556 740) |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

22 Income Taxes (continued)

22.2 Deferred taxes (continued)

22.2.5 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):

| All figures in USD | COMPANY | |
|--|------------------------------------|----------------|
| | Accelerated Tax Depreciation | Total |
| Year ended 31 December 2022 | | |
| As at 1 January 2022 | (9 132) | (9 132) |
| Credit to statement of comprehensive income | 6 627 | 6 627 |
| As at 31 December 2022 | (2 505) | (2 505) |
| Year ended 31 December 2023 | | |
| As at 1 January 2023 | (2 505) | (2 505) |
| Charged to statement of comprehensive income | (893) | (893) |
| As at 31 December 2023 | (3 398) | (3 398) |

| All figures in USD | GROUP | | |
|---|------------------------|----------------------------------|----------------|
| | Assessed Tax Losses | Unrealised Exchange Losses | Other |
| Deferred tax assets | | | |
| Year ended 31 December 2022 | | | |
| Restated as at 1 January 2022 | 83 227 | 428 374 | 71 805 |
| Credited to statement of comprehensive income | (51 849) | 484 055 | 101 562 |
| As at 31 December 2022 | 31 378 | 912 429 | 173 367 |
| Year ended 31 December 2023 | | | |
| Restated as at 1 January 2023 | 31 378 | 912 429 | 173 367 |
| (Charged)/credit to statement of comprehensive income | (31 378) | (912 429) | 74 147 |
| As at 31 December 2023 | - | - | 247 514 |

22 Income Taxes (continued)

22.2 Deferred taxes (continued)

22.2.5 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):

| All figures in USD | COMPANY | |
|--|------------------------|-----------------|
| | Assessed Tax Losses | Total |
| Deferred tax assets | | |
| Year ended 31 December 2022 | | |
| As at 1 January 2022 | 57 807 | 57 807 |
| Charged to statement of comprehensive income | (57 807) | (57 807) |
| As at 31 December 2022 | - | - |
| Year ended 31 December 2023 | | |
| As at 1 January 2023 | - | - |
| Charged to statement of comprehensive income | - | - |
| As at 31 December 2023 | - | - |

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Based on forecasts, directors are of the opinion that, the taxable profits will offset the current deferred tax asset.

Unrecognised tax losses for the Group as of the end of the year 2023 amounted to USD nil (2022: USD nil).

23 Revenue from Contracts with Customers

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

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---------------------------------------|---------------------|---------------------|
| Revenue from contracts with customers | 54 726 234 | 42 074 032 |
| Gaming income | - | 67 579 |
| Total revenue | 54 726 234 | 42 141 611 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

23 Revenue from Contracts with Customers (continued)

23.1 Disaggregation of revenue from contracts with customers

| All figures in USD | Sale of room nights | Sale of food and beverages | Management fees and commissions |
|--|------------------------|----------------------------------|---------------------------------------|
| Year ended 31 December 2023 | | | |
| The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines: | | | |
| Segment revenue | 27 983 059 | 21 977 691 | 345 716 |
| Inter-segment transactions | - | - | (307 396) |
| Revenue from external customers | 27 983 059 | 21 977 691 | 38 320 |
| Timing of revenue recognition | | | |
| At a point in time | 27 983 059 | 21 977 691 | 38 320 |
| Overtime | - | - | - |
| Revenue from external customers | 27 983 059 | 21 977 691 | 38 320 |
| Year ended 31 December 2022 | | | |
| Segment revenue | 21 734 345 | 14 917 179 | 507 497 |
| Inter-segment transactions | - | - | (507 497) |
| Revenue from external customers | 21 734 345 | 14 917 179 | - |
| Timing of revenue recognition | | | |
| At a point in time | 21 734 345 | 14 917 179 | - |
| Overtime | - | - | - |
| Revenue from external customers | 21 734 345 | 14 917 179 | - |

| Conferencing | Property development | Other income | Total |
|------------------|-------------------------|------------------|--------------------|
| 2 275 977 | 4 601 314 | 2 071 489 | 59 255 246 |
| - | (3 742 645) | (478 971) | (4 529 012) |
| 2 275 977 | 858 669 | 1 592 518 | 54 726 234 |
| 2 275 977 | 857 311 | 1 592 518 | 54 724 876 |
| - | 1 358 | - | 1 358 |
| 2 275 977 | 858 669 | 1 592 518 | 54 726 234 |
| 961 566 | 3 676 645 | 3 768 097 | 45 565 329 |
| - | (2 977 793) | (6 007) | (3 491 297) |
| 961 566 | 698 852 | 3 762 090 | 42 074 032 |
| 961 566 | 675 494 | 3 762 090 | 42 050 674 |
| - | 23 358 | - | 23 358 |
| 961 566 | 698 852 | 3 762 090 | 42 074 032 |

23.2 Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| As at 01 January | 2 812 620 | 1 581 954 |
| Revenue recognised in 2023 that was included in the contract liability balance in 2023 | (2 812 620) | (1 581 954) |
| Contract liability recognised during the year | 3 894 917 | 2 812 620 |
| As at 31 December | 3 894 917 | 2 812 620 |

The above amounts represents cash received or consideration received from customers for goods or services that have not yet been recognised as revenue. The Group recognises these balances as revenue when the criteria for revenue recognition are met, including the completion of services, delivery of goods, or the passage of time as specified in the relevant contractual terms. The changes in the liability balance during the year reflect the timing of revenue recognition based on the specific terms and conditions of the underlying contracts or agreements.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

24 Employee Pension Costs

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

(a) Brainworks Pension Fund - Zimbabwe

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

(b) Catering Industry Pension Fund - Zimbabwe

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

(c) Provident Fund- South Africa

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

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

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

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| Group contributions to the plans during the year charged to the income statement amounted to: | | |
| Brainworks Pension Fund | 105 245 | 123 361 |
| Catering Industry Pension Fund | 111 411 | 35 672 |
| Unemployment Insurance Fund - South Africa | 555 | 390 |
| Provident Fund - South Africa | 6 165 | 4 804 |
| National Social Security Authority Scheme | 235 934 | 164 412 |
| | 459 310 | 328 639 |

25 Other Income and Other Expenses

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| 25.1 Other income | | |
| Sundry income | - | 1 456 |
| Fair value adjustment on investments property | 93 879 | 314 169 |
| Fair value adjustment on biological assets | 49 170 | - |
| Profit on disposal of subsidiary | 116 709 | - |
| Profit on sale of investment property | 125 279 | 32 968 |
| Fair value gain on investments | 48 323 | - |
| Provision reversal | 100 000 | - |
| Foreign exchange gain | - | 7 101 704 |
| | 533 360 | 7 450 297 |

The amounts above represent income that is received but does not fall within the scope of IFRS 15, which governs revenue recognition from contracts with customers. Other income typically includes revenue generated from sources outside the ordinary course of the business operations and may arise from various non-operating activities.

25 Other Income and Other Expenses (continued)

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| 25.2 Other expenses | | |
| Loss from sale of property and equipment | 93 665 | 9 005 |
| Fair value adjustment of biological assets | - | 253 641 |
| Loss from sale of investment property | - | 279 151 |
| Penalties | 13 703 | - |
| Termination pay | 32 034 | - |
| Guest deposits reallocation | 507 845 | - |
| Foreign exchange Loss | 2 104 717 | - |
| | 2 751 964 | 541 797 |

The amounts above represent expenses that are not directly attributable to the core operating activities of the business or do not fit into specific expense categories. Other expenses typically include various non-operating or non-recurring costs that arise outside the ordinary course of business.

26 Expenses by Nature

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|---------------------|---------------------|
| 26.1 Cost of sales | | |
| Inventory recognised in cost of sales | 4 882 129 | 4 234 340 |
| Outside laundry in cost of sales | 299 855 | 316 611 |
| Employee costs in costs of sales | 7 655 951 | 4 957 202 |
| Other cost of sales | 2 994 225 | 1 929 958 |
| | 15 832 160 | 11 438 111 |
| 26.2 Operating expenses | | |
| Employee costs in operating expenses | 12 258 682 | 7 583 857 |
| Equity settled share-based payments | 10 004 | 30 391 |
| Directors' fees | 209 147 | 148 319 |
| Depreciation, usage and amortisation | 5 092 455 | 3 971 574 |
| Depreciation-right of use asset (note 16.1) | 612 624 | 100 405 |
| Sales and marketing | 1 139 311 | 650 470 |
| Operating lease costs: variable lease expenses | 684 486 | 1 129 637 |
| Audit fees and other professional services; | 192 319 | 167 151 |
| Repairs and maintenance | 1 534 757 | 1 105 644 |
| Heat, light and water | 3 107 252 | 1 761 143 |
| Contracted services | 1 127 703 | 874 723 |
| Council rates | 414 237 | 302 791 |
| Franchise fees | 493 561 | 1 205 230 |
| Insurance | 662 128 | 342 828 |
| Licenses | 396 798 | 240 874 |
| Vehicle running expenses | 464 254 | 229 660 |
| Security | 846 186 | 584 827 |
| Bank charges | 591 351 | 262 335 |
| Transaction tax | 592 644 | 862 927 |
| Consultancy costs | 352 493 | 84 972 |
| Legal expenses | 139 635 | 42 115 |
| Subscriptions | 265 115 | 115 482 |
| Commissions | 308 068 | 52 755 |
| Travel expenses | 335 563 | 222 571 |
| Other | 1 507 722 | 1 292 077 |
| | 33 338 495 | 23 364 758 |
| Total cost of sales and operating expenses | 49 170 655 | 34 802 869 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

27 Finance Costs and Income

| All figures in USD | | 31 December 2023 | 31 December 2022 |
|---|--|---------------------|---------------------|
| 27.1 Finance income | | | |
| Interest income on bank deposits | | 215 575 | 52 605 |
| Interest on other receivables at amortised cost | | 13 461 | 1 909 |
| | | 229 036 | 54 514 |
| 27.2 Finance costs | | | |
| Interest on overdue accounts | | (9 951) | (183 666) |
| | | (9 951) | (183 666) |
| Net financing costs for the year | | 219 085 | (129 152) |

28 (Loss)/Earnings per Share

| All figures in USD | | 31 December 2023 | 31 December 2022 |
|---|---------------|---------------------|---------------------|
| (i) (Loss)/earnings per share | | | |
| Basic and diluted (loss)/earnings attributable to owners of parent (USD cents) | | (0.02) | 0.48 |
| Headline earnings attributable to owners of parent (USD cents) | | 0.02 | 0.51 |
| (iii) Reconciliations of headline earnings used in calculating earnings per share is as follows; | | | |
| (Loss)/earnings attributable to owners of the parent | | (364 589) | 7 055 160 |
| (Loss)/earnings attributable to owners of parent | | (364 589) | 7 055 160 |
| Adjustments for: | | | |
| Loss from disposal of property, plant and equipment | | 93 665 | 9 005 |
| Loss for the year from discontinued operations | | 885 634 | 605 404 |
| Fair value gain on investment property (note 9) | | (1 003 879) | (982 690) |
| Fair value gain on assets classified as held for sale (note 10.8) | | 910 000 | 537 507 |
| (Profit)/loss on sale of investment property | | (125 279) | 279 151 |
| Profit on disposal of subsidiary - note 10.6 | | (116 709) | - |
| Headline earnings attributable to owners of the parent | | 278 843 | 7 503 537 |
| Weighted average number of shares used as the denominator | Number | Number | |
| Weighted average number of shares used as the denominator | | | |
| Number of shares in issue | | 1 474 357 553 | 1 474 357 553 |
| Weighted average number of shares in issue for basic and diluted earnings per share | | 1 474 357 553 | 1 474 357 553 |

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 2023 there were no potential dilutive share options (2022: nil).

28 (Loss)/Earnings per Share (continued)

| All figures in USD | | 31 December 2023 | 31 December 2022 |
|--|--|---------------------|---------------------|
| Net asset value per share (cents) | | | |
| Net assets | | 99 945 486 | 96 782 979 |
| Number of ordinary shares in issue | | 1 474 357 553 | 1 474 357 553 |
| Net asset value per share | | 6.78 | 6.56 |

29 Summary of Cash Flow Workings

| All figures in USD | | 31 December 2023 | 31 December 2022 |
|--|--|---------------------|---------------------|
| 29.1 Cash generated from operations | | | |
| Profit before tax | | 1 731 557 | 7 914 559 |
| Adjustments for non-cash items: | | | |
| Depreciation and hotel equipment usage (note 7) | | 5 118 799 | 4 313 904 |
| Depreciation: right of use assets | | 612 624 | 100 751 |
| Loss from disposal of equipment and investment property | | 410 245 | 288 335 |
| Provision (reversal)/expenses | | 88 304 | 1 074 671 |
| Fair value adjustment on biological assets (note 8) | | 49 170 | 253 641 |
| Fair value adjustment on investments property | | (93 879) | (314 169) |
| Foreign exchange gains | | - | (6 028 180) |
| Equity settled share-based payments costs (note 21) | | 10 004 | 30 391 |
| Monetary loss - effects of restatement (IAS 29) | | - | 4 719 975 |
| Fair value adjustment on shares | | (48 323) | - |
| Profit from disposal of subsidiary | | (116 709) | (32 968) |
| Finance cost - lease liabilities | | 1 344 478 | 272 487 |
| Finance costs | | (219 085) | 127 857 |
| Cash generated from operations before changes in working capital | | 8 788 845 | 12 721 254 |
| Changes in working capital: | | | |
| Increase in inventories | | (2 148 303) | (402 768) |
| Current trade receivables, financial assets and trade and other payables | | 1 358 325 | 1 690 100 |
| Increase in current trade receivables | | (2 386 487) | (2 187 256) |
| Increase in current trade payables | | 3 744 812 | 3 877 356 |
| Cash generated from operations | | 7 998 867 | 14 008 586 |
| 29.2 Proceeds from disposal of property and equipment | | | |
| Cost of property and equipment disposed of | | 2 717 297 | 206 138 |
| Accumulated depreciation of property and equipment disposed | | (1 981 752) | (112 535) |
| Net book value | | 735 545 | 93 603 |
| Loss on disposal of property and equipment | | (535 461) | (9 005) |
| Cash proceeds from disposal of property and equipment | | 200 084 | 84 598 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

30 Fair Value Measurement

The Company measures investment property, property equipment, financial assets and liabilities at fair value in accordance with the requirements of International Financial Reporting Standard (IFRS) 13, “Fair value measurement”. Fair value is defined as 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.

The fair value measurement framework utilised by the Company includes the following hierarchy, which prioritises the inputs used in the valuation techniques:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

30.1 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

| All figures in USD | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|------------|-------------------|
| 31 December 2023 | | | | |
| Property and equipment | | | | |
| Hotel properties | - | - | 57 936 100 | 57 936 100 |
| Residential properties | - | - | 6 644 500 | 6 644 500 |
| Land | - | - | 1 400 000 | 1 400 000 |
| Equipment | - | - | 11 967 017 | 11 967 017 |
| Investment property | | | | |
| Residential properties | - | - | 1 315 000 | 1 315 000 |
| Timeshares | - | - | 2 178 900 | 2 178 900 |
| Land | - | - | 7 187 000 | 7 187 000 |
| Non-current assets classified as held for sale | | | | |
| Hotel properties | - | - | 2 300 000 | 2 300 000 |
| Land | - | - | 1 300 000 | 1 300 000 |
| 31 December 2022 | | | | |
| Property and equipment | | | | |
| Hotel properties | - | - | 68 152 225 | 68 152 225 |
| Residential properties | - | - | 5 405 629 | 5 405 629 |
| Land | - | - | 850 000 | 850 000 |
| Equipment | - | - | 18 577 450 | 18 577 450 |
| Investment property | | | | |
| Residential properties | - | - | 1 875 000 | 1 875 000 |
| Timeshares | - | - | 879 021 | 879 021 |
| Land | - | - | 7 715 000 | 7 715 000 |
| Non-current assets classified as held for sale | | | | |
| Hotel properties | - | - | 3 533 845 | 3 533 845 |

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2023 or 2022.

30 Fair Value Measurement (continued)

30.1 Fair value measurement of non-financial assets (continued)

30.1.1 Valuation processes

The Group engaged the services of Edinview Property Global (Private) Limited, an independent valuer, to assess the fair value of its freehold property and equipment as of 31 December 2023. The valuation of the property and equipment followed the guidelines and statements outlined in the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual (commonly referred to as the “Red Book”) and the International Valuation Standards Committee (IVSC). The valuer possesses recognised and relevant professional qualifications and has experience in valuing similar assets in Zimbabwe.

For the valuation of land, the market comparison method was employed. This approach involves analysing recently sold or available properties that are similar to the ones being valued, taking into account factors such as planning controls. Data from these comparables is then carefully scrutinised and applied to the subject property, considering any differences in size, quality, and location.

The valuation of hotel buildings and timeshare properties was conducted using the cost approach due to limited market evidence. This method involves the use of professional estimates and judgement to determine the cost of constructing a similar building and assess the remaining useful life of the property.

Similarly, the cost approach was also employed for equipment valuation. This approach takes into account the replacement costs of comparable assets and applies depreciation based on the current life of the equipment, resulting in the determination of depreciable replacement costs. Adjustments are made to current prices obtained from recent transactions, considering factors such as contractual terms, location, and inherent differences. The decision to use the cost approach was based on the limited activity observed in the market for such assets in Zimbabwe.

These valuation methodologies align with international valuation standards recommended by the IVSC and were chosen based on their suitability for the specific circumstances and availability of market data in Zimbabwe.

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

| Description | Valuation technique | Unobservable inputs | Range of unobservable inputs (weighted average) |
|---------------------|----------------------------|-------------------------------------|--|
| Freehold properties | Market comparable Approach | USD rate per square metre price | Low density houses USD 950 - USD 1 300 per square metre |
| | | | High density houses USD 450 - USD 650 per square metre |
| | | | Hotels USD 1 300 - USD 2 000 per square meter |
| Equipment | Gross Replacement | Estimated cost of similar equipment | Wide cost range as the category comprises various items of equipment |
| Motor vehicles | Gross Replacement | Estimated cost of similar vehicle | Cost per vehicle lowest USD 4 000 - highest USD 150 000 |



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

30 Fair Value Measurement (continued)

30.1 Fair value measurement of non-financial assets (continued)

30.1.1 Valuation processes (continued)

The summary of the results are as follows:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Property value indicators: | | |
| Gross replacement cost (buildings) | 164 872 310 | 187 459 000 |
| Depreciated replacement cost (buildings) | 50 557 800 | 49 920 000 |
| Land value | 14 558 000 | 12 680 000 |
| Land value plus depreciated replacement cost of buildings | 65 115 800 | 62 600 000 |
| Market value | 64 105 000 | 62 630 000 |

30.1.2 Sensitivity analysis

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

Sensitivity on management’s estimates:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Change in depreciated replacement cost/square metre (cost/sqm): | | |
| Year ended 31 December 2023 | | |
| 5% decrease in the replacement cost/sqm | 2 527 890 | - |
| 5% increase in the replacement cost/sqm | (2 527 890) | - |
| 5% decrease in the selling price/sqm | - | 727 900 |
| 5% increase in the selling price/sqm | - | (727 900) |

30.1.3 Observability

Since each property is unique in nature and the hotel real estate is not liquid, valuation inputs are largely unobservable.

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

30 Fair Value Measurement (continued)

30.2 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

| All figures in USD | Level 1 | Level 2 | Level 3 | Total |
|--------------------|---------|---------|---------|---------|
| 31 December 2023 | | | | |
| Financial assets | | | | |
| Listed securities | 617 557 | - | - | 617 557 |
| 31 December 2022 | | | | |
| Financial assets | | | | |
| Listed securities | - | - | - | - |

The Group measures its listed securities at fair value in accordance with the requirements of IFRS 13, “Fair Value Measurement”. The fair value measurements of listed securities are based on quoted market prices in active markets. These prices are obtained from reputable exchanges or other reliable sources. The Company considers these prices as Level 1 inputs, as defined by the fair value hierarchy.

| All figures in USD | Fair value | Fair value hierarchy |
|--|------------|----------------------|
| As of 31 December 2023, the Group holds the following listed securities, which are measured at fair value: | | |
| Delta Corporation Limited | 332 954 | Level 1 |
| Tigere REIT | 284 603 | Level 1 |

The fair value of the listed securities is determined based on the most recent quoted market prices available at the reporting date. The Company regularly monitors these prices to ensure their reasonableness and consistency with market conditions.

It is important to note that the fair value measurements presented above are based on information available as of the reporting date and may not necessarily represent the amounts that would be realised upon immediate sale or settlement of the listed securities.

31 Related Party Transactions

The Company has engaged in transactions with related parties, which are individuals or entities that have the ability to control or exert significant influence over the financial and operating policies of the Company. Related parties include:

- Key management personnel, including directors and executives
- Subsidiaries, associates, and joint ventures
- Entities controlled by key management personnel or their close family members



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

31 Related Party Transactions (continued)

31.1 Significant related party transactions

The following transactions occurred with related parties during the year:

| All figures in USD | Nature of transaction | Relationship | 31 December 2023 | 31 December 2022 |
|---|---------------------------|-------------------|------------------|------------------|
| Related party name | | | | |
| Goldcoast Properties (Private) Limited | Lease of hotel properties | Subsidiary | 3 607 604 | 2 873 384 |
| Laclede (Private) Limited | Lease of hotel properties | Subsidiary | 135 041 | 104 411 |
| Dawn Properties Consultancy (Private) Limited | Valuation services | Former subsidiary | - | 179 016 |
| African Sun SA Branch | Reservation services | Subsidiary | 357 751 | 225 554 |
| African Sun Zimbabwe (Private) Limited | Management fees | Subsidiary | 466 936 | 281 944 |
| Directors and executives | Compensation | Key management | 1 356 695 | 1 066 357 |

Related party transactions are further explained below:

(a) Lease of hotel properties

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

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

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

(b) Consultancy fees paid to Dawn Property Consultancy (Private) Limited

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

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

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

31 Related Party Transactions (continued)

31.1 Significant related party transactions (continued)

(d) Key management compensation

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

| All figures in USD | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Salaries and other short-term employee benefits | 1 147 548 | 918 038 |
| Non-executive directors' fees | 209 147 | 148 319 |
| | 1 356 695 | 1 066 357 |

31.2 Year end balances arising from transactions with related parties

| All figures in USD | Nature of relationship | 31 December 2023 | 31 December 2022 |
|--|------------------------|------------------|------------------|
| (a) Payables to related parties | | | |
| Meikles Hospitality Limited | Partners | 19 657 | 88 109 |
| | | 19 657 | 88 109 |

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

(b) Receivables from related parties

(i) Short-term receivable

| | | | |
|-----------------------------|----------|--------|---------|
| Meikles Hospitality Limited | Partners | 54 935 | 535 718 |
| | | 54 935 | 535 718 |

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

(ii) Long-term receivable

| | | | |
|-------------------------------|-----------|---------|---------|
| Loans to executive management | Employees | 182 559 | 113 421 |
|-------------------------------|-----------|---------|---------|



Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

31 Related Party Transactions (continued)

31.2 Year end balances arising from transactions with related parties (continued)

The receivables from executives arose from housing and car loans advanced to them as part of their remuneration and contract of employment. Housing and car loans are payable over a five-year period in 60 equal instalments and no interest is charged. The loans are denominated in United States Dollars and bear interest of 8% per annum.

The balance on loans to executives is analysed below:

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| As at 1 January | 113 421 | 27 200 |
| Housing and car loans advanced during the year | 95 541 | 127 749 |
| Housing and car loans repaid during the year | (26 403) | (9 986) |
| Restatement effects | - | (31 542) |
| As at 31 December | 182 559 | 113 421 |

Receivables from related parties are discounted using the Group's average cost of borrowing of 8% (2022 : 8%)

32 Commitments

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Capital expenditure | | |
| Authorised by directors and contracted for | 1 800 000 | 56 396 |
| Authorised by directors but not contracted for | 9 219 317 | 2 169 176 |
| | 11 019 317 | 2 225 572 |

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

33 Events After Reporting Date

33.1 Fraud case

Subsequent to year end one of the Group's separate business units suffered a financial loss through fraudulent financial activities. The Group has engaged a forensic auditor to investigate the fraud and work on the fraud investigations is ongoing.

33.2 Introduction of new currency

On 5 April 2024, the Zimbabwean government implemented the replacement of the Zimbabwe Dollar (ZWL) currency with the Zimbabwean Gold currency (ZiG). During the transition, all balances denominated in ZWL were required to be converted to ZiG at the initial conversion rate of 2,498.7242. Going forward, ZiG will circulate alongside a basket of currencies. The introduction of ZiG does not impact transactions and balances that existed on 31 December 2023, as reported in the Group's financial statements. The functional currency of the Group will continue to be the United States Dollar (USD). In future, management will assess the primary currency that best reflects the economic environment in which the Group generates and utilises cash. The Group is dedicated to providing regular updates to all stakeholders regarding any new developments related to the new currency and its impact on the Group's performance.

33.3 Discontinued operation: Sun Leisure Tours

Subsequent to year end, the Board resolved to cease the operations of Sun Leisure Tours, one of the Group's separate business units (SBU). Management is currently in the process of disposing of and unbundling the SBU.



Supplementary Information

Change of Presentation from Function to Nature

The Group's statement of comprehensive income has historically been presented based on function, in line with the requirements of International Accounting Standard ("IAS 1") Presentation of Financial Statements.

During the year ended 31 December 2023 the directors reassessed the relevance of the current presentation of the statement of comprehensive income and concluded that presentation by nature is more reliable and relevant for a hospitality business, for the following reasons:

- The presentation of revenue and expenses by their nature is widely adopted by hospitality business in the region particularly industry peers in South Africa. Aligning presentation of the statement of comprehensive income with regional practices enhances consistency and facilitates industry-wide comparisons; and
- The function-based presentation of expenses involves subjective allocation of costs to functions. Presenting expenses by nature, the Group enhances greater relevance and reliability in presenting costs.

Based on this assessment the directors have resolved to change the presentation of the statement of comprehensive income from presentation by function to presentation by nature for the reporting period beginning January 2024 and beyond.

The effect of the change in presentation from function to nature had the change been effected for the financial year ended 31 December 2023 would be as follows as reflected on the next page:

Consolidated Statement of Comprehensive Income (extract)

| All figures in USD | 31 December 2023 | 31 December 2022 |
|--|---------------------|---------------------|
| Revenue | 54 726 234 | 42 141 611 |
| Other income/(expenses) | 345 816 | (507 373) |
| Total income | 55 072 050 | 41 634 238 |
| Cost of food and beverages sold | (8 176 209) | (6 480 909) |
| Hotel occupancy costs | (3 521 489) | (2 063 934) |
| Employee benefits expense | (19 924 637) | (12 510 668) |
| Other expenses | (12 396 823) | (9 574 974) |
| Operating profit before amortisation, depreciation, interest, fair value adjustments and foreign exchange differences | 11 052 892 | 11 003 753 |
| Depreciation and amortisation expense | (5 705 079) | (4 172 384) |
| Net impairment reversal/(losses) on financial assets | 405 609 | (463 928) |
| Change in fair value of investment property | 93 879 | 314 169 |
| Foreign exchange (losses)/gains | (2 104 717) | 7 101 704 |
| Operating profit | 3 742 584 | 13 783 314 |
| Finance income | 229 036 | 54 514 |
| Finance costs | (9 951) | (183 666) |
| Finance costs - lease liabilities | (1 344 478) | (271 986) |
| Net monetary loss - IAS 29 | - | (5 190 191) |
| Profit before tax | 2 617 191 | 8 191 985 |
| Income tax expense | (2 096 146) | (591 254) |
| Profit from continuing operations | 521 045 | 7 600 731 |
| Loss for the year from discontinued operations | (885 634) | (605 404) |
| (Loss)/profit for the year | (364 589) | 6 995 327 |

The Statement of Comprehensive Income extract above is not audited and is not part of the audited Consolidated Financial Statements from page 36 to 125. It is merely supplementary financial information to aid the users of the financial statements to better understand the Group's financial performance presented by nature as disclosed above.



Shareholders' Profile

For the year ended 31 December 2023

Shareholders Analysis by Volume as at 31 December 2023

| Range of holdings | Number of Shares | Percentage | Shareholders | Percentage |
|-------------------|----------------------|------------|---------------|------------|
| 1-5000 | 9 917 505 | 0.67 | 13 597 | 87.73 |
| 5001-10000 | 5 112 472 | 0.35 | 722 | 4.66 |
| 10001-25000 | 9 876 311 | 0.67 | 646 | 4.17 |
| 25001-50000 | 6 989 948 | 0.47 | 206 | 1.33 |
| 50001-100000 | 8 561 730 | 0.58 | 123 | 0.79 |
| 100001-200000 | 13 562 439 | 0.92 | 98 | 0.63 |
| 200001-500000 | 16 530 704 | 1.12 | 54 | 0.35 |
| 500001-1000000 | 19 298 989 | 1.31 | 26 | 0.17 |
| 1000001 and above | 1 388 051 397 | 93.92 | 27 | 0.17 |
| Total | 1 477 901 495 | 100 | 15 499 | 100 |

Shareholders Analysis by Industry as at 31 December 2023

| | Number of Shares | Percentage | Shareholders | Percentage |
|-----------------------------|----------------------|------------|---------------|------------|
| Local Companies | 1 375 831 210 | 93.09 | 1 279 | 8.25 |
| Local Individual Residents | 45 752 397 | 3.10 | 12 943 | 83.51 |
| Local Nominee | 20 862 673 | 1.41 | 173 | 1.12 |
| Fund Managers | 14 510 812 | 0.98 | 52 | 0.34 |
| New Non Resident | 8 122 836 | 0.55 | 375 | 2.42 |
| Pension Funds | 6 846 531 | 0.46 | 62 | 0.40 |
| Trusts | 2 094 062 | 0.14 | 93 | 0.60 |
| Other Investments & Trust | 1 077 492 | 0.07 | 187 | 1.21 |
| Foreign Nominee | 834 885 | 0.06 | 08 | 0.05 |
| Insurance Companies | 683 002 | 0.05 | 32 | 0.21 |
| Deceased Estates | 647 841 | 0.04 | 220 | 1.42 |
| Charitable | 202 631 | 0.01 | 43 | 0.28 |
| Foreign Companies | 175 513 | 0.01 | 08 | 0.05 |
| Foreign Individual Resident | 115 631 | 0.01 | 12 | 0.08 |
| Banks | 93 426 | 0.01 | 07 | 0.05 |
| Government / Quasi | 50 553 | 0.00 | 05 | 0.03 |
| Total | 1 477 901 495 | 100 | 15 499 | 100 |

Consolidated Top Ten Shareholders as at 31 December 2023

| Range of holdings | As at 31 December 2023 | | As at December 2022 | |
|---|------------------------|-------------------|----------------------|-------------------|
| | Issued Shares | Shares Percentage | Issued Shares | Shares Percentage |
| Brainworks Capital Management (Private) Limited | 892 899 243 | 60.42 | 892 899 243 | 60.42 |
| Old Mutual Life Ass Co Zim Limited | 405 399 280 | 27.43 | 405 399 280 | 27.43 |
| Mega Market (Private) Limited | 50 201 990 | 3.40 | 50 201 990 | 3.40 |
| Stanbic Nominees (Private) Limited | 16 840 000 | 1.14 | 16 042 443 | 1.09 |
| Zimbabwe Sun Employee Share | 12 581 032 | 0.85 | 12 581 032 | 0.85 |
| Pickover Investments (Private) Limited | 3 711 317 | 0.25 | 3 711 317 | 0.25 |
| African Sun Limited (treasury shares) | 3 543 942 | 0.24 | 3 543 942 | 0.24 |
| Faanya Rose | 2 283 539 | 0.15 | 2 283 539 | 0.15 |
| Msasa Nominees (Private) Limited | 1 945 227 | 0.13 | 1 945 227 | 0.13 |
| La France Holdings Limited (NNR) | 1 765 961 | 0.12 | 1 765 961 | 0.12 |
| Others | 86 628 681 | 5.87 | 87 527 521 | 5.92 |
| Issued shares | 1 477 901 495 | 100 | 1 477 901 495 | 100 |

| Range of holdings | Number of Shareholders | Percentage | Issued Shares | Percentage |
|-------------------|------------------------|------------|----------------------|------------|
| Public | 2 167 | 12.98 | 1 423 894 421 | 99.15 |
| Directors | 2 | 0.01 | 16 210 | 0.00 |
| Non-public | 13 330 | 86.01 | 53 990 864 | 0.85 |
| Total | 15 499 | 100 | 1 477 901 495 | 100 |

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



Group Structure

As at 31 December 2023

African Sun Zimbabwe (Private) Limited is the Group’s hotel operating entity. African Sun Limited Branch is the Pan African Central Reservations Office (PACRO), primarily servicing foreign guest reservations into the Group’s hotels. Dawn Properties Limited is the real estate arm of the Group which holds the title to seven of the ten hotels operated by the Group and other land bank properties.



Shareholders’ Diary

Anticipated Date

| | |
|----------------|-------------------------------------|
| June 2024 | Annual Report 2023 published |
| 26 June 2024 | Fifty-Second Annual General Meeting |
| September 2024 | Half Year Results 2024 published |
| March 2025 | Full Year Results 2024 published |
| June 2025 | Annual Report 2024 published |
| 27 June 2025 | Fifty-third Annual General Meeting |

Corporate Information

Directorate

Chairman
C. Chikosi

Non-executive Directors
G. Chikomo
B. Childs
T. Denga
V. Lapham
L. Mhishi
A. Siyavora
S. Village (Effective 22 March 2024)

Executive Directors
L. Ward Acting Chief Executive Officer
L. Chikara Chief Finance Officer
P. Saungweme

Board Committees

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

Investment Committee
B. Childs (Chairman)
G. Chikomo
L. Mhishi
V. Lapham
S. Village

Nominations Committee
C. Chikosi (Chairman)
L. Mhishi
A. Siyavora
G. Chikomo

Human Resources and Remuneration Committee
L.Mhishi (Chairman)
G. Chikomo
A.Siyavora
T. Denga
S. Village

Marketing and Sales Committee
T. Denga (Chairman)
B. Childs
A.Siyavora
S. Village

Information Technology Governance Committee
V. Lapham (Chairman)
A. Siyavora
T. Denga

Company Secretary and Governance Executive
V. Musimbe

Operations Heads

D. Kung Operations Executive
N. Cornish Hospitality Executive
I. Katsidzira Divisional Executive

Hotel and Resort General Management

Property General Managers

Owned Hotels
C. Mulinde Elephant Hills Resort and Conference Centre
A. Matema Monomotapa Hotel
N. Moyo Holiday Inn Mutare
J. Kuwanda Hwange Safari Lodge
R. Mavhumashava Troutbeck Resort
A. Takaza Great Zimbabwe Hotel
K. Mupfigo Caribbea Bay Resort

Leased Hotels
F. Chimba The Victoria Falls Hotel
C. Chinwada Holiday Inn Harare
C. Chimbira Holiday Inn Bulawayo

Sun Leisure Division
D. Kung Sun Leisure Tours

Real Estate
R. Mudehwe Real Estate Division

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

Main Bankers:

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

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

Legal Advisors:

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

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

Registered Office:
African Sun Limited
c/o Monomotapa Hotel, 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



Board of Directors



Seated from left to right:
Georgina Chikomo, Laurie Ward, Constantine Chikosi and Thandi Denga.

Standing from left to right:
Brett Childs, Lewis Chikara, Alex Siyavora, Lloyd Mhishi and Vernon Lapham.

Not in the picture:
Simon Village.



Board of Directors (Continued)

Constantine Chikosi – Independent Non-executive Chairman

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

Laurie Ward – Acting Chief Executive Officer

Laurie joined the Company in April 2023, and was appointed as the Chief Operating Officer on 8 December 2023 and subsequently Acting Chief Executive Officer with effect from the 20 of January 2024. Laurie has over 25 years of executive management experience both internationally and throughout Africa, primarily in hospitality and project management, including exposure to best-in-class hotel brands such as Four Seasons, Hyatt, InterContinental Hotels Group (IHG), and Singita. Laurie is a Chartered Accountant (Zimbabwe), having served his articles with the Ernst and Young Mutare office. He holds a Bachelor of Commerce degree from Rhodes University in South Africa.

Lewis Chikara – Chief Finance Officer

Lewis was appointed to the position of Chief Finance Officer on 1 October 2023. Lewis has over 16 years of experience in the hospitality industry at a senior management level in finance. He has had experience with 3 unique 5-star hotels in Zimbabwe and South Africa which were all affiliated to the Leading Hotels of The

World. Before this appointment, he was the Finance Director of Meikles Hospitality (Private) Limited and also doubled up as the Group Financial Controller of the Meikles Limited Group. Lewis also has vast experience with the retail sector, security services sector, and properties sector. Lewis is a Chartered Accountant (Zimbabwe), having served his articles with the Deloitte & Touche Harare office. He holds a Bachelor of Accounting Science Honours degree from the University of South Africa and a Bachelor of Accountancy Degree from the University of Zimbabwe.

Brett Childs – Non-executive Director

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

Simon Village – Non-executive Director

Simon was appointed to the Board of African Sun Limited on 22 March 2024. With a career spanning over 35 years, Simon has served as a Managing Director at HSBC and Head of their African Research and Securities business. He was later appointed as Managing Director of the World Gold Council (WGC) Investment Services and was instrumental in the creation and development of the world’s first gold ETF, which changed the dynamics of the global gold market. Simon founded Argentum Limited in 2016. With a focus predominantly on Eastern and Southern Africa, Argentum assists developing non-sector specific corporate’s, in navigating to becoming institutionally compliant, thereby enabling expansion and growth. Simon is a holder of a B.Eng. (Hons) degree in Mining Engineering from the University of Exeter (Camborne School of Mines), and was a De Beers/Anglo American scholar.

Thandi Denga – Independent Non-executive Director

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

Alex Siyavora - Non-executive Director

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

Georgina Chikomo- Independent Non-executive Director

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

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 two published books entitled “The Law & Practice of Conveyancing in Zimbabwe” (Legal Resources Foundation, August 2005) and “Being the Best Lawyer” (Mhishi Trust, 2023). He is the Founder and current Senior Partner of the law firm – Mhishi Nkomo Legal Practice based in Harare.

Vernon Lapham – Non-executive Director

Vernon was appointed to the African Sun Board on 8 November 2021. He is a registered Public Accountant and a member of the Institute of Chartered Accountants of Zimbabwe, he received the W. A. Duff Award for the highest marks in Zimbabwe in the final qualifying exams of ICAZ. He also holds a Postgraduate Diploma in Applied Accounting (DAA). Vernon has vast audit and business experience, having previously been the Audit Partner at Ernst and Young and CEO at MedTech Holdings Limited. He focuses on medium-sized privately owned businesses and currently operates Ultiam Advisory and Progility Consult.



Executive Management



Experienced, effective
and diverse leadership

From left to right:

Venon Musimbe -
Company Secretary and
Governance Executive,

Lawrence (Laurie) Ward -
Acting Chief Executive Officer,

Memory Macheke -
Human Resources Executive,

Markus De Klerk -
Legal Executive,

Lewis Chikara -
Chief Finance Officer,

Raymond Mudehwe -
Real Estate Executive, and

Peter Saungweme

Not in the picture:

Nicola (Nikki) Cornish -
Hospitality Executive.

Sustainability Report 2023



Sustainability Report

In this report, “our”, “we”, “us”, “African Sun”, “ASL”, “Company” and “Group” all refer to African Sun Limited and its subsidiaries whose operations and impacts are predominantly in Zimbabwe. Our hotels refers to Holiday Inn Hotels (Harare, Bulawayo and Mutare), Hwange Safari Lodge, Elephant Hills Resort and Conference Centre, Monomotapa Hotel, Great Zimbabwe Hotel, Caribbea Bay Resort, Troutbeck Resort and The Victoria Falls Hotel Partnership.

Our Approach to Sustainability

African Sun is committed to sustainable practices across its operations and processes while building shared values on sustainability. We are dedicated to a journey of delivering hospitality experiences that are both memorable and sustainable, with a focus on operational excellence and guest satisfaction. Our commitment to sustainable business practices and continuous improvement ensures that we aim to be a standard bearer in the hospitality industry in Zimbabwe. The Group aspires to minimise negative impacts on the environment and society while promoting positive contributions through varied CSR initiatives.

We align our sustainability practices and priorities to the United Nations (UN) supported Sustainable Development Goals (SDGs) by focusing on the three priority areas below:

- Preservation of Biodiversity
- Waste Management
- Human Development

Stakeholder Relations

For many years, African Sun has had a formalised stakeholder philosophy which allows building shared vision and values with various stakeholders. The Group’s approach to stakeholder

relations is built on shared responsibility among management, employees and the communities within which we operate, which allows us to be responsive to our guests and other stakeholders’ expectations.

The Group expresses how it relates to various stakeholders as narrated below:

Employees

African Sun focuses on providing a safe and healthy work environment, fair wages and benefits, as well as opportunities for personal and professional growth. Our sustainability approach helps us to create a sense of pride and purpose among team members. This approach not only benefits the individuals but also contributes to the overall sustainability of the organisation by cultivating a motivated, loyal and engaged workforce.

Guests

African Sun prioritises guest experience by providing comfortable, consistent accommodation, healthy food and beverage offerings, as well as responsible and ethical services. We aspire to communicate our strategies for energy and water conservation, waste reduction, and the incorporation of locally sourced products wherever possible, resulting in truly authentic and meaningful guest experiences.



Sustainability Report (Continued)

Stakeholder Relations (continued)

Business Partners

African Sun strives to strengthen relationships with its business partners. We prioritise transparency, accountability, and ethical business practices, and we actively seek suppliers, vendors, and other partners who share our values. Through this collaborative approach, we have fostered stronger and mutually beneficial supplier relationships.

Local Communities

As a socially responsible corporate entity, we are committed to creating a positive societal impact. African Sun actively engages in partnerships and initiates programmes that help address local needs, including job creation, skills development, environmental protection, and social development. By prioritising these areas, we actively support the establishment of stronger and more resilient communities. We firmly believe that these efforts generate long-lasting and beneficial outcomes for the Group, its stakeholders, and our staff.

Shareholders

The Group values its shareholders by creating a robust and profitable business model that is aligned with the vision and expectations of our shareholders. Our sustainable practices on energy and resource management, waste reduction, and responsible procurement contribute to cost savings and enhanced brand reputation, which eventually creates shareholder value and long-term success.

Responsible Operations

Energy

African Sun relies on electricity for lighting, kitchens, refrigeration, powering equipment, and other operations. We also use LP Gas for cooking and liquid-bio fuel for vehicles and generators. We fully understand that these energy sources can negatively impact climate change. Our goal is to expand our sources of clean energy and promote a culture of energy conservation among employees and guests.

Water

Water is critical to our operations, particularly for our guests, gardens, pools, cooking, cleaning, and other hygienic purposes in our hotels. We use water from boreholes and municipal sources. Some of our hotels are in areas that experience water shortages such as Hwange, Bulawayo, and Harare. As such, all our hotels encourage our guests to conserve water and where possible, we sink boreholes to alleviate pressure on the local supply system.

Waste

Our hotels generate waste such as food, plastic, and other forms, which can significantly affect our environment and ecosystems. The Group is making efforts to ensure waste disposal is managed in such a manner that all recyclable waste is appropriately separated and collected by approved vendors. As a key player in the hospitality industry in Zimbabwe, we collaborate with other partners on joint initiatives and approaches to manage various forms of waste generated from our hotels and strive to protect the reputation of our industry.

Green Engage

Our Holiday Inn hotels (Harare, Bulawayo, and Mutare), proudly comply with the InterContinental Hotels Group (IHG) Green Engage Standard. Our commitment to sustainability is evident through our achievement of the Green Engage Certificate Level 1. By embracing green building technologies and recognised sustainable hotel standards, we prioritise and monitor utility efficiency, minimise environmental impact, and enhance commercial value.

Environmental Stewardship

We are dedicated to minimising the impact of our activities on the natural environment and climate change. Our environmental sustainability efforts focus on a range of initiatives across our hotels, such as responsible water and energy usage; achieving material and resource efficiency; lowering carbon emissions in our value chain and supporting sustainable sourcing. We continue demonstrating our commitment to environmental protection by availing growing and meaningful budgets to our CSR initiatives.

Responsible Operations (continued)

Greenhouse Gas (GHG) Emissions

Climate change poses a significant challenge for businesses, especially those hotels and resorts that are closely connected to nature and the environment. As a responsible business, we are striving to implement proactive measures to mitigate the impacts of climate change. By closely monitoring and analysing energy consumption, including electricity, petrol, and diesel, we aim to identify areas for emission reduction and implement targeted strategies to minimise our carbon footprint. Additionally, we address the impact of refrigerants by managing and minimising leaks, ensuring responsible handling and disposal of obsolete air conditioning units. Through these efforts, we actively monitor and address greenhouse gas emissions, contributing to global climate change mitigation. Our commitment to reducing environmental impact aligns with our goal of fostering a sustainable and resilient future.

As members of IHG, all our Holiday Inn hotels are required to meet energy consumption reduction targets. Each hotel's energy-saving target is developed based on current performance versus other hotels in the region and within the brand. We track our electricity, water, and gas consumption monthly for all our Holiday Inn Hotels for submission to the IHG Green Engage team.

Protection of Biodiversity

African Sun operates hotels in highly sensitive biodiverse and ecologically rich areas such as Hwange National Park, Victoria Falls and Nyanga in the Eastern Highlands of Zimbabwe. High biodiversity areas are places with large concentrations of diverse ecosystems with a variety of flora and fauna. As such, the Group partners with the Victoria Falls Anti-Poaching Unit (VFAPU) to protect wildlife within the Victoria Falls area which is a United Nations Education, Scientific and Cultural Organisation (UNESCO) World Heritage site.

The Group manages hotels adjacent to the Hwange National Park and Nyanga National Park. These regions encompass diverse ecosystems teeming with flora and fauna.

Recognising the importance of preserving these precious natural resources, African Sun routinely clears and maintains fire breaks at the Troutbeck Resort, to mitigate the risk of forest fires spreading into the surrounding National Park. The Group also partnered with the Presidential Elephants Research Trust (PERT) in the Hwange/Dete area, aiming to bolster elephant and lion monitoring and conservation endeavours. As such, African Sun availed land to PERT, for carrying out scientific research and monitoring. We donate USD1 000 monthly, to support the activities of the Trust.

Through these collaborations, ASL plays an active role in the protection and conservation of the unique and irreplaceable biodiversity found in these ecologically significant locations.

During the year, our initiatives and support towards biodiversity protection were as follows:

Wildlife Conservation

1. Victoria Falls, as a high biodiversity area and UNESCO World Heritage site, is under threat from poaching. As such, ASL partners with VFAPU in a bid to reduce poaching. The Group donated USD21 000 towards salaries and medical aid benefits for the scouts. In the year 2023, 477 wire snares were removed.
2. African Sun also continues to support wildlife conservation through its partnership with the PERT to facilitate the conservation and monitoring of the iconic Presidential Elephants Herd in the Hwange/Dete area. In addition to setting aside a camp, the Group donated USD12 000 to the Trust for the research team.
3. Elephant Hills sponsored two conservation students from Chemabonde District. By providing educational opportunities to these students, the Group contributes to the development of future conservation leaders and reinforces its dedication to environmental preservation.



Sustainability Report (Continued)

Protection of Biodiversity (continued)

Tree Planting

In line with our commitment to the Preservation of Biodiversity, a tree-planting initiative was undertaken during the year. This initiative aims to actively contribute to the conservation and replenishment of our natural assets. In FY23, we partnered with ‘My Trees Trust’ and successfully planted trees at Chizungu Primary School (700 trees) and Morgan High School (800 trees). We consciously selected diverse species for planting, including fruit, shade, and soil regeneration trees. By undertaking this endeavour, we firmly believe that we are making a meaningful contribution towards national reforestation goals and mitigating the impacts of climate change.

In addition to the above, African Sun has started a programme of replanting trees at our hotels and resorts countrywide.

Total funding for FY23 on the preservation of biodiversity amounted to USD37 290.

Waste Management

As a testament to our commitment to community responsibility, our employees actively participate in environmental clean-up activities. We firmly believe in the importance of maintaining a clean environment for the well-being of our guests, employees and the surrounding communities at large. This initiative is rooted in our business conviction that a pristine environment not only enhances the overall experience for our guests but also promotes a healthier and more sustainable ecosystem. By dedicating our time to these clean-up efforts, we strive to make a positive impact on the environment and foster a sense of environmental stewardship and responsibility within our organisation.

During the year, our environmental clean-up activities were as follows:

1. Clean-up Campaigns

The clean-up campaigns have become a culture where all our hotels embark on picking up litter every first Friday of the month.

2. Keep Victoria Falls Clean – Pristine Victoria Falls

African Sun collaborates with Pristine Victoria Falls on an initiative to keep Victoria Falls clean by picking up litter and cleaning waste. The Company also donates USD500 monthly towards the initiative, effectively supporting the efforts to maintain cleanliness in the City of Victoria Falls and mitigating the adverse effects of waste on human health and wildlife.

3. Recycling - The Michael Project

African Sun collaborated with a faith-based organisation in Zimbabwe that provides care and school fees support for orphaned and vulnerable children. This partnership, with The Michael Project, is aimed at promoting sustainable recycling practices while raising funds for the project. The project commenced in 2023, to separate and collect waste recyclable items such as plastic bottles, cans, paper, and boxes from our Harare hotels. The funds generated directly support and provide ongoing care for the orphaned and vulnerable children within the community.

The total contribution towards waste management for FY23 was USD5403.

Human Development

ASL is dedicated to investing in human development programmes that actively support sustainable development within the communities surrounding our hotels.

We align our community initiatives with the relevant Sustainable Development Goals (SDGs) to maximise their impact. Our human development strategy revolves around empowering communities through livelihood projects, aiming to foster self-sufficiency.

We strive to empower communities and improve their lives by prioritising investing in education, health, community development, and environmental conservation. Our goal is to contribute towards creating long-term empowerment and self-sustainability within our communities.

Human Development (continued)

During the year, our human development initiatives were as follows:

1. Health - To provide access to quality health services.

- Refurbished the Neonatal Intensive Care Unit at Nyanga Hospital and Ward 3 at Harare Hospital.
- Provided sanitary wear to Zheera Trust.
- Donated blood and refurbished wards at Mpilo Hospital.
- Donated hospital linen to Sandra Jones Centre and Mpilo Hospital and Mt Selinda Hospital.
- Provided water, drinks, and food donations to Gimboki Clinic and Cancer Association of Zimbabwe.
- Provided financial support to Nzeve Deaf Centre and SOS Village.
- Plumbing repairs at Kariba Hospital.
- Provided refreshments at the anti-drug and counselling event at Victoria Falls Hospital.

2. Education - To support access to education for the underprivileged.

- Paid school fees at Nemamwa Primary School, Chirichoga High School, Chinotimba Primary School, and Nyanhewe Primary School.
- Donated stationery and computers to Chirichoga High School.
- Provided food and drinks to the National Association of Primary Schools.
- Sponsored graduation ceremonies at Africa University, Mary Mount Teachers College, and Mutare Polytechnic.
- Sponsored vouchers for Ziko Village Community Hall and Nyarumbwe Agricultural Show.
- Donated linen, refurbished laundry and dining areas at Upenyuhutsva Children’s Home.

3. Community welfare - Promoting community well-being.

- Workers’ Day sponsorship at Zimbabwe Congress of Trade Unions (ZCTU).
- Provided support for gas and fumigation services at Victoria Falls Old People’s Home.
- Sponsored a water point at the Victoria Falls Marathon.
- Provided fuel for community engagements with Chief Nelukoba.
- Supported premises maintenance and fuel for Zimbabwe Republic Police Victoria Falls.
- Donated snacks to BMS Wellness Centre.

4. Impacting life through sport

African Sun has been sponsoring Julie Tungamirirai, a Hellenic Academy student, who has represented the country in athletics and swimming where she holds two national records. ASL funds all her professional tennis aspirations, kit, flights, accommodation, and meals during her international tournaments.

The total amount allocated for human development in FY23 was USD50 341.

Julie Tungamirirai

“African Sun has helped me regain my International Tennis Federation (ITF) ranking by allowing me to travel and get more points, which has also allowed me to be recognised by American universities and hence secure scholarships.”

Regarding my prospects, I hope to play a few women’s tournaments, as well as All Africa games before I leave for university and to play the Women’s Fed Cup this year.”

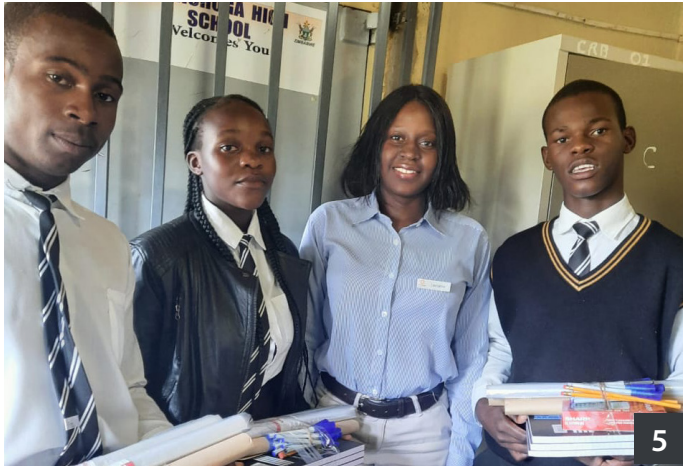


Sustainability Report (Continued)



Sustainability
in Pictures

- 1 Tree planting at Chizungu Primary School.
- 2 ASL donation to the Victoria Falls Anti-Poaching Unit (VFAPU) in Victoria Falls.
- 3 Linen donation and laundry room refurbishment at Openyuhutsva Children’s Home.
- 4 The Group has been sponsoring Julie Tungamirai, to regain her International Tennis Federation (ITF) ranking .
- 5 Books donation at Chirichoga High School by Great Zimbabwe Hotel.
- 6 The clean-up campaign at Victoria Falls.
- 7 Linen donation to Mpilo Hospital and Sandra Jones Centre by Holiday Inn Bulawayo.





Sustainability Report (Continued)

Employees

Employees play a critical role in delivering exceptional service to our valued guests and ensuring the smooth and continuous operations of our hotels across Zimbabwe. At African Sun, we employ a total of 1 783 individuals split as below:

- 837 permanent
- 838 contract
- 108 interns

We do our best to provide our employees with a working environment and conditions that allow them to perform their duties and functions with excellence. All our hotels have Worker’s Committees that coordinate employee and management engagements. This relationship enables us to establish shared values that are instrumental in the success of our business and empower us to deliver consistent service to our guests.

The Group is committed to creating a safe and inclusive work environment that supports the well-being and growth of employees to realise their full potential. We offer training and development opportunities, encourage diversity and inclusion and promote fair compensation.

Employee Skills Development

Maintaining skilled employees is core to ASL, as such, we provide employees with both internal and external training opportunities. Our internal training programmes encompass both mentorship and skills transfer, facilitating the development, transfer and rotation of expertise within the Group.

Graduate Development Programme (GDP)

We operate a Graduate Development Programme which is designed to prepare university graduate trainees for management roles and careers within ASL and other organisations. Over the past 13 years, the programme retained 24 candidates who are working in Food and Beverage, Banqueting, Front Office, Estates, Human Resources, Finance, Marketing, and Business Information System departments across our hotels.

For FY23, African Sun Limited invested over USD400 000 to support the training programme for 46 enrolled trainees under

the GDP which will positively transform the careers of multiple trainees. The trainees who are successfully retained are provided with ongoing growth and advancement opportunities within the Group.

Below are testimonies and profiles of two graduate trainees:

Artwell completed his B.Sc. in Accounting with the National University of Science and Technology (NUST) in 2022. In April 2023, Artwell enrolled in the GDP at Kingdom Hotel, where he continued to enhance his skills and knowledge. Artwell currently serves the company as an Assistant Accountant.



Artwell Tichawana
Assistant Accountant

“Participating in the Graduate Development Programme has been an invaluable experience for me. It has provided me with the opportunity to learn and grow in a structured and supportive environment.”

Benjamin completed his studies in Information Systems at Midlands State University (MSU) in 2021. Under in-house mentorship, he underwent comprehensive industry training and achieved significant professional growth, allowing him to gain a broader perspective on available opportunities and sharpen his focus. Benjamin was subsequently promoted to the position of Systems Analyst.



Benjamin Lela
Systems Analyst

“The programme has equipped me with the necessary skills and knowledge to excel in my career, and I am grateful for the mentorship and guidance I have received throughout the journey.”

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 | |

Owned Hotels

| | |
|---|---|
| Elephant Hills Resort and Conference Centre | +263 8328 44793-9 or +263 867 700 4956 |
| Monomotapa Harare | +263 242 704501-9 or +263 867 700 4651 |
| Holiday Inn Mutare | +263 020 64431 or +263 867 702 0290 |
| Hwange Safari Lodge | +263 772 132 147-8 |
| Troutbeck Resort | +263 772 437 386-8 or +263 867 702 0298 |
| Great Zimbabwe Hotel | +263 239 262274 or +263 772 132 153-5 |
| Caribbea Bay Resort | +263 261 2452-7 or +263 772 132 180-2 |

Leased Hotels

| | |
|--------------------------|---|
| The Victoria Falls Hotel | +263 8328 44751-9 or +263 772 132 176 6 |
| Holiday Inn Harare | +263 242 795612-9 or +263 867 702 0291 |
| Holiday Inn Bulawayo | +263 292 252460-9 or +263 867 702 0294 |

Sun Leisure Tours

| | |
|------------------------------------|--|
| Sun Leisure Tours - Bulawayo | +263 292 252460-9 or +263 867 702 0294 |
| Sun Leisure Tours - Victoria Falls | +263 8328 44793-9 or +263 867 700 4956 |
| Sun Leisure Tours - Harare | +263 242 704501-9 or +263 867 700 4651 |



Notice to Members

NOTICE IS HEREBY GIVEN TO THE SHAREHOLDERS OF THE COMPANY THAT, the fifty-second Annual General Meeting (AGM) of African Sun Limited is to be held on Wednesday, 26 June 2024 at 1200 hours virtually on <https://escrowagm.com/eagmZim/Login.aspx>.

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 virtual AGM is required.

To approve any special resolutions, the support of at least 75% of the voting rights exercised by shareholders represented in person or by proxy at the virtual AGM is required.

Ordinary Business

1. Statutory Financial Statements

To receive and adopt the financial statements for the year ended 31 December 2023, together with the report of the directors and auditors thereon.

2. Dividend

- 2.1 To confirm an interim dividend of USD0.0005075 per share payable in respect of all ordinary shares of the Company for the year ended 31 December 2023.
- 2.2 To confirm a final dividend of USD0.00023682 per share payable in respect of all ordinary shares of the Company for the year ended 31 December 2023.

3. Directors’ Resignations and Appointments

- 3.1 To note the retirement of Dr E. Fundira as Chairman and non-executive director of the Board on 9 July 2023.
- 3.2 Mr S. Village was appointed to the Board on 22 March 2024.
- 3.3 All the non-executive directors, being Mrs G. Chikomo, Mr C. Chikosi, Mr B. Childs, Mr V. Lapham, Mr L. Mhishi, Ms T. Denga, Mr A. Siyavora and Mr S. Village retire at the AGM.

All the non-executive directors, being eligible, will offer themselves for re-election.

The profiles of directors to be re-elected are included in the Annual Report under the Board of Directors. Unless otherwise resolved, each director will be re-elected separately.

4. Independent Auditors

- 4.1 To approve the remuneration of the auditor, Grant Thornton Chartered Accountants (Zimbabwe) for the past audit.
- 4.2 To confirm the re-appointment of Grant Thornton Chartered Accountants (Zimbabwe) as external auditors of the Company for the ensuing year.

(NOTE: In terms of Section 69(6) of the Victoria Falls Stock Exchange listing requirements, companies must change their audit partners every five years and their audit firm every ten years. Grant Thornton Chartered Accountants (Zimbabwe) has been the auditor of the Company for two years.)

5. Directors’ Fees

To ratify the payment of directors’ fees for the Chairman and non-executive directors for the year ended 31 December 2023.

(NOTE: The consolidated directors emoluments are included in the Annual Report.)

Note:

- (a) In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy needs to be a member of the Company.
- (b) In terms of section 171 (8) of the Companies and Other Business Entities Act (Chapter 24:31), a director or officer of a company may not act as a proxy for a member. Accordingly, members should not appoint a director or officer of the Company.
- (c) In terms of Article 80 of the Company’s Articles of Association, instruments of the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting.

By Order of the Board

V.T. Musimbe
Company Secretary and Governance Executive

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

5 June 2024

Attendance of the AGM

Members are hereby advised to use the dedicated Corpserve helpline at +263 242 750 711 or 779 145 849 for assistance with the virtual AGM processes.



(Incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71)

PROXY FORM FOR THE ANNUAL GENERAL MEETING

For use at the fifty-second Annual General Meeting (AGM) of African Sun Limited is to be held on Wednesday, 26 June 2024 at 1200 hours (CAT) virtually on <https://escrowagm.com/eagmZim/Login.aspx>.

I/We, the undersigned

of

Being registered holder(s) of ordinary shares

Hereby appoint

or failing him/her,

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, 26 June 2024 at 1200 hours (CAT) and at any adjournment thereof.

PROXY

- (a) In terms of the Companies and Other Business Entities Act (24:31), members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy need 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 2024

Signature of Shareholder

PLEASE NOTE

If the address on the envelope of this letter is incorrect, please fill in the correct details below and return to the Company Secretary.

Name

Address

ATTENDANCE OF THE AGM

Members are hereby advised to use the dedicated Corpserve helpline at +263 - 242 750 711, - 772 289, or -779 145 849 for assistance with the virtual AGM processes.

Stamp

THE COMPANY SECRETARY AND GOVERNANCE EXECUTIVE

COMPANY REGISTERED OFFICE:

AFRICAN SUN LIMITED

C/O Monomotapa Hotel,
54 Parklane, Harare, Zimbabwe.
PO Box CY 1211, Causeway,
Harare,
Zimbabwe.

PHYSICAL ADDRESS:

AFRICAN SUN LIMITED

Bally House, Mount Pleasant Business Park,
Off Norfolk Road, 870 Endeavour Crescent,
Mount Pleasant,
Harare, Zimbabwe.
PO Box CY 1211, Causeway,
Harare,
Zimbabwe.

THE COMPANY SECRETARY

African Sun Limited

c/o Monomotapa Hotel,
54 Parklane, Harare,
P.O. Box CY 1211, Causeway, Harare, Zimbabwe
Tel: +263 242 338 232-40, +263 78 270 5382-4,
+263 78 270 5379, +263 242 250501-6.
Email: Venon.Musimbe@africansunhotels.com
Web: www.africansunhotels.com

CORPORATE HEAD OFFICE

African Sun Limited

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P.O. Box CY 1211, Causeway, Harare, Zimbabwe
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5379, +263 242 250501-6.
Email: Venon.Musimbe@africansunhotels.com
Web: www.africansunhotels.com
www.africansuninvestor.com