



OUR VISION

To create value for our customers, our people and our shareholders through our brands.

OUR MISSION

To empower our people to always deliver the best in world class restaurant experiences to our valued customers.

**Annual
Report**



About this Report

Simbisa Brands Limited, a company listed on the Victoria Falls Stock Exchange (VFEX), is pleased to present the Annual Report for the year ended 30 June 2023. This Report integrates financial and corporate sustainability information, enabling our stakeholders to make an informed assessment of our performance and impacts.

Scope

The report covers information for Simbisa Brands Limited, whose principal activities are based in Zimbabwe, Kenya, Zambia, Ghana and Mauritius. Any reference in this report to “our”, “we”, “us”, “Company” or “Simbisa Brands” or “Simbisa” or “Group” refers to Simbisa Brands Limited.

Reporting frameworks

Our reporting practices adhere to the following local and international standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Victoria Falls Stock Exchange (VFEX) Listing Requirements;
- International Financial Reporting Standards (IFRS); and
- Global Reporting Initiatives (“GRI”) Standards.

Sustainability data

The qualitative and quantitative data provided in this report was extracted from company records, policy documents and management personnel accountable for the key result areas in the business. Estimations and assumptions that were made are consistent with business operations.

Assurance

The financial statements were audited by the company's independent financial auditors, Ernst & Young Chartered Accountants (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is contained on pages 96 to 99.

Sustainability information was reviewed by the Institute for Sustainability Africa (INSFA) as subject matter experts for compliance with GRI Standards.

A GRI Content Index is contained on pages 183 to 188. The sustainability data in the report have not been externally assured.

Restatements

The Group restated its prior year consolidated financial statements in line with the change in functional and presentation currency from ZWL to USD. Some of the prior year sustainability indicators were restated, thanks to improved data measurement.

Board responsibility and approval

The Board of Directors of Simbisa Brands Limited holds collective responsibility for this report, which has been compiled by members of the management team. The Board recognises its responsibility for ensuring the integrity of this Annual Report and approved this report on 27 October 2023.

Report declaration

The Group management takes responsibility to confirm that this report has been prepared in accordance with GRI Standards- ‘Core’ option.

Currency

All references to USD and ZWL throughout this report refer to the United States of America Dollar and the Zimbabwe Dollar respectively.

Forward looking statements

This Report contains forward looking statements which relate to the future performance and prospects of the Group.

While these statements represent our assessments and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations.

These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward looking statements contained herein. We undertake to update publicly or to release any revisions to these forward looking statements, to reflect events or circumstances after the date of the publication of this Report or to reflect on occurrence of unanticipated events through trading and website updates.

Feedback

We welcome your feedback on our Annual Report. If you have any suggestions on how we can improve our reporting or should you require any clarification on any information provided in this report, please contact:

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You can also call us on +263 242 744 202. This report is also available online at www.simbisabrands.com/financial-reporting/

A.B.C. Chinake
Independent Non-Executive Chairman

B. Dionisio
Group Chief Executive Officer

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Our Beliefs

Beliefs and Service

The level of service we provide to both customers and stakeholders is of utmost importance to us. We believe in staying at the cutting edge of industry by adapting to changes in customer preferences.

Simbisa Brands stands by its commitment to offer only the highest level of service and quality to our customers as well as to all stakeholders. Across the board, all of our brands constantly strive to remain at the cutting edge of industry standards through consistent innovation and adaptation to the changing needs of our customers. Our drive to be an industry leader in serving quality products puts Simbisa Brands at the top. Our Creamy Inn brand exemplifies how we excel in offering a quality service that is synonymous with the name as, time and again, customers choose the Creamy Inn treats over others.

Environment and Community

As a multinational company, Simbisa Brands recognises and embraces its environmental and social responsibility in the regions in which it operates.

We are fully dedicated to establishing environmentally-conscious programmes that benefit the youth, veterans, animals and their entire communities.

Our prime focus for the environment this year was on enhancing efficiency in energy use and managing the impacts of packaging. In the community, we assisted vulnerable groups in orphans, inmates, the elderly and the girl child. We take great pride in making a positive impact through this responsible approach.

Employees

We connect with and employ people who embody the values of the company: integrity and accountability. People who can be relied upon, people with the resilience to face a highly competitive market and who are passionate about the Simbisa Brands Vision.

At Simbisa Brands, we attribute our success to the extraordinary people who embody and represent the core values of the company: integrity and accountability. We are proud to employ energised individuals who share a common passion and enthusiasm for our brands. It is their commendable resilience in the face of a highly competitive market that cements the foundation of the Simbisa Brands Vision. Our Dial a Delivery brand is a fine example of these very people bringing a personal touch as we send our delicious products "from our kitchen to your couch".

We are accountable to our customers for the quality and safety of the food products we produce.

Accountability to the quality and health impacts of our products is an element we treat very seriously. We want consumers of our food to be confident that each bite they sink into our products guarantees maximum satisfaction and enhances trust in us.

Performance and Growth

We believe that to sustain a profitable business model, a simple and uncomplicated approach is necessary. We also know how critical it is to get the basics right, first and foremost. We continue with our organic growth by constantly developing our approach and learning as we expand.

Simbisa Brands opened 42 new stores (net of opened and closed stores) during the 12 month period under review.

Our commitment to providing the Pan-African population with affordable, accessible, nutritious and delicious meals is the key area of our focus. This business model has directly resulted in a great performance. Group revenue increased by 23% with a 17% increase in customers.



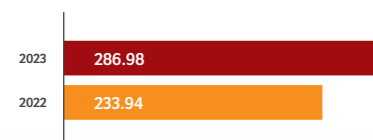


Financial Highlights

Group Revenue

↑ **22.7%**

USD286.98 million
(2022: USD233.94m)



Why we measure it.

It is key for management, employees, shareholders and other stakeholders to know how much income the Group is receiving in exchange for its goods and services. To continue operating, the Group must generate sufficient income to cover its operating costs and earn a profit.

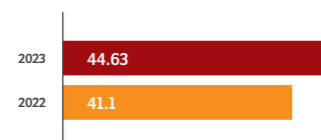
Progress we've made.

Increased footfall into our stores, bolstered by new stores roll-out and increased average spend per customer, resulted in a 22.7% revenue growth.

Operating Profit

↑ **8.6%**

USD44.63 million
(2022: USD41.1 m)



Why we measure it.

Measures the profit earned from the Group's ongoing core business operations and excludes deductions of non-trading gains/ losses, interest and taxes. It is an excellent indicator of the business' potential profitability as it focuses on expenses that are necessary to keep the operations running.

Progress we've made.

An impressive 8.6% increase, despite the sharp cost increases driven by challenges in the global food industry.

Total dividend

↑ **USD 1.313**

cents per share

Why we measure it.

Dividend is the distribution of a portion of the Group's profit to our shareholders. The trend in dividend payments is a vital tool used by investors to track the performance of their interest. It is key for us to monitor the return we are generating for our shareholders.

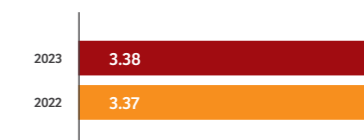
Progress we've made.

The Group continues to prioritise shareholder return. An impressive 5% increase in the total dividend for the year, despite just 0.2% growth in attributable profit, demonstrates the Group's commitment to its shareholders.

Basic Earnings per Share

↑ **0.2%**

USD3.38cents
(2022: USD3.37cents)



Why we measure it.

Basic earnings per share is a ratio that measures the amount of net income earned per issued share. This is the amount of money each share would receive if all of the profits were distributed to the issued shares at the end of the year.

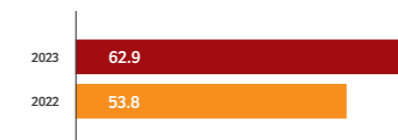
Progress we've made.

Despite challenges faced, the Group maintained its Basic Earnings, with a marginal 0.2% increase.

Customers Served

↑ **17%**

62.9m Customers
(2022: 53.8)



Why we measure it.

It is key for management, employees, shareholders, and other stakeholders to know how many customers were served during the year. Customer counts drive revenue, which in turn drives profitability, the ability of the Group to improve employee welfare, shareholder returns and the Group's ability to contribute to the community.

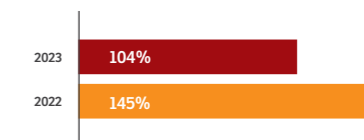
Progress we've made.

Our customers continue to support us, despite shrinking disposable incomes. The Group saw a 17% customer count growth, backed by new stores, delivery sales contribution, promotions and value offerings across the markets.

Cash Generated from Operations to operating profit

104%

(2022: 145%)



Why we measure it.

Cash generated from operations tells us how much money we bring in from selling our goods and providing our services. It excludes cash flows from financing and investing activities.

Progress we've made.

Improved operating profit, coupled with efficient working capital management, resulted in the Group maintaining cash generation above 100% of operating profit.



Our History



1987

First Chicken Inn Opens.

1995

Acquisition of Nando's franchise for Zimbabwe.



Nando's



1998

Innscor Africa Limited listed on the Zimbabwe Stock Exchange.



1999

Secured Steers Franchise and opened the first outlet at Speke Avenue, Harare.



2001

Quick Service Restaurants expands to Ghana.

2004

Quick Service Restaurants expands to Malawi.

2015

On the 5th August 2015, Simbisa Brands was incorporated as a wholly owned subsidiary of Innscor. Effective the 1st October 2015, Simbisa acquired, through a scheme of reconstruction, all the assets and liabilities of the QSR Business from Innscor. The demerger culminated in the listing of Simbisa Brands on the ZSE on 6 November 2015.

2013

Quick Service Restaurants expands to DRC.

2012

Quick Service Restaurants expands to Eswatini.



2011

Secured Galito's Franchise.

2016

Centralised call centre opened for Dial a Delivery Mauritius.

First Chicken Inn Drive Thru opened in Zimbabwe.

2017

Acquisition of RocoMama's franchise for Zimbabwe.

A centralised call centre opened for Dial a Delivery Kenya.

2018

Acquisition of Ocean Basket franchise for Zimbabwe.

2019

Opening of first RocoMama's in Zambia.

July 2020

Establishment of stand-alone delivery business in Kenya.

November 2020

Simbisa Brands crosses the 500th store threshold.

February 2021

Simbisa Brands Zambia opens commercial plant bakery in Lusaka

March 2021

Opening of Buffalo Creek Spur in Harare, Zimbabwe.

2022

InnBucks launched.



December 2022

Listed on the VFEX.



Group Structure

Simbisa Brands operates 4 business units.



Business Processes And Activites



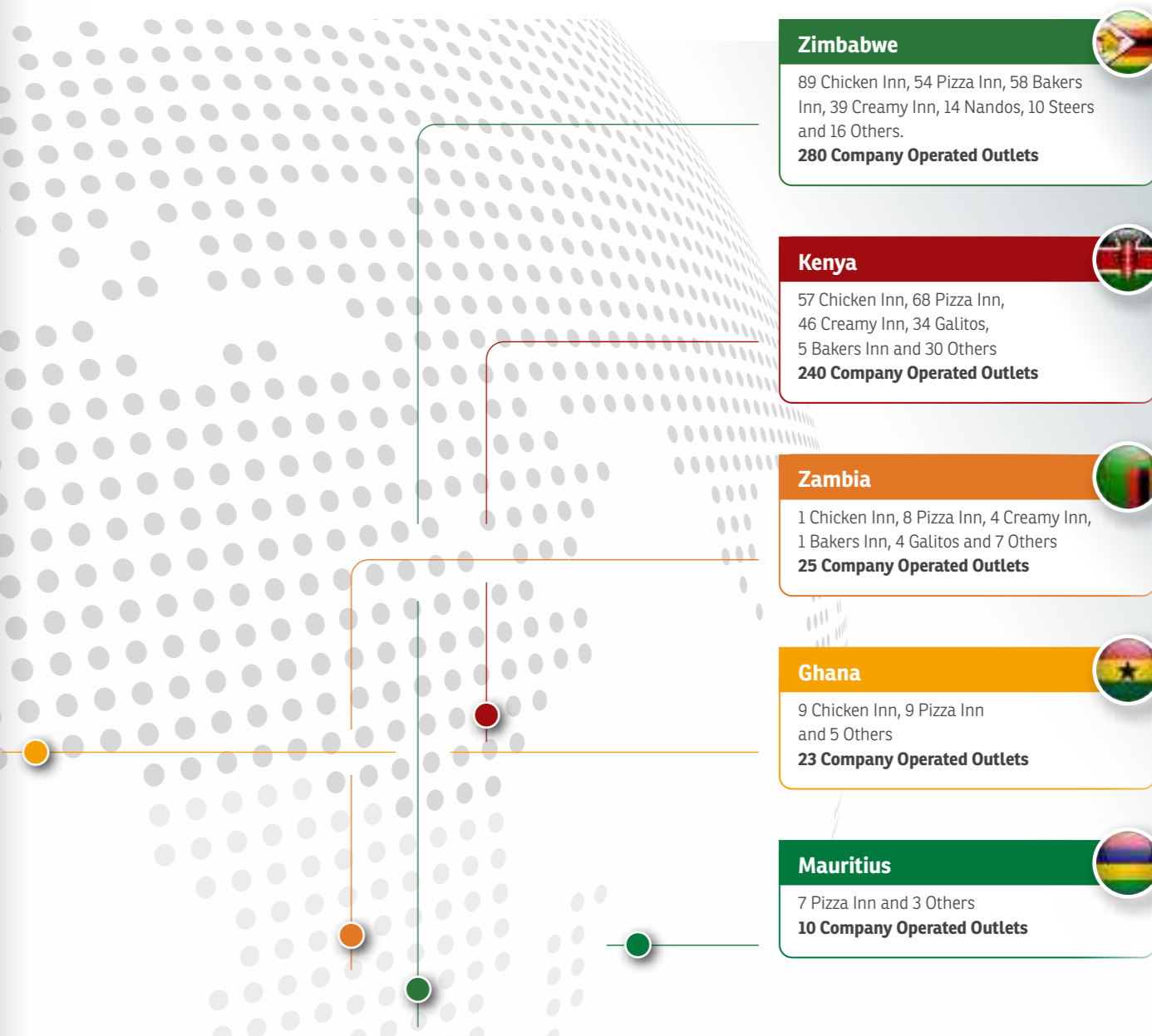
Identifying, shortlisting, selecting, and acquiring suitable goods or services or works from a third-party vendor through a direct purchase, competitive bidding, or tendering process while ensuring timely delivery of the right quality and quantity.

Our manufacturing plants are wholly and partly owned subsidiaries.

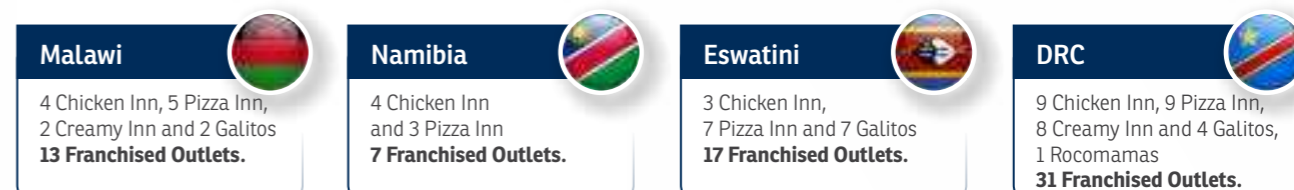
Internal logistics capability ensures that restaurants and retail outlets receive ingredients and products timeously.

In addition to our restaurants, we sell confectionery and other value-added products.

Owned and Operated Markets



Franchised Markets



Our Brands - All Markets

The mission of Simbisa Brands is to empower our people to always deliver best in class restaurant experiences to our valued customers.

 <p>176 Outlets</p>	 <p>170 Outlets</p>	 <p>99 Outlets</p>	 <p>64 Outlets</p>
 <p>14 Outlets</p>	 <p>10 Outlets</p>	 <p>51 Outlets</p>	 <p>9 Outlets</p>
 <p>3 Outlets</p>	 <p>1 Outlet</p>	 <p>1 Outlet</p>	<p>Other</p> <p>48 Outlets</p>



Simbisa Brands
Core Brands Owned and
Operated Markets





Company Owned Brands



Chicken Inn

Meal of the people

Every great story has a beginning. Simbisa Brands' story began when the inaugural Chicken Inn outlet opened in Harare, Zimbabwe in 1987. Its focus was on using the freshest, locally sourced ingredients to produce a delicious and affordable menu. The renowned fried chicken pieces, fried chicken burgers, fresh rotisserie chicken, spicy chicken wings and the famous hand cut chips that are made daily in our Chicken Inn outlets are the reasons why this brand has grown exponentially over the years. That same focus continues today in every outlet across Africa, making Chicken Inn one of the most recognisable brands on the continent.

Chicken Inn's commitment to providing their customers the guaranteed distinctive taste synonymous with the brand is the key to our success. The popular 2-Piecer stands alone as the "meal of the people." As one of our top sellers, this delectable option satisfies thousands of on-the-go consumers daily.

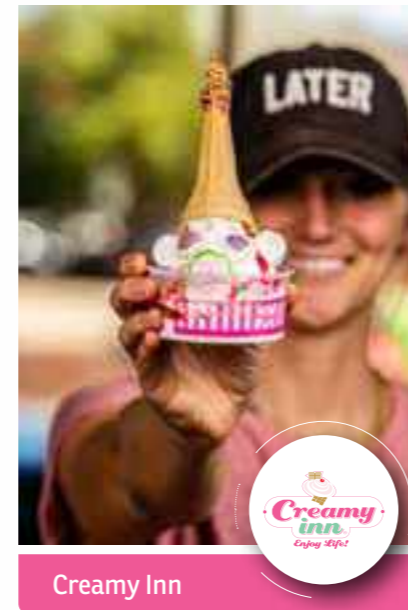


Pizza Inn

Best tasting Pizza

A Pizza Inn pizza box might be one of the most recognisable icons of Africa. Whichever way you slice it, Pizza Inn is an industry leader in the quick service pizza game. The first Pizza Inn outlet opened its doors in 1994 in Harare, Zimbabwe, and rose quickly in popularity. Serving hot oven-fresh pizza with its signature all-natural tomato sauce and using only the freshest ingredients, Pizza Inn has established itself at the top of the industry and is easily one of the first choices in quick service pizza in Africa.

The homemade pizza dough is produced in-house daily and is another reason why the pizza at Pizza Inn always tastes better. The Twisty Bread, the signature Wingz and the delicious Double Meal are additional value-for-money options that keep our satisfied customers coming back time after time. These are the meals that have made our Terrific Tuesday everyone's favourite day of the week. When entertaining, a Hawaiian, a Regina, or a Peri Peri Chicken pizza from Pizza Inn is the obvious and perfect option to please crowds of all ages.



Creamy Inn

Nothing's cooler than ice cream

Nothing's cooler than ice cream. Our tasty soft serve, which is featured in every one of our tasty products, is the secret ingredient that makes us the coolest. Creamy Inn's delectable selection of cones, cups, milkshakes, sundaes and waffles has become a favourite indulgence among all ages throughout Africa. Whether it's chocolate, strawberry, mint, caramel, nuts or sprinkles you like drizzled or heaped on top, Creamy Inn delivers treats like no other. This delicious ice cream brand is often the choice for family outings, beach days, shopping days, or any day!



Bakers Inn

Fresh products made in-store daily

The Baker's Inn brand has been established as the go-to brand for the on-the-go customer. Baker's Inn is committed to providing quality, hot, freshly baked goods from our ovens to the customer. We open our doors at 6am and operate for 24 hours at selected locations.

Baker's Inn is known for its home-grown goodness and focuses on using fresh and locally sourced ingredients. By using only premium products in our recipes, we can ensure an unforgettable taste experience. Our goods are baked at a central bakery and distributed to our outlets directly to guarantee freshness. Each and every day, Baker's Inn customers can expect to find a tempting assortment of sliced breads, bread rolls, pies, doughnuts, scones, buns, birthday cakes and queen cakes.



Fish Inn

Freshness is key

When it comes to serving fish, freshness is key. It's this understanding that ensures that Fish Inn's meals are always of the highest quality. Fish Inn first opened its doors in 2013 at the Fife Avenue Shopping Centre in Harare, Zimbabwe. It has quickly entrenched itself as the leader in bringing fresh, tasty and affordable fish to the people of Zimbabwe.

Boasting a specialised menu that focuses on "fish and chips" classics, Fish Inn is rapidly growing in popularity. Whether it's a crispy fried fillet, succulent grilled calamari rings, mouth-watering fish burgers, tasty fish wraps, crunchy prawns or a combination of these, there is something to suit everyone. And for the health conscious, all menu items are also offered as grilled.



Dial a Delivery

From our kitchen to your couch

Dial a Delivery (DaD) is a stand-alone brand that is an integral part of the Simbisa Brands portfolio. Its primary focus is to extend our brands and products to our consumers in a convenient and efficient way via our centralised call centres. Customers simply phone in their orders to the agents on call, and the meals are quickly dispatched. Through an automated process, all orders are mapped and tracked in the system.

To make it easier and more convenient for our customers to order their favourite Simbisa Brand meal, the DaD App has been launched across most of our markets. This online ordering system will keep us on the cutting edge of industry technology and consumer purchasing habits. By using the very latest in technology, we can ensure a quick turnaround time from order placement to delivery, making "from our kitchen to your couch" a reality.

By combining this convenient service with our highly recognised and sought-after brands, satisfaction is guaranteed.



Business Model

Our Competitive Advantage

- Strong management team and track record of operating in Africa.
- Well-known brands and loyal customer base.
- Understanding of the cultural differences associated with eating out in Africa.
- Own and operate our own Intellectual Property rights of the brands in our portfolio.
- Strategically located Quick Service Restaurants to ensure consistent access to large volumes of consumers.



The Value we create

For our employees

8 326

people employed

For our shareholders

Total dividend for the year

1.313 USD cents

per share FY 2023

For our customers

High service values.

42

net counters growth in FY 2023

What we do

- We are an African focused restaurant company. We currently operate in 9 African countries.
- We own and operate a portfolio of brands targeting consumers across all income categories, through our casual dining and Quick Service Restaurants.
- We provide high levels of service and quality to our customers and stakeholders. We use innovation to stay at the cutting edge of industry standards.





Awards, Business Associations Memberships and Certifications

Awards

CCAZ Certificates of Recognition Awards

- Winner – Fast Foods Sector 2022 – Nando's Zimbabwe
- Second Runner Up – Fast Foods Sector 2022 – Chicken Inn Zimbabwe
- First Runner Up – Fast Foods Sector 2023 – Nando's Zimbabwe
- Second Runner Up – Fast Foods Sector 2023 – Chicken Inn Zimbabwe

Megafest Business Awards

- Winner – Zimbabwe Top 20 Outstanding Organisations 2022 – Simbisa Brands Limited

CSR Network Zimbabwe – Zimbabwe National Responsible Business & CSR Awards.

- CSR Award for Inclusive Development of SDGs 2022 – Simbisa Brands Limited

Marketers Association Zimbabwe Awards

- Gold Winner – Matebeleland Top Brands and Marketing Excellence Awards – Best Regional Radio Advert of the Year 2023 – Dial a Delivery










Outlets

Brand Type	Brand	Outlets (Number)
Company Owned brands	Chicken Inn	165
	Pizza Inn	155
	Creamy Inn	97
	Baker's Inn	64
	Others	6
487 Outlets		
Licensed brands	Nandos	14
	Steers	10
	Galitos	42
	Others	93
159 Outlets		
Total Outlets		646

Market Type	Market	Outlets (Number)
Company Owned and Operated Markets	Zimbabwe	280
	Kenya	240
	Zambia	25
	Ghana	23
	Mauritius	10
578 Outlets		
Licensed Markets	Namibia	7
	Swaziland	17
	Malawi	13
	DRC	31
68 Outlets		

Key Strategic Matters

-  We strive to be the industry leader in customer service
-  Improving our operational efficiencies
-  Enhancing our financial performance
-  Developing our people; ongoing commitment to transformation
-  Leading in the categories we compete in
-  Optimising capital management
-  Ensuring regulatory compliance





Strategic Performance Review

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Chairman's Statement

Simbisa Brands Limited – A Year of Growth despite the Challenges

Overview

Simbisa Brands Limited has had a strong year, recording good overall revenue and EBITDA growth of 23% and 9%, respectively. This success can be attributed to various factors, including the expansion of our store footprint and the continued development of the Group's digital channels.

The Company has seen a significant increase in the total number of stores, with a net growth of 7% since the beginning of the financial year under review. The Group closed the financial year with 646 stores (30 June 2022: 605).

While the results for the year are commendable, the Board acknowledges the challenges that need to be addressed to achieve the Group's long-term objectives.



Kenya

During the period under review, Kenya experienced economic headwinds, resulting in depressed customer count growth and cost volatility. Consequently, revenue growth in this market was significantly constrained during the financial year, weighing down the operating profit in the Region segment. Initiatives to overcome these challenges and achieve sustainable growth in the future are being implemented.

Zimbabwe

The Board is proactively addressing the multifaceted economic risks stemming from the persistent challenges faced in Zimbabwe, such as soaring inflation, volatile exchange rates, uncertain economic policies, and energy deficiencies. Simbisa is implementing effective strategies to navigate these hurdles and sustain the growth of its business operations within the Zimbabwean market. Despite these and other challenges, the Zimbabwe business recorded impressive growth in Revenue and Operating Profit.

Sustainability

The Group is dedicated to ensuring the sustainable management of its business, placing a strong emphasis on minimising its environmental footprint and enhancing its social influence. Simbisa has proactively introduced a range of initiatives to accomplish these objectives, encompassing energy conservation measures and comprehensive employee welfare schemes. Moreover, the Group is determined to make a positive difference in the communities it serves, actively contributing to their development and well-being.

In the past year, we expanded our offerings to include additional staff health services. We understand that these are difficult times and that we need to look after our most important asset, our staff. That's why we now offer a 24-hour mental health support line to all our staff.

On the education front, in collaboration with like-minded organisations, we sponsored two marathons in the financial year to raise funds for the USAP Community School, which educates high-achieving, low-income Zimbabwean students to excel at the world's top universities and return home to build the nation.

Chairman's Statement (continued)

Financial Reporting Matters

i) Change in functional and presentation currency from the ZWL to the USD

Effective 1 July 2022, Simbisa Brands Limited changed its functional currency from ZWL to USD. This decision was made to reflect the Group's financial performance better and provide greater transparency to investors. The presentation currency was also changed to USD on the same date.

The Group exercised careful judgment in the conversion of comparative financial statements that were originally denominated in ZWL. This process entailed differentiating between USD and ZWL transactions and balances. Previous years' transactions and balances in USD were retained in their original currency, with only the ZWL transactions and balances converted into USD at the transaction-based rate, as further explained below. For property, plant and equipment, an independent valuation was performed. The valuation was performed as of 1 July 2022. This same value was then employed in the statement of financial position dated 30 June 2022 to enhance comparability. This methodology, however, deviates from IAS 21, which specifies that inflation-adjusted financials should be converted at a spot exchange rate into the new functional and reporting currency. Applying IAS 21 would have led to significant distortions in the financial statements, given that CPI indices do not mirror the actual foreign currency exchange rate trends in the economy. Also, adherence to IAS 21 would have resulted in a different value for a transaction or balance originated in USD. The Group strongly believes that its chosen methodology provides a fair and accurate depiction of the financial performance of business. These deviations from IAS 21 have led the independent auditors to issue a qualified opinion on the consolidated financial statements.

ii) Use of estimated foreign exchange rates.

Despite the anticipated improvement in the financial statements due to the transition to reporting in USD, the distortion in exchange rates persists. This distortion results from the significant gap between the official exchange rate and the implied real exchange rate, which is determined by comparing local and foreign currency prices. Although there has been some stability in the exchange rate after the end of the financial year, it is essential to note that the relevant authorities are yet to fully address this issue.

The Chairman's previous reports accompanying the Group's financial statements for the financial years ended 30 June 2021 and 30 June 2022 respectively, emphasised that the exchange rate derived from the Reserve Bank of Zimbabwe's weekly Foreign Currency Auction System (known as the "Auction Rate") is deemed inappropriate. To accurately represent the Group's financial performance and position, Simbisa has continued to use an estimated exchange rate based on market transaction rates, which are then used to translate monetary foreign currency balances. This approach was deemed fair and accurate by the Board. However, the Group's Independent Auditors have a different opinion. They consider the Auction Rate to be compliant with IAS 21 and have issued a qualified opinion, for the same reason as the adverse audit opinion for the previous financial year.

On 15 August 2023, the International Accounting Standards Board (the IASB or Board) issued Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) (the amendments). The amendments specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. Simbisa is still assessing the impact of this standard on the Group's financial statements. However, the Group believes that this amendment is relevant to the current Zimbabwe economic environment and that the Group's method of estimating the transaction-based rate used in the current financial statements is aligned with the principles in the amendment. The Group intends to adopt this amendment in the financial year beginning 01 July 2023.

iii) Change in accounting policy for property, plant and equipment

Effective 1 July 2022, the Group has changed its accounting policy for property, plant, and equipment from the cost model to the revaluation model in accordance with International Financial Reporting Standards (IFRS). The revaluation model provides a more accurate representation of the fair value of property, plant, and equipment. The fair value of the assets has been determined based on independent valuations conducted by qualified professionals. Revaluation gains or losses are recognised in other comprehensive income, in accordance with IAS 16. The revaluation of Zimbabwean operations was however applied to the 30 June 2022 carrying amount as part of the take-on balances, to cater for the change in functional currency and restatement of the comparative statement of financial position.

Chairman's Statement (continued)

Financial Performance Highlights

Simbisa Brands Limited achieved significant financial milestones during the year:

- a) Revenue increased by an impressive 23% overall, with Zimbabwe contributing with a growth rate of 34% and the Region growing 5%. This revenue growth in Zimbabwe was primarily driven by a considerable increase in customer counts of 24%. In the Region, customer counts grew by 2.5%.
- b) Adjusted operating profit measure – This measure is after adjusting attributable profit for the impact of IFRS 16, 'Leases'. IFRS 16 treats leases previously classified as operating leases under the previous standard, IAS 17, as financing arrangements. The Directors believe that considering the nature of the Group's lease arrangements, an adjusted profit measure excluding the impact of IFRS 16 is valuable to users of the financial statements. The adjusted measures are as follows:

	2023 USD millions	2022 USD millions	Growth %
Operating profit as reported	44,6	41,1	9%
Less Actual Rent paid (allocated to Lease liability for IFRS 16)	(7,8)	(7,3)	—
Adjusted Operating profit	36,8	33,8	9%

In Zimbabwe, the adjusted operating profit witnessed a commendable growth of 9%. However, the Region's operating profit experienced a decline of 13%, primarily due to the challenging economic conditions in Kenya. These conditions were largely influenced by the uncertainty surrounding the elections, high inflation, and business disruptions due to cost-of-living protests, which significantly impacted customers. This overall growth in adjusted operating profit was 9%.



- c) Depreciation, amortisation, and impairment witnessed an increase of 10%, driven by the upward revaluation of fixed assets conducted by the Group at the start of the financial year.
- d) The profit from associates represents the share of profit from the Group's non-controlling stake in InnBucks MicroBank.
- e) The adjusted profit attributable to shareholders was down marginally as reflected below.

	2023 USD millions	2022 USD millions	Growth %
Profit attributable to shareholders as reported	19,0	19,0	0%
Less Actual Rent paid	(7,8)	(7,3)	—
Add back IFRS 16 depreciation	5,5	5,3	
Add back IFRS 16 interest charge	3,8	3,8	
Adjusted Profit attributable to shareholders	20,5	20,8	(2%)
Adjusted Basic Earnings per share (US Cents per share)	3.64	3.70	(2%)

- f) The financial position of Simbisa Brands Limited as of 30 June 2023 demonstrates its sustained growth trajectory. The total assets have experienced a significant increase, primarily driven by strategic investments in capital expenditure. These investments have been financed through a combination of current-year profits and increased debt and working capital funding.
- g) Excluding the IFRS 16 liabilities, the net debt position of the Group stood at -USD 1.4 million (compared to USD 1.9 million in the previous period). The additional debt was utilised to support various capital expenditure projects to expand and maintain the Group's operations.
- h) The cash generated from operations remained robust and exceeded 100% of the operating profit, indicating a healthy cash flow generation potential for the Group.
- i) A substantial portion of the cash generated, amounting to USD 27.1 million (equivalent to 60%), was spent on investing activities, mainly towards capital expansion and maintenance initiatives. This demonstrates the Group's commitment to investing in its infrastructure and ensuring the long-term sustainability of its operations.



Final Dividend

The Board resolved to declare a final dividend of 0.433 US cents per share. This takes the full year dividend to 1.313 US cents per share. Furthermore, the Board approved a dividend of USD121,713 to the Simbisa Employee Share Trust. The dividend will be payable in United States dollars on or about 16 November 2023 to shareholders registered in the books of the Company at the close of business on 10 November 2023. The last day to trade cum-dividend is 7 November 2023, and the ex-dividend date is 8 November 2023.

Outlook

Simbisa Brands Limited sees significant growth opportunities in its largest markets for its flagship brands. The Group has invested in talented leaders to lead these brands and has recruited skilled personnel to ensure quality, consistency, and innovation within its franchising division.

For the year ending 30 June 2024, Simbisa plans to open 92 new stores at a total cost of more than USD22 million. Additionally, the Company is exploring value-creating initiatives with partners throughout its value chain. These strategic moves aim to fuel further growth and expansion for Simbisa Brands Limited. There will be a continuous strategic review of operations in all the smaller markets.

Appreciation

On behalf of the Board, I commend our Executive and Management teams for their contribution to Simbisa Brands Limited's performance for the year ended 30 June 2023. The company achieved substantial revenue and Operating profit growth, positioning it well for continued success in the future.

The Company is also grateful to its loyal Customers who continue to support our brands. In the year under review the Group served more than 62 million customers.

We thank the various suppliers, partners, and stakeholders in all our markets without whom this performance would not be possible.

Given the pipeline of stores planned for financial year ending June 2024 and the planned optimisation of our business operations, we are optimistic that our Company will continue to deliver improved results.

ABC CHINAKE
Independent Non-executive Chairman
Harare
27 October 2023



Chief Executive Officer's Report

Trading Environment

Global financial pressures, largely stemming from the Russia-Ukraine crisis and the resultant high commodity prices and supply chain disruptions, continue to pervade the global economy.

Persistent high inflation rates, tightening monetary policies resulting in rising interest rates and decelerated global GDP growth, estimated at 2.8% for 2023, continue to impact the consumer sector and consumer spending levels remain subdued. Global headline inflation is set to fall from 8.7% in 2022 to 7.0% in 2023 due to lower commodity prices. However, indications are that global inflation levels will remain above target until 2025, after which the IMF hypothesise that deeper structural drivers will likely reduce interest rates toward their pre-pandemic levels.

Sub-Saharan Africa's (SSA) GDP is expected to register slightly higher growth rates of 3.6% in 2023 and 4.2% in 2024, with the latter forecast hinging on improvements in the aforementioned global economic conditions. The IMF forecast SSA inflation with a median of 5.0% year-on-year for 2024, half of the 2022 inflation rate of 10.0%, although still above pre-pandemic levels. An exit of capital from emerging markets, primarily due to external factors which caused portfolio reversals and reduced foreign direct investments, has put significant pressure on local currencies versus the US Dollar.



Group Performance Overview

Simbisa continued to focus on organic growth, rolling out 69 new counters between 30 June 2022 and 30 June 2023. During the financial year under review, following the successes of the re-modelling exercise undertaken in Mauritius, Simbisa embarked on an exercise to re-organise the regional business (excluding Kenya) to streamline the brand portfolio in each market to operate only the most successful core brands (hereafter referred to as 'core brands') to give complete focus and attention to these brands, optimise the customer experience and maximise shareholder returns. This resulted in the closure of 28 counters in the non-core brand category, closing the period with 646 counters (578 company-operated and 68 franchised) as at 30 June 2023.

Simbisa implemented a pricing strategy during the year under review that resulted in menu price increments, executed in a minimal and phased approach to minimise the impact on the price-sensitive customer. This enabled the Group to keep pace with inflation and exchange rate devaluation to grow real average spend in all markets, with the exception of Ghana. The Group US Dollar Average spend grew 4.3% year-on-year in FY 2023.

The re-modelling efforts to achieve a brand-focused approach to operations have already shown success. Organic growth in the core brands in the year under review resulted in a 17.6% year-on-year increase in Group customer counts. This, together with growth in real average spend, resulted in a 22.7% increase in Group revenue in FY 2023 versus the prior year. Inflationary escalation in operating costs outpaced revenue growth, resulting in softer operating margins compared to the prior year period, the Group achieved an 8.6% increase in operating profitability versus prior year.

Zimbabwe

Persistent economic headwinds continue to dampen consumer activity in Zimbabwe. These include slowing global, regional, and national GDP growth, rampant inflation, economic policy uncertainty, and an opaque and unstable exchange rate. Whilst the government anticipates real GDP growth of 3.8% for 2023, the IMF recently reduced its 2023 growth rate for Zimbabwe to 2.5%, citing power cuts, high ZWL inflation, weak local currency and high ZWL borrowing costs as critical reasons for the revision.

On the upside, the operating environment benefited from relative stability in the local currency during the period under review, with considered money supply control resulting in rates holding steady ahead of the August 2023 elections. Following the normal to above normal rainfall experienced in Zimbabwe during the 2022/23 summer cropping season, a high agricultural outturn is expected to buoy consumer spending. This will be further supported by the increasing contribution to gold production by small-scale miners, resulting in overall growth in the sector.

Chief Executive Officer's Report (continued)

Customer counts increased by 24.2% in the FY 2023 period, versus the comparable prior year period, buoyed by promotional activity, value offerings, and continued organic expansion with a net of 18 new counters opened over the period under review. The drive to increase delivery capacity through the scaling of operations has been successful, with the total number of deliveries increasing 53% in FY 2023 versus prior year, despite generally depressed consumer income levels in the market. The increased contribution from deliveries has supported real average spend growth, which increased 7.9% year-on-year, resulting in top-line growth of 34.1% against prior year.

The InnBucks restructure has been a great success. The platform continues to be widely used, which shows that people have accepted and trusted it. Our growing footprint across the country provides an acceptable and easily accessible alternative form of banking in a country with a largely unbanked population.

Regional Operations

The regional operations continue to be affected by high inflation levels, currency devaluation and supply chain disruptions. The operating environment remains challenging, and the Group has responded by streamlining the operations to focus on the highest-return brands, as aforementioned. As such, 21 counters were closed in the region during the FY 2023 financial year. However, the Group remains committed to growing its footprint in the region, particularly in Kenya, where growth opportunities remain abundant. As such, 44 new counters were rolled out between 30 June 2022 and 30 June 2023, of which 34 were opened in Kenya.

Customer counts in the regional business increased 2.5% in FY 2023, weighed down by lower customer counts in Ghana, which remains under significant economic strain. Despite local currency devaluation against the US Dollar, the Group maintained real average spend in the region, which was up 1.7% versus prior year, through nominal menu price increases necessitated to keep pace with inflation. Resultantly, top-line growth of 4.2% was achieved in the regional division.

Kenya

GDP expanded by 4.8% in 2022, and the World Bank expects Kenya's economy to expand by 5.0% in 2023 on recovery in agricultural output due to favourable weather conditions and the post-pandemic environment boosting recovery in tourism, education, and transport sectors.





Chief Executive Officer's Report (continued)

The year under review has been marred with economic pressures stemming from tightening monetary policy with record-high interest rates, a slowdown in public investment, higher electricity and fuel prices and persistently high inflation, which is projected to average 7.8% in 2023, up from 7.6% in 2022. After losing an average of 9.2% of its value against the Dollar year-on-year in 1H FY 2023, the Kenyan Shilling's depreciation quickened in 2H FY 2023 to an average of 15.2% year-on-year.

The Finance Act assented to by the President on 26th June 2023 and which came into force on 1st July 2023, has tax and cost of living implications, including a doubling of the fuel tax, which will put consumer spending under further pressure and impact the operational cost base from 1H FY 2024.

These economic headwinds have significantly increased the cost of living, and consumers are feeling the pressure. Social unrest and protests, led by opposition politicians in response to the rising cost of living and alleged fraud during the August 2022 election, resulted in trading disruptions in 2H FY 2023.

Despite the economic headwinds, there is significant room for growth in the market, and Simbisa Kenya continued to grow its market share in FY 2023 through the rollout of 34 new counters in the 12 months from 30 June 2022 to 30 June 2023, to close the year with a total store count of 240 outlets. On the back of the new store openings, customer counts grew 3.7% in FY 2023 versus prior year. Menu price increments effected over the financial period were kept in line with inflation, resulting in real average spend increasing 2.7% versus prior year. Resultantly, top-line growth of 6.5% was achieved in FY 2023 versus the prior year. Constrained growth in the market weighed down on overall regional growth.

The transition to deliver Pizza Inn exclusively through the Dial a Delivery and Pizza Inn delivery platforms in Kenya has been successful, with in-house deliveries and average revenue per delivery increasing 27% and 7%, respectively, year-on-year. At the beginning of the financial period under review, under one-third of orders were made through mobile applications, with customers favouring call-centre dial-ins; by the close of the period, more than half of orders were made through mobile applications, and we have seen this trend continue into Q1 FY 2024. The move has enhanced Simbisa's ability to control the overall customer experience through more extensive value and promotional offerings, improved delivery times and availing customer feedback channels. On the downside, deliveries through third-party aggregators fell 55% year-on-year due to the aforementioned transition to Pizza Inn delivery exclusivity on Simbisa's in-house platforms, as well as the third-party aggregators not being as aggressive with marketing and promotions as they were in the prior year, when precipitating a recovery from the Covid pandemic.

Overall deliveries in the market fell 18% year-on-year, and the focus in FY 2024 will be on recovering these sales volumes through marketing initiatives and application-exclusive promotions.

Zambia

The Zambian Kwacha remained volatile against the US Dollar, depreciating 26% from 1 July 2022 to 31 March 2023 (Q3 FY 2023) before appreciating 17% between 31 March 2023 to 30 June 2023 (in Q4 FY 2023), ahead of the conclusion of the debt restructuring plan with the International Monetary Fund (IMF). The Zambian Government has projected economic growth at just 2.7% in 2023, from 4.7% in 2022, as contractions in mining and energy drag on growth. GDP growth is expected to accelerate to 4.8% in 2024, based on improvements in macroeconomic conditions and the implementation of reforms.

Following the re-organisation exercise, 8 outlets were closed in Zambia during the period under review. Despite this, the customer count increased 2.9% year-on-year and real average spend increased 6.9%, resulting in a 9.6% increase in revenue in US Dollar terms. However, the market is still facing some challenges with operating margins due to inflationary pressures on operating costs, exacerbated by increased load shedding during the period under review and higher fuel prices.

Pizza Inn Delivery was launched in January 2023 and was embraced by the market, contributing 13% to Pizza Inn's revenue in 2H FY 2023. The target is to grow the revenue from delivery channels to contribute 20% to Pizza Inn's revenue in FY 2024.

Mauritius

After reaching a peak annual inflation rate of 12.2% in December 2022, the highest level since November 2006, subsequent months have seen a cooling in inflation levels, with the annual inflation rate recorded at an over-one-year low of 7.9% in June 2023.

The market has benefited from a post-pandemic increase in tourist arrivals, with the number of tourists recorded between July 2022 and June 2023 up 120% versus the prior comparable period from July 2021 to June 2022.

Despite trading with 3 fewer counters than in the prior year period, the number of customers increased 3.9% year on year while real average spend increased 9.3% year-on-year, resulting in US Dollar top-line growth of 13.5% in FY 2023 versus prior year.

Despite inflationary pressures, significant cost savings were achieved in the period under review through enhanced efficiencies under the new operating model and strict cost management policies implemented. This resulted in significantly improved operating margins in FY 2023 versus the prior year period, with operating profit doubled in FY 2023 versus the prior year period.



Ghana

The Ghanaian Cedi came under intense pressure in the year under review, depreciating 42% between 1 July 2022 and 30 June 2023, reflecting portfolio reversals and lower FDI inflows, while demand pressures increased. Sustained high inflation rates, mainly driven by high commodity and food prices and the sharp depreciation in the local currency, persisted in the financial year under review. The annual CPI inflation rate peaked at a high of 54.1% in December 2022 and closed June 2023 at a rate of 42.5%, largely driven by rising prices for food and beverages at 54.2% in June 2023. The Ghanaian economy is forecast to expand by a weak 2.8% in 2023 after growth of 3.1% in 2022.

The re-modelling exercise has been instituted in Ghana and entailed the closing down of 9 counters whilst 7 new core brand counters were opened between 30 June 2022 and 30 June 2023. The new counters included 3 casual dining brands (2 Rocomamas and 1 Ocean Basket), 2 Chicken Inn Drive-Thrus, a Chicken Inn and a Pizza Inn. We expect significantly higher returns from the new locations.

In light of the difficult trading conditions and store closures, customer counts fell 14.9% year on year in FY 2023. While local currency Average Spend increased 54.9% over the same period, menu price increments lagged inflation due to high demand elasticity, resulting in a 9.4% decrease in real-term Average Spend.

We remain optimistic in our outlook for this market. A more optimistic GDP growth expectation of 3.9% is forecast for 2024. The re-modelling exercise will spill over into FY 2024 with a further 6 store closures and 3 new store openings in the pipeline for the financial period. We believe the model in this market will be poised to optimise efficiencies and maximise Shareholder returns as the economy recovers.

Franchised Markets

Despite challenges in the operating environment, marked by high commodity prices, devaluation in the local currency and persistent inflation, the DRC franchise business performed very well in FY 2023. Customer counts increased by 13.5% year on year, supported by increased real Average Spend, which grew 13.4% over prior year, and translated into US Dollar top-line growth of 28.7%.

There were 3 new counters opened in the market between 30 June 2022 and 30 June 2023, of which 2 were opened in Q4 FY 2023, with the upswing in revenue expected to kick in from 1H FY 2024. There are 6 new store openings in the pipeline for FY 2024, whilst 3 counters will be closed, and the assets relocated.



Chief Executive Officer's Report (continued)

Strategic Focus

During the period under review, the Group embarked on an organisational restructuring exercise with a brand-focused approach. The vision is to have a human resources operations structure that delegates responsibility to individuals to champion and drive growth in the core brands in Simbisa's portfolio. The aim is to increase staff productivity and satisfaction through career development and empowerment whilst fostering continual development and growth of our brands.

As part of the re-organisation efforts, and as aforementioned, the Group made a strategic decision to streamline the brand portfolio to focus entirely on the best-performing core brands in the region, which entailed the closure of several underperforming outlets. This exercise will continue into FY 2024, with the closure of a further 9 counters in the non-core brand category. The Group remains committed to diversifying revenue streams by growing our market share in the casual dining sector and increasing the revenue contribution from deliveries. The former is steadily being implemented by opening 17 casual dining restaurants (including Nando's and Galito's in the casual dining brand category) in FY 2023 and an additional 20 casual dining stores in the pipeline for FY 2024. The top-line benefit of increasing the casual dining segment of Simbisa's brand portfolio is two-fold: firstly, through broadening our reach of customers in the upper Living Standards Measure (LSM) segment and secondly, through attracting a higher average spend.

In line with the new organisational brand-facing structure and leveraging the existing brand equity and customer loyalty, a decision was made to launch brand-specific mobile delivery applications for the key delivery brands in conjunction with the existing Dial a Delivery application. This commenced with the launch of the Pizza Inn mobile application in Kenya in Q2 FY 2023 and has successfully increased mobile application orders and overall delivery volumes. This was followed by the launch of mobile delivery applications for Chicken Inn, Galito's and Grill Shack in Kenya and will be rolled out to Simbisa's remaining markets in FY 2024. In addition to higher delivery volumes, the brand-specific delivery applications are expected to improve brand visibility, customer retention and reachability and to enhance the user experience.

Simbisa remains committed to offering customers a class-leading ordering and dining experience through continuous investments in brand and product development and technological improvements. In line with global trends, Simbisa will introduce in-store customer self-service kiosks to enable customers to place orders through an interactive screen. Additionally, considering a growing segment of customers seeking an on-the-go, drive-thru experience, Simbisa will launch an inaugural Steers Drive-Thru in Zimbabwe in 4Q FY 2024.

To hedge against high inflation and exchange rate weakness, the Group will continue to carefully monitor and adjust menu prices as necessary to maintain real returns whilst remaining sensitive to customer affordability. Debt restructuring, local procurement where possible, and careful cost management policies will continue to be implemented to counter the negative impact on margins.

Outlook

From the first quarter of 2023, headline inflation started showing signs of easing, supported by declining commodity prices. This notwithstanding, there are underlying inflation pressures from the pass-through effects of past input costs, rising wages and currency depreciation against the Dollar. Rising short-term inflation expectations and currency devaluation against the Dollar remain a concern going into FY 2024. Following a post-pandemic recovery, GDP Growth prospects remain favourable in our operating markets for 2024, which will translate to improved consumer activity.

We are confident that the re-organisation exercise that commenced in FY 2023 and that will be carried through into FY 2024, with a fresh brand-focused approach, will allow the Group to deliver even more value and satisfaction to its customers.

A substantial investment pipeline, with 92 net new counters set to open in FY 2024, will drive growth and unlock shareholder value. In the short to medium term, the primary growth markets will be Kenya and Zimbabwe. However, Simbisa remains vigilant of new growth opportunities in existing and potential new markets and continues exploring business development options.

The Group managed to achieve top-line growth and deliver value to all stakeholders during the financial year under review, despite the significant operating challenges faced during the period, and this success I attribute to our dedicated staff members for their considerable efforts and hard work over the period and to our loyal customers for their unwavering support. I would also like to sincerely thank the Simbisa Board of Directors for their ongoing commitment and guidance. Thanks also goes to our franchise partners, lenders, suppliers and all other stakeholders for their continued support and faith in the Group, especially in the face of the many challenges faced during the year.



B Dionisio
Chief Executive Officer
27 October 2023

Governance

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Corporate Governance

Simbisa Brands is committed to upholding the highest standards of corporate governance and business ethics. This commitment drives the Group to generate sustainable value, while also ensuring that our board remains accountable.

Our corporate governance practices are continuously reviewed and aligned with the Quoted Companies Alliance (QCA) Corporate Governance Code, National Code on Corporate Governance Zimbabwe, Draft Securities and Exchange (Victoria Falls Stock Exchange Listing Requirements) Rules, the new Companies and Other Business Entities Act (Chapter 24:31) and other international best practices on corporate governance. This helps us maintain our reputation as a responsible and trustworthy company that operates to the highest standards.

Board Responsibility

The Board is responsible for setting the strategic direction and policies, as well as ensuring the long-term sustainability of our operations. The Board collaborates with committees whose recommendations and decisions are reported at board meetings. Additionally, the Board delegates some of its responsibilities to the Chief Executive Officer and Executive Directors. The Executive Directors are responsible for strategic planning, execution, and ensuring that decisions align with the Group's overall strategy. The Board meets quarterly to monitor the performance of the Group, management, and operations.

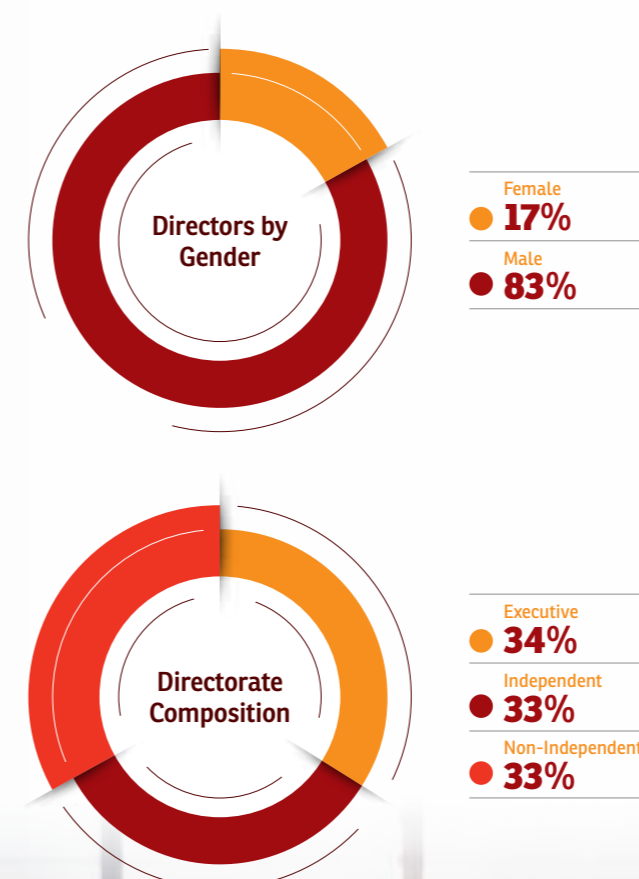
Board Structure



Corporate Governance (continued)

Board composition

As at 30 June 2023, our Board was composed of 6 directors: 2 Executive Directors, 2 Independent Non-Executive Directors, and 2 Non-Independent Non-Executive Directors. The profiles of the Directors are set out on pages 34 to 35. The Directors possess a wealth of experience in business, corporate legal practice, and finance, which enables them to guide an active and ambitious executive management team.



Nomination of Directors

The Nominations Policy outlines the process for nominating directors to the Board. As per the policy, candidates are considered for the Main Board as and when the need arises. The selection criteria include relevant experience, competence, integrity, and other factors. The Group informs the Victoria Falls Stock Exchange (VFEX) of the chosen candidate, who must also complete a disclosure form for review. The candidate's appointment is confirmed at the Annual General Meeting (AGM).

Professional advice

Simbisa Brands has established resources and systems that guarantee the Directors receive comprehensive and timely information about the business. This empowers them to perform their duties and responsibilities effectively. Furthermore, the Group's policy allows Directors to seek independent professional advice at the Group's cost concerning matters related to the advancement of the Group's business objectives or the fulfilment of their duties.

Share dealings

Directors, Management and all Group staff are not permitted to deal directly or indirectly in the shares of the Group during:

- The period between the end of the interim or annual reporting periods to the announcement of the interim and annual results;
- Any period when they are aware of any negotiations or details which may affect the share price; or

Any period during which they have information which may affect the share price

Board evaluation

At the frequency recommended by the Nomination Committee, the Board assesses its own performance, as well as that of each Director, focusing on areas for improvement to ensure efficient and effective functioning.

Mechanisms for communication with stakeholders

Maintaining effective communication and engagement with stakeholders is of utmost importance to our Group. It helps us keep them informed about our objectives and performance, while also identifying their interests and concerns. Our Board of Directors offers a range of channels for stakeholders to interact directly, including the Annual General Meeting, press releases on interim and year-end results, investor briefings, meetings, annual reporting to shareholders, and the exercise of shareholders' voting rights through proxy forms. Our website also provides all stakeholders with easy access to updated operational and financial information.



Corporate Governance (continued)

Board Committees

In accordance with good corporate governance, the Board has well established committees to assist in fulfilling its duties. The Group has four committees, being Audit and Risk, Remuneration, Nomination, and Executive, whose responsibilities are outlined below:

Committee	Members	Terms of Reference
Audit and Risk	Amit Gupta (Chair) Jaqueline Hussein	The Committee assists the Board in the fulfilment of its compliance, internal control and risk management mandate. The Committee is comprised of two independent, Non-Executive Directors, one of whom chairs the committee. The Committee meets at least three times a year with the Group's external and internal auditors to consider compliance with financial reporting requirements, monitor the appropriateness of accounting policies and the effectiveness of the systems of internal control as well as consider the findings of the internal and external auditors. Both the internal and external auditors have unrestricted access to the Audit Committee to ensure independence and the objectivity of their findings and the scope of their work.
Remuneration	Addington Chinake (Chair) Amit Gupta Zinona Koudounaris	The Remuneration Committee is comprised of Non-Executive Directors who meet bi-annually. The Committee's mandate is to evaluate and approve the remuneration packages of Directors as well as senior management. This ensures that the Company is able to attract, retain and incentivise Directors and Management who can drive and contribute to the success of the business.
Nomination	Addington Chinake (Chair) Amit Gupta Zinona Koudounaris	The Nomination Committee is responsible for the selection of board members based on established and approved criteria only. Other responsibilities include determining the number of executive and non-executive posts on the board, considering the skills and history of proposed candidates among others.
Executive Committee	Basil Dionisio (Chair) Baldwin Guchu Warren Meares Onias Moyo Leighton Shaw Dylan Meiburg Trevor Wagenaar Robert Machira Charles Gitau Manoli Vardas Praveen Aggarwal George Nheweyembwa	The Executive Committee comprises of Executive Directors and the Group's Executive Management. The Committee meets quarterly and is responsible for formulating, directing and implementing strategic decisions and meets on a quarterly basis.

Corporate Governance (continued)

Attendance of the meetings

The following table shows the membership of the Board and its committees as well as Directors' attendance:

Director	Year of Appointment	Main Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Executive Committee
Addington Chinake	2015	4/4	n/a	2/2	—	4/4^
Basil Dionisio*	2015	4/4	3/3^	2/2^	n/a	4/4
Zinona Koudounaris	2015	4/4	n/a	2/2	n/a	n/a
Amit Gupta	2015	4/4	3/3	2/2^	—	4/4^
Baldwin Guchu*	2018	4/4	3/3^	2/2^	—	4/4
Jaqueline Hussein	2020	4/4	3/3	n/a	—	4/4^

* Executive | ^ Attended by invitation | n/a means not a member of the Committee





Directorate and Senior Management

Non-Executive Directors

Addington Chinake

Non-Executive Chairman

Addington Chinake has been in practice since 1993, and has been with Kantor and Immerman legal practitioners since 1994. He became a Managing Partner in 2000, and is currently a Senior Partner. He has specialised in corporate and commercial law, including mining and competition law and all aspects of tax law and litigation, mergers and acquisitions, leveraged buy-outs and capital raising.

Addington is a former Non-Executive Director of four ZSE listed counters; and a trustee of the National Gallery of Zimbabwe. He is a resource person to the Law Society of Zimbabwe, and a recognised mediator. He is a published contributor to the Zimbabwe Independent Newspaper (Annual Quoted Companies Survey), and The Zimbabwe Stock Exchange Hand Book. He has acted for a significant number of Fortune 100 Companies who have operations in Zimbabwe and the region. He was involved in a number of significant FDI transactions, including handling a bank merger on the ZSE, the biggest single FDI investment by an investment bank in a Zimbabwean company and a number of other multi-million dollar acquisitions, which included disposals by foreign companies of equity in ZSE listed entities and greenfield mining projects.

Addington is a sought after Zimbabwe counsel by certain international law firms who are involved in Zimbabwean transactions and thus he has continued to attract important corporate mandates in Zimbabwe and within the SADC region.

Zinona (Zed) Koudounaris

Non-Executive Director

Born in Zimbabwe, Zinona (Zed) Koudounaris completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree, majoring in Business and Computer Sciences. Zed is a founder shareholder of Innscor. He was the driving force behind the initial creation and success of the Innscor's core fast food brands. Zed has held a number of positions within Innscor, including Chief Executive Officer upon the Group's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for the Group and providing guidance to its management team.

Amit Gupta

Non-Executive Director

Amit is a seasoned professional with 18 years of varied experience. A Chartered Accountant and law graduate from India, he started his career with audit in 1997. Soon thereafter, he moved to tax advisory and litigation, representing clients at various appellate stages and at the High Court. Amit worked with the big four chartered accountants: KPMG, E&Y and PwC, in tax advisory, tax litigation and finally in Mergers and Acquisition and International tax structuring, as well as handling commercial law and advisory matters. He then joined Abax Corporate Services ('Abax') in 2009 as a Senior Executive. More recently, he started his own advisory firm, with focus on business consulting, including operational efficiency, structural efficiency, tax advisory and structuring commercial legal matters. He acted as Independent Director on the Board of several large companies and funds and continues to do so.

Jaqueline Hussein

Non-Executive Director

Mrs. Hussein is a Chartered Accountant CA (Z) by profession and currently operates a consulting firm of public accountants called July28, which offers risk, advisory, financial reporting and tax services to a wide array of clients. She has over 20 years' experience including working for Ernst and Young, both in South Africa and Zimbabwe, First Mutual Asset Management as well as with firms in the manufacturing and construction industries. She is currently a Non-Executive Director and Deputy-Chairperson on the boards of FMC Finance Zimbabwe and Zambia, a microfinance institution. She is also involved with organisations that assist young upcoming entrepreneurs.

Executive Directors

Basil Dionisio

Group Chief Executive Officer

An experienced operator with more than 38 years of experience across multiple markets and facets of business. Zimbabwean born and raised, Basil has been with Simbisa since its inception and is a founder shareholder. Prior to his appointment as CEO of Simbisa, Basil served as a Director on the Innscor Africa Limited Board.

Basil has an exceptional understanding of the African market as well as extensive operational knowledge of Simbisa's business processes which has led to the instrumental success of the Group's regional fast food expansion program.

Basil has also played a key role in establishing the Group's culture and value system; and focuses his efforts on the growing and directing the quick service restaurant business in Zimbabwe and across the greater African region.

In his capacity as Group Chief Executive Officer, Basil has overall responsibility for the business.

Baldwin Guchu

Group Finance Director

Baldwin is an MBA graduate from the University of Cape Town Graduate School of Business with extensive pan-African business experience. He commenced his professional career with PricewaterhouseCoopers Chartered Accountants (Zimbabwe) where he trained and qualified to be a Chartered Accountant. Prior to his appointment as Group Finance Director of Simbisa Brands Limited, Baldwin held various senior roles within the Ecobank Group, a pan-African financial institution.

These included Chief Finance Officer for Ecobank Zimbabwe, Regional Business Manager for Ecobank Southern Africa, Regional Chief Finance Officer for Ecobank East Africa and Senior Manager within Ecobank Zimbabwe's Corporate and Investment Banking business. Baldwin was also instrumental in Ecobank's expansion into Mozambique where he subsequently served as a non-executive Board member.

Senior Management

Group Executives

Basil Dionisio	Group Chief Executive Officer
Baldwin Guchu	Group Finance Director
Divine Chikobvu	Group Finance Manager
Farai Machodo	Group Financial Controller
Carla Clack	Group Business Analyst
Michelle Fisher	Group Corporate Executive
Leighton Shaw	Group Projects Executive
Fadeke Obatolu	Group Legal Officer
Josephine Mutsekwa	Group Risk Officer
Hennie Louw	Finance Executive
Lifa Ncube	Finance Executive
Manoli Vardas	Operations Executive
Dylan Meiburg	Franchising Executive

Zimbabwe

Warren Meares	Managing Director
Onias Moyo	Finance Director
Misheck Muleya	Human Resources Director
Happymore Makovere	Finance Manager

Kenya

Trever Wagenaar	Managing Director - Simbisa and Galitos Division
Robert Machira	Finance Director - Simbisa and Galitos Division
Charles Gitau	Managing Director - Kutuma Kenya Limited

Ghana

Manoli Vardas	Managing Director
Lifa Ncube	Finance Manager

Mauritius

Praveen Aggarwal	Managing Director
Peter Musoko	Finance Manager

Zambia

Irvine Gwanyira	Finance Manager
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Business Ethics, Compliance and Risk Management

Business Ethics

Business ethics are the moral principles and values that guide our actions and decisions. By adhering to ethical standards, we build trust and loyalty among our stakeholders, protect our reputation, and minimise financial risks associated with non-compliance.

As such, Simbisa has a responsibility to uphold the highest ethical standards in all business dealings.

Anticorruption

As Simbisa Brands Limited, we believe that transparency and accountability are essential for maintaining the trust of our stakeholders, and we are committed to upholding the highest standards of ethical conduct. By working together, we can create a culture of integrity and responsibility that benefits all stakeholders.

We understand the importance of ethical practices within our value chain and brands. Therefore, we follow transparent procedures when engaging new contractors and employees. We ensure all are aware of their ethical responsibilities by signing an acknowledgment of our Anti-corruption and Procurement Policies. We have provided employees with an anti-bribery toll-free reporting number for confidential and anonymous reporting. This sends a strong message to employees that the Group takes corruption seriously and is committed to ensuring a safe and ethical work environment. With this system, employees feel confident that their concerns will be taken seriously and investigated appropriately. Annually, directors and senior management attend a training on anti-corruption to stay informed about new regulations and this provides an opportunity for them to learn from case studies and real-world examples.

Our Anti-corruption and Procurement Policies enforce a 3-quote system when making acquisitions. These policies help to prevent any form of risk, bribery, or corruption in the business. Our goal is to combat all forms of corruption, prevent its spreading and eliminate its effects. We conduct monthly reviews of anti-corruption incidents to identify weaknesses and improvement opportunities in our systems.

Human Rights

The business is strongly committed to promoting equal employment opportunities and safeguarding human rights in our business operations. We are dedicated to ensuring accountability and transparency through educating employees and management about human rights in the workplace.

Our aim is to foster a culture of respect and inclusivity, where every individual feels valued and appreciated. We have established mechanisms for reporting human rights violations, such as confidential hotline and toll-free numbers. This ensures that all human rights violations within our business value chains are reported and addressed in a timely and effective manner. Our commitment to these practices reflects our effort to create a safe and conducive work environment where human rights are respected, violations are promptly addressed, and equal opportunities are encouraged for all.

The Group has developed a comprehensive Human Rights Policy which serves as a guiding framework for its commitment to upholding all internationally recognised human rights standards. This policy reflects our strong belief in ensuring basic human rights in the workplace and lays the groundwork for actions and responsibilities in managing human rights impacts. We have implemented various measures to prevent and mitigate potential negative impacts including conducting routine human rights assessments to identify and address any risks or violations. Additionally, we engage and guide our business partners and service providers to ensure that they prioritise human rights in their operations.

Simbisa Brands Limited employs a systematic approach to monitor and evaluate and promote its human rights practices. This is accomplished through monthly and annual human rights assessments and benchmarking against the following:

- International Bill of Rights.
- UN Guiding Principles on Business and Human Rights.
- The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights.

The insights gained through our extensive engagement with stakeholders, which encompass employees, communities, and advocacy groups, have been instrumental in shaping our strategic actions. This ongoing dialogue with stakeholders serves as a compass, guiding our decision-making processes and illuminating areas for improvement.

Business Ethics, Compliance and Risk Management (continued)

Diversity and Inclusion

As Simbisa Brands Limited, we believe that a diverse workforce is a strong workforce, and we are committed to creating an environment where everyone feels valued, respected, and supported. We foster a culture of empathy and understanding where people from all backgrounds can thrive and contribute to our shared success. Our goal is to establish a sense of belonging among employees to enhance productivity.

We are guided by our Gender, Diversity, and Inclusion Policy, Sexual Harassment Policy, and Recruitment Policy on our diversity and inclusion practices. Simbisa Brands Limited is committed to creating an inclusive workplace where everyone is treated fairly and equally, irrespective of their gender, race, ethnic origin, age, religion, or other identity factors. Our aim is to uphold equality and fairness in all our dealings, thereby eliminating any form of exclusion or violation. We believe that people from varied backgrounds deserve the same rights, opportunities, and protection.

We continuously train our employees on their role in preventing discrimination and promoting a culture of diversity and inclusion. We conduct monthly gender, diversity, and inclusion reviews to assess performance and progress on our practices. Our aim is to increase our gender proportions at senior managerial levels.

Business Operating Environment

Managing our business operating environment allows us to identify and respond to factors affecting our performance such as customer preferences, market trends, regulations and social issues. By monitoring and analysing these factors, we adapt our strategies and operations to meet the changing needs and expectations of our customers and stakeholders. This reduces the chances of fines leading to cost savings thereby improving business reputation and attracting more customers. However, the Group has limited control over the risks which are determined by social, political and economic conditions in the different countries it operates.

Our decisions in relation to the business operating environment are guided by the principles in our Sustainability and Corporate Responsibility Policy. The Group adopts a proactive and flexible strategy to hedge against exogenous risk factors in order to mitigate risks and sustain a profitable going concern which is value accretive to all stakeholders. The commitment to manage the topic is bred from a willingness to create value accretion for stakeholders. While we ensure regulatory compliance at all costs, our commitment therefore extends beyond minimum regulatory compliance.

We regularly assess the risks in our operating environment by identifying potential risks, evaluating their impact, and implementing strategies to mitigate or transfer these risks. We invest in ongoing improvement efforts to enhance and expand identified positive impacts and we seek innovative solutions and technologies to increase efficiency and enhance sustainable practices. The actions have been effective in minimising risks and improving the Group's ability to respond to challenges.

We gather feedback from internal and external stakeholders to assess their satisfaction levels, concerns and suggestions regarding the actions taken. We are working towards maximising returns to shareholders and creating value for customers and employees to make their safety and experience a key priority. To add to that, we aim to maximise trading capacity without circumventing any government regulations or directives. The goals are voluntary based on the Group's Articles and Memorandum but are sometimes set by the legislature. More so, the franchising team is responsible for evaluating the performance of promotions and value offerings. If profitability from a promotional activity increases in absolute terms, then the promotion is considered successful and creates shareholder value. The Group has successfully adapted to changing market conditions by introducing new product lines and services that align with evolving customer preferences.

Cybersecurity and Data Privacy Protection

Simbisa Brands' cybersecurity and privacy protection approach is evident in the trust between its customers and the business. The continual adoption of technology services such as InnBucks and the increased use of Dial a Delivery Services function is an attribute of customer trust and the capabilities of the business to implement an effective cybersecurity and privacy protection strategy. We believe that our demonstration of ethical practices in data handling and privacy protection enhance trust.

It is of paramount importance for us to maintain robust cybersecurity practices to reduce the negative impact of legal risks associated with data breaches and privacy violations. We are guided by our Data Privacy Policy, Information Security Policies, and Third-Party Risk Management Framework. Our commitment is to apply cybersecurity and privacy protection best practices and complementary controls that support the effectiveness of our cybersecurity and privacy protection programs. As the business environment becomes complex in its technology landscape, Simbisa Brands is committed to maintaining an embedded approach in implementing these practices through its people, processes and technologies.

Business Ethics, Compliance and Risk Management (continued)

Cybersecurity and Data Privacy Protection (continued)

Simbisa Brands' internal assurance and IT security evaluation processes integrate and ensures effective management of cybersecurity and privacy protection risks through a dedicated information security function. The function is committed to evaluating, assessing, and designing solutions for the effective implementation of cybersecurity and privacy protection strategies. We take preventative, predictive and mitigatory measures to address some of the potential negative impacts that are of concern to the material topic. This includes the establishment of a data privacy program, threat intelligence program, Information security program, infrastructure baselining, and Information Security and Risk Forum. In relation to the negative impact of cybersecurity events, together with all stakeholders we developed a business continuity and disaster recovery plan to ensure minimum damage is done at the materialisation of cybersecurity threats and risks.

Consideration to support a dedicated budget for information security programs and activities further enhances the rate of implementation of the security programs and will increase the chances of meeting set goals and targets of our information security program. We identified the need to operate an efficient, scalable, and sustainable technology environment which addresses all material topics including cybersecurity, privacy protection and business requirements. This has impacted the decision-making process in terms of technology adoption. With the dynamic of geographical dispersion in mind, collaboration is key to maintaining a consistent communication, and direction of the implementation of strategy. We managed to setup a platform ISRF (Information Security and Risk Forum) to facilitate collaborative efforts between our information security teams, risk and internal control teams and management teams.

Our engagement is meant to actively seek input, feedback, and collaboration from users, technical teams, management and technology vendors. We derived valuable information in our risk assessment engagements with both internal and external stakeholders which has directly resulted in the identification of potential risks and vulnerabilities. Our interaction with stakeholders has prepared us to adapt to the changing needs, and impacts associated with the dynamic nature of our business processes, external factors, and evolving sustainability trends in respect to cybersecurity and privacy protections.

Risk Management

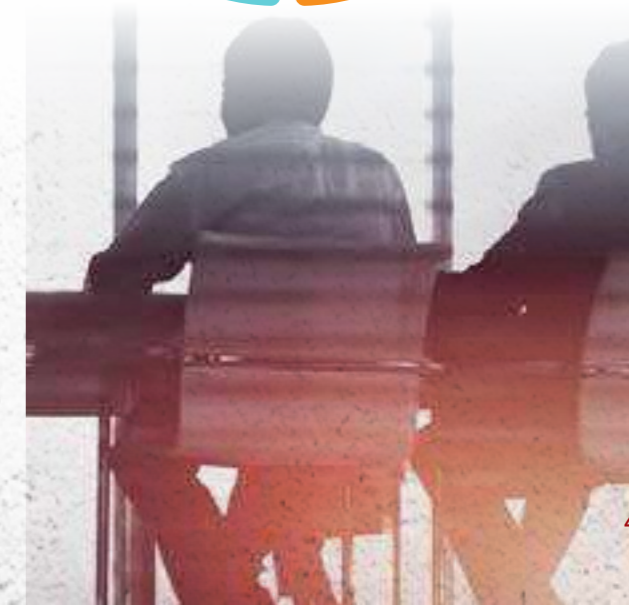
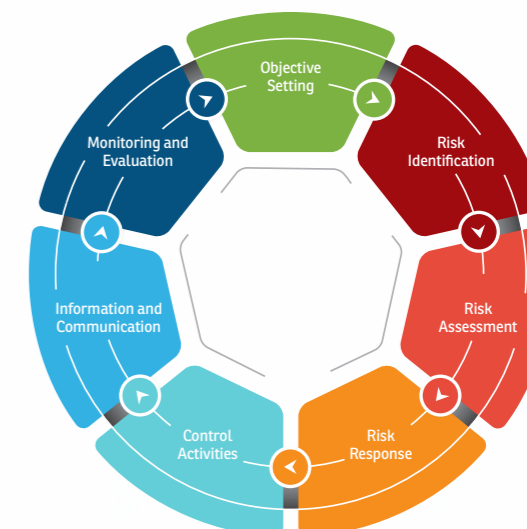
As Simbisa Brands, risk management enables us to create and preserve value with the ultimate purpose of achieving our objectives. The Simbisa Enterprise Risk Management ('SERM') Policy functions as the basis for the Group's enterprise risk management and ensures that all risks are identified and addressed in a manner that adds value to the business.

Risk governance

The Board holds the ultimate responsibility for risk management in the Group. It fulfils this obligation by providing leadership, guidance, and oversight over the strategy, design, development, and operation of risk management structures, processes, and activities. The Group Finance Director (GFD) serves as the Chief Risk Officer (CRO) and is responsible for delivering timely risk management information to the Executive Management Committee (EXCO), Audit and Risk Committee, and the Board of Directors.

Framework for managing risk

Our risk management framework involves the identification, analysis and evaluation of risks. We identify and comprehend the inherent risks by first conducting a thorough assessment of the environment in which we operate. This forms the basis of our risk management system. Risk analysis then breaks down and detail all the potential risks according to their levels of impact on the business' present and future performance and the effectiveness of existing controls. The risk evaluation process entails the comparison of the estimated risk against the set criteria to determine the risk's significance, the necessary course of action and required resources.



Business Ethics, Compliance and Risk Management (continued)

Risk Management (continued)

Approach to managing financial risk

Management of financial risk is essential to the Group as it involves the implementation of effective strategies to minimise potential losses whereas maintaining financial stability in an ever-changing business environment. In order to effectively manage this risk, our management team has adopted a proactive approach that puts emphasis on minimising potential losses rather than attempting to completely eliminate them. Recognising the inherent challenges of operating in a business environment where cash and easily convertible stock items are predominant, we understand the difficulty in completely avoiding or transferring financial risk. However, by accepting this risk we remain adamant in our commitment to containing and preventing losses through vigilant monitoring, regular shop visits, and comprehensive reviews.

The 5 main methods of managing financial risks includes:

- 1. Transferring the Risk:** The Group has purchased insurance coverage for all of its fixed assets and Cash Assets, thereby indemnifying against losses from specific contingencies and uncertainties.
- 2. Avoiding Risks:** Where the outcome of investment decisions such as launching of new branches becomes uncertain and the potential of low or negative returns. The management team often choose to avoid the risk.
- 3. Accept the Risk:** if an investment is uncertain but has an upside future potential. The Group may choose to shoulder short term financial losses for long term gains.
- 4. Mitigating Risks:** The Group employs a consistent strategy of training employees to ensure their effective operation of equipment such as ovens and fryers to avoid the inherent loss of efficiency which translate to financial losses.
- 5. Exploit the Risk:** if the risk has a positive impact, the Group chooses to maximise the chance that it happens and benefit from the project and its financial gains.

Approach to managing sustainability risk

We manage sustainability risks by deeming avoidance, transfer, and sharing of risks with third parties as inappropriate. Instead, we prioritise constant monitoring, checking, and reporting of these risks. Independent checks are conducted by separate departments to ensure that risks are managed to acceptable levels. Implementing these measures, management aims to actively manage sustainability risks and maintain a sustainable and responsible business approach.

- **Training:** Training employees on conservation methods for the sustainable use of Energy, Water resources and the reduction of waste generation.
- **Quality Control:** The Group has a quality team with effective strategies to ensure Customers get value for money.
- **Liability protection:** The Group takes out insurance to indemnify against asset losses and workplace injuries.

Internal controls for strengthening sustainability reporting

Internal controls help safeguard our assets and help improve the efficiency and effectiveness of operations, leading to increased profitability and long-term success. A store-by-store recording system is in place to capture key sustainability reporting issues, which are then fed into a central database that forms the core of sustainability reporting. This approach ensures that relevant sustainability information is accurately recorded and consolidated for reporting purposes. To maintain data integrity, an independent checking process is implemented by the statistics department to verify compliance with the recording of such information. This helps to ensure the reliability and accuracy of the sustainability reporting system, providing a solid foundation for measuring and communicating our sustainability performance.

The following were identified as the top risk areas for the Group during the reporting period.

Business Ethics, Compliance and Risk Management (continued)



Risk Management (continued)

Risk Category	Risk Description	Risk Mitigation Measures
Financial Risk	<ul style="list-style-type: none"> The distortion in exchange rates, with the official rate being pegged at an unrealistic level compared to the market rate poses challenges in planning. 	<ul style="list-style-type: none"> Negotiated payment arrangements in both USD and local currencies to keep supplier's rates down.
	<ul style="list-style-type: none"> Policy instability, characterised by sudden and adverse monetary and fiscal policy pronouncements such as increases in interest rates and minimum lending rates, significantly affecting planning. 	<ul style="list-style-type: none"> Reducing the impact on the business in the shortest possible time such as paying off all ZWL loans in Zimbabwe.
	<ul style="list-style-type: none"> The increase in overhead costs is primarily attributed to the increase in fuel prices, which is influenced by global trends. Statutory tariffs such as electricity rates, water charges, municipal fees, and EMA licenses contribute to the overall increase in overhead expenses. 	<ul style="list-style-type: none"> Monitoring of cost drivers and usage on a daily basis, switching off equipment when not in use.
	<ul style="list-style-type: none"> The devaluation of the local currencies has resulted in a decrease in the buying power of customers. While the currency has experienced relative stability in recent times, there are concerns about its long-term sustainability, particularly in light of the recent elections. 	<ul style="list-style-type: none"> Investment of local currencies takings in capex and stock deals.
Compliance and regulatory	<ul style="list-style-type: none"> Non-compliance with laws and regulations is often observed due to frequent changes and misalignment with other legislation. One example is the recent changes in tax calculation legislation. This make it challenging to stay compliant. 	<ul style="list-style-type: none"> Constant communication with Bankers. Tax experts and other regulatory bodies to receive advice on implication of change in legislation on our sector and business in particular.
Operational Risk	<ul style="list-style-type: none"> Shortage of raw materials, specifically chickens, which has affected the supply chain. Irvines, a major supplier, has been unable to meet the demand for chickens. 	<ul style="list-style-type: none"> We have entered into funding arrangements with new small scale farmers t to ensure product availability and lock in prices.

Business Ethics, Compliance
and Risk Management (continued)

Risk Management (continued)

Risk Category	Risk Description	Risk Mitigation Measures
Operational Risk	<ul style="list-style-type: none">Global food security risk resulting in shortages of key raw materials such as rice and flour due to the war in Ukraine.	<ul style="list-style-type: none">Enter into strategic forward buying arrangements with key suppliers.
	<ul style="list-style-type: none">Crippling power shortages due to low national generation capacity result in frequent load shedding, disrupting trade and increasing running costs, maintenance, generator fuel expenses, and equipment breakdowns.	<ul style="list-style-type: none">Continuously engaging fuel suppliers to secure an uninterrupted supply of fuel at wholesale prices.Engage power authority for transfer to strategic grids where possible.
	<ul style="list-style-type: none">Labour unrest has been observed as staff members resort to industrial action due to the ever-increasing cost of living and deteriorating standard of living caused by the macroeconomic environment. This labour unrest can disrupt business operations, and compromise productivity.	<ul style="list-style-type: none">Regular review of salaries to match or slightly surpass baseline recommended by industry bodies (e.g. NEC in Zimbabwe).Offering of non-salary benefits namely, transport allowances in cash and food hampers.Employees have taken collective action to voice their concerns and demand better compensation and improved working conditions.
	<ul style="list-style-type: none">Bureaucratic requirements for granting of import licences and permits.	<ul style="list-style-type: none">Early application of terms and continuous engagement with authorities.
	<ul style="list-style-type: none">Shortage of equipment, specifically chicken fryers, ovens, dough pressers, and ice cream machines. This shortage has resulted in delays in opening new projects and replacing worn-out equipment. As a consequence, businesses are experiencing increased repair needs for their existing equipment.	<ul style="list-style-type: none">Order in bulk when equipment is available.



Business Ethics, Compliance
and Risk Management (continued)

Risk Management (continued)

Compliance Matters and Declarations

As Simbisa, we established various systems to manage compliance and ensure the sustainability of our business through observing and complying with regulations, laws and directives within the markets we operate. Our systems are as follows:

- Observing all in-country legislation through the Group Legal.
- Observance of tax and exchange control regulations through continuous trainings.
- Financial reporting and accounting in terms of IFRS standards and local laws through continuous training, internal and external Audits.

- Monitoring and oversight from our Human Resources (HR) department, as well as liaison with labour organisations for compliance with labour laws.
- Oversight, training and guidance are provided by the Franchising Division for compliance with health and safety regulations relating to central kitchens and the shop kitchens.
- Monitoring compliance with city health departments and by-laws.
- Conforming to Victoria Falls Stock Exchange requirements and Directives via a checklist.





Sustainability

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60	Employees
64	Responsible Operations
70	Environmental Stewardship and Climate Change
71	Investing In Community and Economic Contribution
72	Investing in Our Community

Total Employees (count)

↑ **8 326**
2% increase
(FY2022: 8 177)

Total Water Consumption (m³)

↓ **21 820 264**
15% decrease
(FY2022: 24 308 389)

Electricity Consumption (MwH)

↓ **21 090**
47% decrease
(FY2022: 39 780)



Sustainability

We take a long-term view of sustainability when we recognise that our efforts must be constantly evolving to meet the needs of the present and future generations. Sustainability is a shared responsibility, as such, we work closely with our partners, suppliers and other stakeholders to promote sustainability throughout our value chain. We are committed to continuous improvement and making sustainability an integral part of our activities.

Sustainability Approach

Our sustainability approach is based on four pillars: environmental, social, economic and governance. We are committed to reducing our environmental impact, enhancing our social responsibility and creating value for our stakeholders. Decisions about sustainability ensure that our business operations generate value for our stakeholders over the long run. Our common goal with our stakeholders is essential to our ability to create value. We have set ambitious targets for each of these areas and we monitor our progress regularly.

As a leading player in the QSR sector, we possess both the scale and scope necessary to enact significant and meaningful change. Continual evaluation of our operations, conducted in close collaboration with our stakeholders, allows us to identify areas where to make a substantial impact. While prioritising the quality and safety of our food products, we consider exceptional customer service to be a non-negotiable aspect of our operations. Further, we are resolute in ensuring fair treatment of our employees, actively supporting our communities, and delivering positive economic contributions.

The Group's primary strategic sustainability areas of focus are listed below.

Sustainability Governance

The Group's sustainability governance is based on the principles of transparency, accountability, and stakeholder engagement. We are committed to integrating environmental, social, and economic considerations into our decision-making processes and business operations. Our sustainability performance is measured and disclosed annually in accordance with the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (SDGs). The Board of Directors together with other functions in the Group oversee the development and implementation of our sustainability strategy, policies, and goals. Key personnel were tasked with overseeing sustainability practices and support the Board and management in identifying, assessing, and managing material sustainability impacts which influence the economy, the environment, and society. They also handle any opportunities that may arise from our business activities. Further, the individuals bear the responsibility of overseeing and assessing the data collection methods, measurement standards, and sustainability data quality throughout the Group.



Sustainability (continued)

Sustainability Approach

Inclusiveness and Responsiveness

Inclusiveness and responsiveness are two key principles that guide our approach to sustainability issues. We believe that sustainability is not only a moral duty, but also a strategic opportunity to create value for our stakeholders, enhance our reputation, and foster innovation. To achieve this, we strive to be inclusive and responsive in all aspects of our sustainability journey. We engage with our stakeholders to understand their needs, expectations, and perspectives on sustainability. We consider their feedback and incorporate it into our decision-making processes and actions. We communicate transparently and regularly about our sustainability performance, challenges, and goals.

Sustainable Capital Management

Our sustainable capital management is a strategic approach that aims to optimise the use of financial resources and enhance the long-term value creation for our stakeholders. We apply rigorous criteria to allocate capital to the most attractive opportunities, while maintaining a prudent balance between growth, profitability and risk. We monitor and evaluate our capital performance regularly, using key indicators such as return on invested capital, free cash flow and economic value added.

Simbisa's long-term prosperity depends on managing several sources of capital sustainably. Natural, human, financial, intellectual, manufactured, and social relationships are all viewed as capital inputs in our business model. The major duty of the Group's management is the allocation of these capitals. By implementing sustainable capital management, we seek to achieve a competitive advantage in our industry and foster a culture of financial discipline and accountability.





Sustainability (continued)



Stakeholder Engagement

Approach to Stakeholder Engagement

Our process of defining stakeholder groups involves identifying individuals or groups or entities with an interest in the business and are affected by its outcomes. Prioritisation is conducted based on the importance of the stakeholders' concerns and key stakeholders are engaged based on the materiality of their concerns. We take into consideration the prevailing operational conditions and classify raised issues into economic, environmental, social and governance categories to determine the appropriate response.

The ultimate goal of conducting stakeholder engagement is to gather diverse perspectives and expectations from our stakeholders regarding our Group's operational activities. This helps us gain an in-depth understanding of their level of involvement, and communication requirements, and develop a comprehensive engagement strategy. We have systematically identified and assessed stakeholder groups based on their potential impact on the business. The next step is to categorise them based on their level of participation, interest, and influence on our business. We then determine the best way to involve and communicate with each stakeholder group throughout the process. We work with the team to strategically plan and engage more effectively with stakeholders. Lastly, we monitor stakeholder engagement to ensure that we continue to meet their expectations and needs.

Our business takes a proactive approach to consider the needs and desires of all stakeholders, which help us to build connections, trust, and confidence. By doing this, we ensure buy-in for key initiatives and reduce potential risks and conflicts with stakeholder groups. We aim to establish clear communication lines with all authorised personnel to ensure productive conversations with stakeholders. This helps to prevent uncertainty, dissatisfaction, misalignment, disengagement, and resistance to change.

Our stakeholders are categorised as follows:

Internal	External
Employees	Customers and consumers
Shareholders and Investors	Suppliers
	Industry
	Local communities
	Government and regulators

Sustainability (continued)

Stakeholder Engagement (continued)

Management also provides a guiding framework for stakeholder engagement to enable identification, prioritisation and engagement with stakeholders through various strategies.

Engagement Activities for the year;

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
Employees	<ul style="list-style-type: none">• Increase in Cost of Living thus affecting salaries.• Employee development and Career development.• Flexible working hours.• Employee relations.• Staff rewards and recognitions.• Welfare and security.	<ul style="list-style-type: none">• Staff Salaries reviewed upwards by 30%.• Promotion opportunities awarded as the business expands.• Option to transfer between brands.• Ongoing discussions on working conditions.• Job restructuring and new recruitments initiated.• Incentive schemes.• Internal training programmes.• Provision of hampers and payment of hardship allowances.	<ul style="list-style-type: none">• Staff Meetings.• Memos.• Emails.• Employee opinion surveys.	<ul style="list-style-type: none">• Weekly.• Quarterly.• Monthly.
Customers and Consumers	<ul style="list-style-type: none">• Quality and customer service.• Product range, promotions and pricing.• Product quality.• Value propositions.• Minimum dispatch and delivery time of orders.• Good dining experience.	<ul style="list-style-type: none">• Continuous customer engagement.• Quick response to customer needs and demands.• Competitive pricing and promotions.• Maintaining the quality of our products.• Adhering to governments protocols on restaurants.• Training of employees on customer service.• 3 bucket system and cleaning as you go.	<ul style="list-style-type: none">• Social Media Platforms.• Customer surveys.• Outdoor advertising activities.• Indoor bulletin boards.	<ul style="list-style-type: none">• Daily.• Monthly.



Sustainability (continued)

Stakeholder Engagement (continued)

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
Suppliers	<ul style="list-style-type: none">• Credit terms.• Changes in tax structure.• Raw material price increases.• Involvement of suppliers in promotions.• Delayed payments/ extension of payment terms.• Price increases due to supply chain disruptions.	<ul style="list-style-type: none">• Extension of credit terms agreed.• Negotiation with suppliers on price increases.• Negotiation with suppliers on price increase.• Importation of key raw materials.• Commitment letters (IOUs) with payments schedules.• Contractual negotiations.	<ul style="list-style-type: none">• Meetings with suppliers.• Telephone calls.• Emails.• Meetings.• Paying weekly where possible.	<ul style="list-style-type: none">• Daily.• Weekly.• Monthly.
Industry	<ul style="list-style-type: none">• Food handling guidelines.• Public health standards, policies.	<ul style="list-style-type: none">• Observance of compliance requirements.• Inspection and licencing.• Food handling certifications from local governments.	<ul style="list-style-type: none">• Government briefs.• Certifications.• Evaluation exercises.• Industry seminar.	<ul style="list-style-type: none">• Quarterly.• Semi-annually.
Shareholders and Potential Investors	<ul style="list-style-type: none">• Sustainable returns.• Sufficient returns.• Growth potential.• Solid management team.• Adhering to industry standards and regulations.	<ul style="list-style-type: none">• Improved profitability through the management of gross profit margins and control of overheads.• Continuous engagement.• Intensive marketing of our products	<ul style="list-style-type: none">• Reports.• Board meetings.	<ul style="list-style-type: none">• Monthly.• Quarterly.• Annually.

Sustainability (continued)

Stakeholder Engagement (continued)

Stakeholder	Material Issues Raised for Stakeholder Concerns	Mitigation Measures	Communication Channels	Frequency of Engagement
Local Communities	<ul style="list-style-type: none">• Creation of employment opportunities.• Social welfare programmes.• Social corporate responsibility.	<ul style="list-style-type: none">• Vacancies created as the business Expands.• Community support.• Help locals with school fees.• Environmental preservation.• Product give aways.	<ul style="list-style-type: none">• Social media.• Employment agencies.• Informal engagements at events.• Focus group discussions.	<ul style="list-style-type: none">• Quarterly.• Annually.• Semi-annually.
Government and Regulators	<ul style="list-style-type: none">• Compliance.• Payment of taxes.• Financial disclosure.• Adherence to labour laws.	<ul style="list-style-type: none">• Adherence to statutory requirements -certifications and tax requirements.• Compliance with existing laws.• Internal and external audits.• Application of operational licences/permits.	<ul style="list-style-type: none">• Statutory returns.• Meetings with regulatory bodies.• Roadshows and radio advertisements.• Direct visits to local authorities and their communities.	<ul style="list-style-type: none">• Monthly.• Quarterly.• Annually.

Sustainability (continued)

Sustainability Materiality Assessment

Simbisa Brands Limited conducts materiality assessments to identify, prioritise, and understand issues with significant impacts on the business and stakeholders. The varying nature of sustainability impacts and stakeholder concerns require the group to take appropriate measures.

Materiality Approach

The Group follows a structured methodology that is guided by the GRI Standards. This entails reviewing and identifying the most important issues, prioritising them, and approving them.

We review and update our previous year's materiality analysis every year by taking into account new stakeholder concerns and benchmarking with our industry and global trends. This process enables us to identify the most relevant topics to our business. We consider the differences in issues across the markets and countries where we operate. We conduct this process through a combination of desktop research and senior management surveys. The senior management team evaluates and approves the final list of material issues based on their assessment of stakeholder concerns and business interests.

Materiality Process

Review

- Review of previous year materiality analysis.
- Benchmarking with companies in our industry.
- Stakeholder engagement

Identification

- Current stakeholder concerns.
- Emerging trends in sustainability.
- Business strategy and key focal areas.

Prioritisation

- Management perspectives on priorities of issues raised based on business strategy and stakeholder interest.

Approval

- Verification of prioritised topics by top management.
- Assessment of consistency of topics with business operations.

Material topics

Social	Environmental	Economic	Governance
<ul style="list-style-type: none">• Customer Service.• Food Safety and Quality.• Occupational Health and Safety.• Employee Relations and Engagements.• Corporate Social Responsibility.• Gender Diversity and Inclusion.• Labour Relations.• Human Rights.	<ul style="list-style-type: none">• Water.• Green Buildings.• Climate Change.• Energy.• Food Waste Management.• Food packaging.• Emissions.	<ul style="list-style-type: none">• Responsible Sourcing and Supply Chain Management.• Business Operating Environment.• Business Performance and Growth.• Tax.	<ul style="list-style-type: none">• Business Ethics and Compliance.• Anti-corruption.• Cybersecurity and Privacy Protection

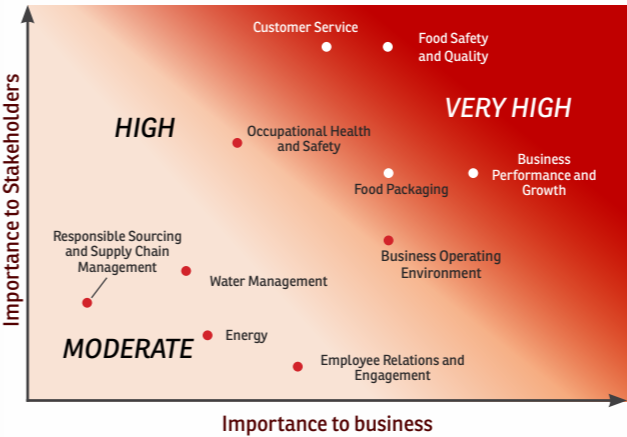


Sustainability (continued)

Sustainability Materiality Assessment (continued)

Materiality Matrix

The materiality analysis presented below ranks the top 10 topics that are most significant to the business and its stakeholders. The Group's assessment has shown that there have been no significant changes in the material topics from the prior year.



From the matrix above, topics ranked as

Very High — reflects those regarded by the business and shareholders to be of significant interest. As such, they represent both risks and opportunities for the Group.

High — reflects those where measures are in place to manage the impacts while improvements continue to be implemented.

Moderate — reflects those where significant effort was made by the Group to address them.

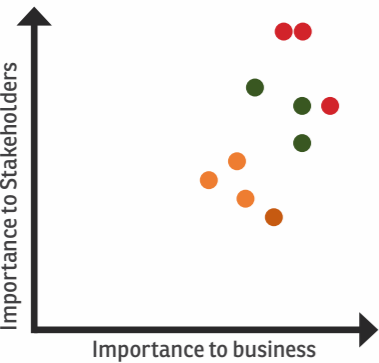


Sustainability (continued)

Sustainability Materiality Assessment (continued)

Materiality Linked to SDGs

We linked our materiality matrix to the Sustainable Development Goals (SDGs) to demonstrate the significance of how actions on the topics contribute to relevant SDGs.



The UN Sustainable Development Goals



Low Relevance to sustainable development Very High

Business Operating Environment		16	
Business Performance and Growth			8
Energy	7		
Employee Relations and Engagements	8		
Food Safety and Quality			3
Food packaging		3 12	
Occupational Health and Safety		3 8	
Responsible Sourcing and Supply Chain Management	12		
Water	6		





Customers Relations

Customers

Simbisa Brands recognises how customers are valuable to business growth, and as such, we are committed to providing a best-in-class restaurant experience to our valued customers. This is significant for the Group as it directly affects customer retention and satisfaction, which subsequently contributes to market share growth.

Customer Service

The Group's sound customer service management approach is aimed at promoting brand loyalty and good corporate image. We ensure a conducive environment for consumers, through addressing complaints and providing reasonable solutions. Inadequate customer service may result in customer dissatisfaction, incurring additional costs through compensations, and revenue loss, and as such we strive to have a high customer satisfaction score.

Our Customer Service Policy ensures that we ethically conduct our customer services. The Group is dedicated to go beyond regulatory compliance as such, we have an independent department, franchise that works to enforce standards in all stores. Other bodies, such as the Standard Association of Zimbabwe and health inspectors, serve as support mechanisms for the business in terms of quality control. Further, we are committed to having a positive impact on our community, environment, and economy, and we will manage customer service intentionally to reflect this commitment. Simbisa has social media platforms such as WhatsApp, Facebook, Social Places, and Google Reviews for customer feedback. We conduct mystery shopping audits, franchise compliance checks, shop/shift managers and front-of-house evaluations to identify gaps and track our performance on customer service. We produce customer feedback reports to keep track of their feedback for improvement purposes.

Our goals are to ensure that we provide exceptional customer service, achieve a 24-hour resolution time for customer issues, and achieve a 95% customer satisfaction score as measured by customer satisfaction surveys and mystery shopping exercises. We address our customers respectfully at all times, and convey sound knowledge of the business including its goods, services and guidelines. Our target is to achieve a 99% customer satisfaction score which indicates our performance towards stipulated goals and targets.

Meal Varieties and Nutrition

Customer preferences continue to shift to align with a variety of diets and health expectations. Most customers are concerned about the food nutrients levels and nutritional profiles that align with their interests. Aligning our meal varieties with customer preferences has a key effect in growing our customer base. Simbisa Brands has been able to come up with different menu options and a variety of meals.

The success of new meals is compared against total turnover to measure the contribution and point out any areas that need improvement. Customers' feedback on the new varieties is also grouped by service, meal, and quality. Any improvements required are addressed accordingly. More resources have been allocated to marketing and communication, to push the new varieties, to customers, as we create awareness. Improvements have been done on packaging and production to suit the consumer's appeal and preference.

Food Safety and Quality

Simbisa's food quality and safety management practices are designed to ensure that our products meet the highest standards of quality, safety, and hygiene. Complying with these standard requirements assists in the prevention of foodborne illness and reduces unnecessary food loss and waste.

We adhere to strict protocols and procedures throughout the entire production process, from sourcing raw materials to packaging and distribution. All our stores are certified with a "Certificate of Acceptability of Food Premises". Simbisa encourages employees to avoid contact between raw foods and cooked foods, maintain kitchen surfaces meticulously clean and ensure food is thoroughly prepared. The Franchising Department is responsible for ensuring compliance with food safety procedures. Training curriculum and restaurant evaluations as well as audits are conducted to identify any non-conformances and improvement opportunities. These audits focus on the following:

- Cleanliness and hygiene,
- Product quality,
- Temperature monitoring of equipment and food products,
- Shelf life management,
- Disposal of food waste, and
- Pest control.

Our restaurants aim to maintain a compliance rate of 80% to ensure food safety and quality. This goal is crucial in preventing the occurrence of foodborne illnesses among employees and customers. To track our performance, we assess the number of customer satisfaction complaints raised and addressed.



Food Packaging

Simbisa's food packaging is designed to maintain freshness and protect food from contamination and spoilage. Part of our packaging management entails that we reduce plastic in our packaging by designing packaging materials that are cost-effective, recyclable, reusable, and biodegradable to mitigate pollution impacts guided by national and international regulations. As a business, we are venturing into adopting eco-friendly packaging that encourages consumers to recycle.

We have a Packaging Policy that governs our food packaging practices taking into consideration, environmental and social impacts. Quality control personnel ensure quality inspection, proper storage, and disposal of the packaging materials are part of our good sustainable operational practices. Upon package material delivery, all non-conforming products are condemned. We have a mandate to ensure that our suppliers observe hygienic measures and adhere to correct specifications during production and that packaging is always wrapped and isolated from other materials to avoid contamination.

We track the efficacy of our food packaging management through; stakeholder feedback, supplier appraisal, and KPIs-OTIF (On-Time in Full) deliveries for suppliers. We benchmark our practices with industrial best practices on quality and service delivery. We have feedback platforms such as email, telephone, social media platforms, or writing, where stakeholders can share comments and opinions. Our performance indicators for good packaging management include waste generation, recycling potential, toxicity, and food safety.

Customer satisfaction

Management places great attention to customer concerns and recommendations. Our business outlets have contact phone numbers for customers to raise concerns and provide feedback on what the business is doing right or where improvements are required.

In line with strengthening our food safety and quality process, we effected the following systems during the reporting period:

- Increasing the frequency of mystery shopping exercises and audits;
- The operations teams are provided with performance improvement plans where following recommended SOPs are part of the improvement plan;
- Resourcing customer service personnel with a cell phone to increase the frequency of follow ups with all teams involved with customer service;
- Training department increasing the number of trainers so that there is a wider and more frequent reach on training. Staff are retrained on the standard operating procedures; and
- Structural changes in large markets to ensure standards are maintained daily.

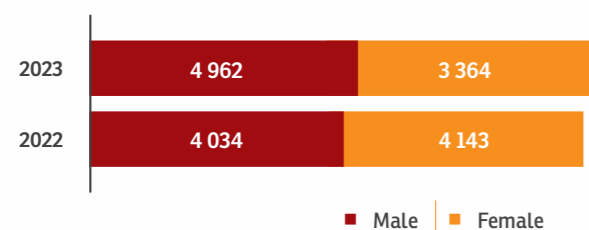
Employees

Our employees are at the centre of our success and sustainable value creation. Their interactions with our varied stakeholders allow us to listen and give them the support they deserve. We provide an atmosphere where all our employees thrive, learn and achieve great impacts.

We continuously strive to maintain a strong and competent human capital base that subscribes to our values of integrity and accountability. We strive to build shared values and vision with our employees as business partners, pivotal to create and sustain value for our stakeholders. We always seek to enhance their skills and provide a conducive work environment to ensure that they are motivated at all times by offering fair compensation and good working conditions

As of 30th June 2023, our employees by gender were as follows:

Employees by Gender



	2023	2022
Male	4 962	4 034
Female	3 364	4 143
Total	8 326	8 177

Total Employees by Country

	2023	2022
Zimbabwe	4 736	4 717
Zambia	433	480
Ghana	413	371
Kenya	2 593	2 469
Mauritius	151	140
Total Number Employees	8 326	8 177

New employee hire by Gender

	Unit	2023	2022
Male	Head Count	735	849
Female	Head Count	875	1 077
Total	Head Count	1 610	1 926

Employee turnover by Gender

	Unit	2023	2022
Male	Head Count	735	459
Female	Head Count	614	612
Total	Head Count	1 349	1 483

Employees (continued)



Are you feeling:

stressed?
depressed?
anxious?
overwhelmed?

Talk to someone who cares from the comfort of your phone, wherever & whenever using the Simbisanai App.

All conversations are handled with the utmost confidentiality.



Collective Bargaining

Collective bargaining Simbisa Brands respects the right to freedom of association and collective bargaining arrangement. As such, our employees are at liberty to join national employment councils and trade unions in our sector.

Employee Relations

Simbisa Brands prioritises cultivating good industrial relations and promoting a conducive workplace. Our approach during the reporting period resulted in a significant reduction in turnover rates and improved motivation which in turn boosts our productivity and profitability.

The Group implemented comprehensive policies to efficiently and effectively manage employee relations. Our Recruitment and Selection Policy is designed to ensure that all hiring practices are fair and merit-based, promoting equal opportunities for all candidates. We believe in fairly compensating our employees for their contributions through competitive remuneration policies that incentivise and motivate employees. We have a strict Sexual Harassment Policy that emphasises zero tolerance towards any form of harassment.

We believe maintaining a healthy and amicable work environment is crucial. To this effect, Simbisa Brands Limited documented organisational ethos, beliefs, and cultural norms expected of all employees. We are guided by our Human Resources Policy which ensures that all employees are aware of their respective roles and responsibilities. We established procedures for collecting and implementing employee feedback, ensuring that their voices are heard and considered in decision-making processes. This proactive measure prevents and mitigates any issues that may arise.

In Zimbabwe, we monitor the National Social Security Authority (NSSA) records to track employee turnover, benefits utilisation, and compliance with social security requirements. Employee engagement surveys are conducted to measure job satisfaction and we have a system that records and tracks employee complaints to proactively address issues. Further, exit interviews with employees provide valuable feedback that helps identify areas for improvement. Open communication, transparency, and feedback are highly encouraged within teams, meetings and knowledge-sharing platforms. Continuously evaluating these processes, identifies areas for improvement and data-driven decisions to foster a positive and engagement culture.



Employees (continued)

Occupational Health and Safety

Simbisa Brands Limited places the utmost importance on the safety and health of all employees, contractors, and visitors. As a responsible business, we are committed to creating a secure, healthy, and compliant work environment while continuously striving for improvement.

Our Occupational Health and Safety Policy outlines our goals, responsibilities, and procedures to prevent injuries and illnesses, promote wellness, and respond to emergencies. We believe that ensuring a safe workplace is the responsibility of all, and our HR department takes a proactive approach to monitor all health and safety issues in the workplace. We ensure that line management enforces compliance, provides Personal Protective Equipment (PPE) to all our employees by their line of work, and offers safety training and awareness to all our stakeholders.

We prioritise the well-being of our employees and benchmark our progress in upholding Occupational Health and Safety Management Systems against ISO 45001:2018. We assess our occupational health and safety effectiveness by reviewing historical incident data, including workplace accidents, injuries, and illnesses, and evaluate whether the incidence of such events has decreased over time. A reduction in incident rates indicates improved OHS effectiveness.

We established and maintained a robust OHS management system as a framework for planning, implementing, and monitoring safety measures. We recognise that a safe and healthy workplace is a legal and ethical obligation and essential for our long-term sustainability and success. Our OHS system applies to all employees, including full-time, part-time, temporary, and contract employees, and encompasses employees at all levels, from entry-level employees to senior management. It applies to all work activities within the Group, including administrative work, research and development, sales, and maintenance, as well as physical workplaces where employees perform their duties, such as offices, factories, warehouses, and any other location where work is carried out.

Hazard identification, Risk Assessment, and Incident Investigation (HIRA)

Simbisa Brands Limited has designated qualified individuals or safety teams to conduct routine workplace inspections. These inspections are conducted to cover all areas of the workplace, including offices, production floors, storage areas, and outdoor spaces. Our team conducts routine Job Safety Analyses (JSAs) for different job tasks. This process involves employees in identifying potential hazards associated with their work and assessing the risks. We document our findings and recommendations. We offer multiple reporting channels for employees, such as reporting forms, electronic systems, suggestion boxes, and direct communication with supervisors or safety officers. We ensure that these channels are easily accessible and well-publicised, and all reports are handled with strict confidentiality. Information about the reporter should not be disclosed unless necessary for investigation, and only to individuals involved in addressing the issue.

Occupational Health Services

We offer Occupational Health Services that assess workplace hazards through thorough risk assessments. This entails identifying potential risks and hazards associated with specific jobs, tasks, processes, and workplace conditions. In case of an incident report, we respond immediately to ensure the safety and well-being of the affected individual and prevent further harm or damage. Our employees have the right to refuse unsafe work conditions without fear of retaliation, supported by relevant labour laws and regulations.

OHS Training

We conduct regular safety meetings and consultations where employees can provide input on OHS issues, share concerns, and contribute to the development of OHS policies and procedures. Our employees are involved in OHS training and education programs. Their input on training needs and content helps tailor these programs to address specific workplace hazards. Our training focuses on helping employees understand the services available to them, how to access them and raise awareness about the importance of occupational health and safety. We also provide training on the selection, use, and maintenance of PPE, including safety glasses, gloves, helmets, and respiratory protection. Further, we train our employees on fire prevention, the safe use of fire extinguishers, evacuation procedures in case of a fire, and how to respond to workplace medical incidents, including basic first aid and CPR training.

Employees (continued)

Employee Wellness

Simbisa provides comprehensive health and wellness programs to its employees, which include preventive services like annual check-ups, vaccinations, and screenings. The Group has stress management programs that offer mindfulness and relaxation techniques, counseling services, and mental health resources to help employees reduce stress and improve their mental well-being. To ensure the safety of our employees, we collect and analyse safety data like injury rates, accident severity, and illness statistics. This data helps the Group to evaluate the effectiveness of our safety measures. Simbisa fosters a culture of safety by encouraging employee engagement in safety initiatives, as measured by regular safety culture surveys. The Group also monitors near-miss incidents to assess the effectiveness of its hazard identification and reporting systems.

We regularly measure the response time to workplace emergencies and analyse historical data and trends to identify whether the number and severity of incidents and accidents are decreasing over time. A sustained downward trend is always a positive sign. We value feedback from our employees and engage with them through safety meetings, surveys, and feedback mechanisms to identify safety concerns and take appropriate actions.

Defined Contribution Pensions

Simbisa Brands operates pension funds and social security scheme in the countries of operations. Our contributions during FY2023 are outlined in Note 30 of the consolidated financial statements.

Diversity and Inclusion

As Simbisa Brands Limited, we believe that a diverse workforce is a strong workforce, and we are committed to creating an environment where everyone feels valued, respected, and supported. We foster a culture of empathy and understanding where people from all backgrounds can thrive and contribute to our shared success. Our goal is to establish a sense of belonging among employees to enhance productivity.

We are guided by our Gender, Diversity, and Inclusion Policy, Sexual Harassment Policy, and Recruitment Policy on our diversity and inclusion practices. Simbisa Brands Limited is committed to creating an inclusive workplace where everyone is treated fairly and equally, irrespective of their gender, race, ethnic origin, age, religion, or other identity factors. Our aim is to uphold equality and fairness in all our dealings, thereby eliminating any form of exclusion or violation. We believe that people from varied backgrounds deserve the same rights, opportunities, and protection.

We continuously train our employees on their role in preventing discrimination and promoting a culture of diversity and inclusion. We conduct monthly gender, diversity, and inclusion reviews to assess performance and progress on our practices. Our aim is to increase our gender proportions at senior managerial levels in 5 years.





Responsible Operations

Operating restaurants with a focus on responsible practices is essential for sustainability and maintaining a positive impact on the community and the environment. At our restaurants, we are committed to implementing various measures to ensure responsible operations.

These efforts include: adapting environmentally friendly restaurants, responsible sourcing, water and energy management and responsible waste management and disposal. By embracing responsible practices in our restaurants, we aim to create a positive impact on the environment, while providing our customers with a dining experience that aligns with their values.

Environmentally Friendly Restaurants

As Simbisa we are committed to reducing our environmental footprint by occupying properties that subscribe to green buildings values.

We are committed to the principles of sustainability in all buildings that host our restaurants. We prioritise the use of resources efficiently, reduce our environmental footprint, and create healthy and comfortable spaces for our occupants. We aim to employ water-efficient technologies, such as low-flow fixtures, and implement water reuse systems when feasible to reduce water consumption and promote water conservation.

We rely on management system for continuously monitoring energy and materials. Further, reports on performance are regularly produced, highlighting areas for improvement. We have set sustainability goals and progress toward achieving them is tracked to ensure improvement. Simbisa is adopting changing technologies and practices to continually improve green building management. We regularly update systems and technologies to stay current with the latest energy-efficient options. We have implemented a preventive maintenance program to ensure equipment operates efficiently.



Our target is to conduct sustainability training programs and workshops for employees. The number of training programs indicates our progress towards set objectives therefore we count the training programs conducted for employees. Overall, our progress towards energy efficiency goals has been highly effective, resulting in significant reductions in energy consumption and cost savings.

We aim to minimise waste generation through recycling programs, therefore, we establish recycling programs and implement waste reduction strategies to minimise its environmental footprint. Engagement with stakeholders is a crucial aspect of green building management, as it allows the Group to gather input, feedback, and insights from various parties. Their ideas can inform energy-saving practices, waste reduction efforts, and other green building initiatives. Education and outreach efforts have raised awareness and encouraged employees to actively participate in sustainability initiatives.

Supply Chain

We have extended our sustainable operations requirements to our suppliers and other value-chain stakeholders. Our Supply Chain and Responsible Sourcing Management systems ensure a proactive approach to supply chain sustainability risk management resulting in considerable reductions in cost, improved financial stability, and strengthened cash flows. We understand that our activities may have adverse effects, as such, we acknowledge the correlation between our conduct, merchandise, and the outcomes of our commercial associations. As part of our efforts to drive positive change throughout our supply chain, we actively participate in supplier development programs and leverage IT software automation to effectively address any challenges.

We are dedicated to ensuring responsible sourcing management and compliance with regulations and voluntary initiatives. In the unlikely event of any negative effects, we collaborate with our suppliers to address the issue and implement corrective measures. Our focus on sustainable sourcing practices is an integral part of our commitment to responsible sourcing, environmental stewardship, and the well-being of all stakeholders. We work closely with our suppliers to demonstrate our commitment and maintain transparency in our operations.



Responsible Operations (continued)

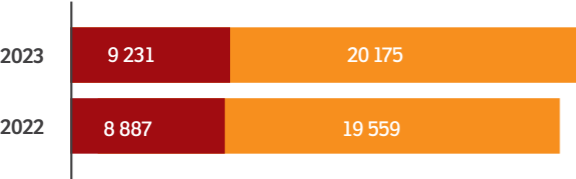
Supply Chain and Responsible Sourcing (continued)

The Group monitors the success of its supply chain and responsible sourcing management efforts by analysing customer complaints, product defect rates, inventory accuracy, and conducting internal and external audits. Simbisa aims to obtain high-quality products at the right price, quantity, and delivery time while measuring their profits, savings, and output, as well as stakeholder satisfaction and goodwill. We make use of stakeholder feedback, benchmarking, and grievance channels to analyse our actions and adjust our operational policies. We value engagement with stakeholders to ensure that actions align with stakeholder expectations and drive positive outcomes in supply chain and responsible sourcing management.

Ingredients

The Group relies on ingredients such as meats, starches and oils. Managing the ingredients is essential in ensuring efficiency in our operations. During the year, we utilised the following ingredients:

Key Ingredients - tonnes



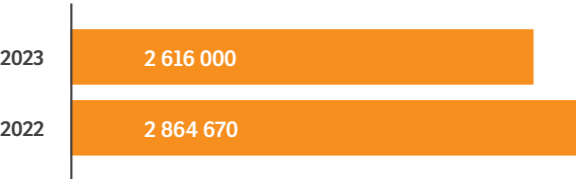
2023

Proteins	9 231 tonnes
Starch	20 175 tonnes

2022

Proteins	8 887 tonnes
Starch	19 559 tonnes

Oils - litres



Energy

Efficient energy management entails the various processes of planning, monitoring and optimising operational energy usage. For Simbisa, energy is a driving force behind our operations and we recognise the importance of adequate energy management policies and procedures. This will in turn reduce our environmental impacts, and operational costs while boosting our corporate image as a sustainable business.

We are guided by our Energy and Climate Change Policy in our energy management practices. Employee and contractor training on energy conservation are crucial as they are responsible for the implementation of our policy requirements. We conducted training on and encouraged switching off appliances and lights when not in use. Additionally, the Group invested in renewable energy grids as a reflection of our dedication to reliable production, processing, storage, and distribution, while also reducing our carbon footprint. We work closely with engineers to maintain effective energy management strategies.

We conduct monthly reviews of our energy management practices to assess our performance and progress. Our focus is on setting monthly energy consumption targets and tracking our performance to identify areas for improvement. Our ultimate goal is to ensure that we move towards the safest and most environmentally friendly practices to reduce our contribution to climate change.

Our commitment benchmarks and audits are conducted against the following:

- SDG 7: Affordable and Clean Energy.
- SDG 13: Climate Action.
- ISO 50001: Energy Management.

For the year under review, our energy consumption figures are as presented below:

There were more power cuts in FY2023 as compared to FY2022. Generator usage increased due to many power cuts. Electricity usage decreased because of increased load-shading, hence the increased diesel usage for power generators.

Electricity Consumption (Mwh)



Responsible Operations (continued)

Petrol and Diesel Consumption (Litres)



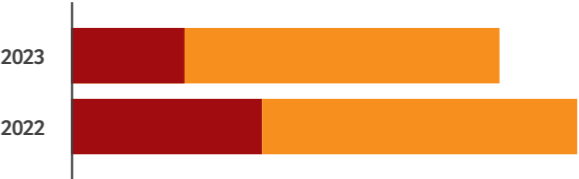
2023

Petrol	19 225 Litres
Diesel	1 742 526 Litres

2022

Petrol	205 952 Litres
Diesel	612 990 Litres

Water Consumption (m³)



2023

Municipal	5 384 771 m³
Borehole	16 435 493 m³

2022

Municipal	9 130 789 m³
Borehole	15 177 600 m³

Water

Water and effluent management plays a critical role in our business operations. Our water and effluent management practices are designed to minimise the environmental impact of our operations and to ensure compliance with regulatory standards. We ensure that we measure water consumption, make use of sensor taps, treat and recycle water, at each restaurant to improve water management practices. In cases where we use boreholes, flow meters are to be installed. As Simbisa Brands we make it a mandate to educate all water users on proper dishware preparation and loading techniques, reduce the overall water used.

We have a Water Stewardship Policy that guides our water management practices. Simbisa Brands Limited is committed to minimising water use in all operations by employing efficient and effective water management systems. We are committed to ensuring that all operations and activities are fully compliant with all current water management regulations.

Simbisa Brands Limited conducts monthly reviews of water usage to assess performance and progress on this policy. Our goal is to ensure that we minimise water use in all operations by 50%, by employing efficient and effective water management systems. We benchmark and track our progress on water stewardship against the following:

- SDG 6: Clean water and sanitation.
- SDG 11: Sustainable cities and communities.
- ISO 46001: Water Efficiency Management Systems.
- UN Global Compact's CEO Water Mandate - Corporate Water Accountability Guidelines.

During the reporting period our water consumption was as follows:



Environmental Stewardship and Climate Change

Waste

Our various operational processes generate different types of waste at all stages from procurement to sales. Efficient waste management is therefore an important aspect of Simbisa's commitment to good hygiene practices and environmental stewardship which in turn boost our brand image.

We are guided by our Waste Management Policy which embeds the principles of reduction, reuse, and recycling techniques at every stage of our operations. We enforce waste segregation at source through use of colour-coded bins with black for municipal disposal, blue for plastics; green for vegetables, and yellow for paper. Solid waste collection is done twice a week and our liquid waste storage containers are drained when required by regulated contractors.

Our waste management model below provides our overall approach to waste management.

To encourage a strong waste management culture, we conduct monthly and annual internal audits to assess our performance and progress on our Waste Management Policy. Our goal is to minimise waste production throughout our operations while ensuring full compliance with all applicable environmental regulations.

Our commitment benchmarks and audits are conducted against the following standard requirements:

- **SDG12:** Responsible Consumption and Production.
- UN Guiding Principles on National Waste Management Strategies.
- **ISO 14001:** Environmental Management Systems.



For the period FY2023 our waste statistics were as follows:

Waste Type	Unit	2023	2022
Chicken rejects/skins	Tons	360	342
Potato peels	Tons	144	137
Used oil	Litres	259 200	246 240
Effluent	Litres	540	513





Environmental Stewardship and Climate Change (continued)

Environmental stewardship is a significant aspect of our business. We appreciate that inefficient processes and wastages can have direct implications for us today and into the future. Our business significantly relies on water, and energy whose cost increases with use. This understanding drives our environmental stewardship practices.

Climate change

We take cognisance of the environmental impacts that our operations have and the risks that climate change poses to our business activities and the society as a whole. It is therefore important that we take appropriate carbon footprint reduction measures such as implementing process changes, investing in new, cleaner technologies and promoting efficient energy usage.

Guided by our Energy and Climate Change Policy we aim to achieve reduction in our overall climate change contributions through improved energy management.

We conduct monthly reviews on energy management systems and identify areas of system efficiency improvements.

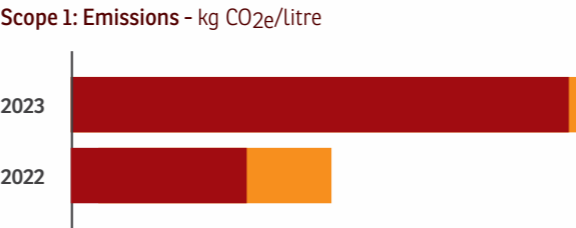
We benchmark and track our progress on energy and climate change against the following:

- **SDG 7:** Affordable and Clean Energy.
- **SDG 13:** Climate Action.
- **ISO 50001:** Energy Management.

GHG Emissions

Simbisa Brands Limited calculates its greenhouse gas (GHG) emission by converting its energy consumption into carbon dioxide (CO₂e) emission equivalency using internationally accepted conversion factors. We calculated our GHG emissions from fuel consumed by generators, vehicles that we primarily own or control. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage to Scope 1 Emission. We calculate our Scope 2 Emission by converting electricity consumption using factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC).

For FY23, our GHG Emission are below:

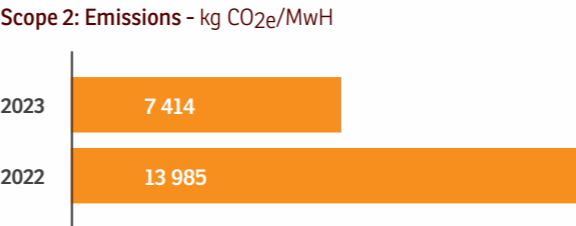


2023

- Diesel | 3 746 431 kg CO₂e/Litre
- Petrol | 58 636 kg CO₂e/Litre

2022

- Diesel | 1 317 929 kg CO₂e/Litre
- Petrol | 628 154 kg CO₂e/Litre



Investing In Our Community and
Economic Contribution



Investing In Community and Economic Development

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) activities demonstrate our commitment to carry out our value chain processes ethically while contributing to the economic, social and environmental well-being of stakeholders and local communities. We aim to address key issues such as poverty alleviation, education access, and environmental sustainability by aligning our CSR activities with specific Sustainable Development Goals (SDGs).

Our contributions are not limited to monetary donations but also consider our brand purpose and customer perceptions while tailoring our programs to meet the unique needs and aspirations of the communities we serve.

Management Approach

Before investing in a CSR activity, we establish clear goals, evaluation mechanisms, and a dedicated budget to ensure transparency and accountability. We have a CSR policy that reflects our commitment to supporting and improving communities, public service delivery and social development. One of our key focuses is empowering communities to thrive by creating opportunities within our business value chains. Our unwavering commitment lies in implementing the Sustainable Development Goals (SDGs) in our markets. By aligning our efforts with the SDGs, we aim to address critical social and environmental challenges and make a meaningful difference. We prioritise good corporate citizenship across our brands, ensuring that they are characterised by integrity, transparency, and accountability.

We conduct reviews to ensure that our CSR initiatives are aligned to our policy and contribute to maximising shared value among stakeholders, including organisations, employees, customers, shareholders and community members. Our CSR activities are guided by the ISO 26000 standards on Social Responsibility which aligns our actions with the best practices and principles related to social responsibility. Additionally, we aim to match our CSR initiatives to the Sustainable Development Goals (SDGs) as part of our sustainability initiatives.

Economic Contribution

Our ability to deliver consistent performance is essential to our ability to add value to the stakeholders who support and depend on our business. Because of this, it is crucial for us to generate sustainable revenues. The value we produce afterwards supports our tax payments, supplier relationships, employment opportunities, and community investments. Our dedication to sustainability helps the Group expand while reducing the negative effects of our activities.

The investments we make in our business help the economy and the development of the whole country. Our assistance is essential in promoting regional growth and ensuring the survival of the local communities.

Economic value generated and distributed

Economic value is generated and distributed in a variety of ways, including operating expenses, employee costs, procurement costs, tax obligations, and capital investments, all of which are detailed in our financial statements presented.

Tax management

In each of the jurisdictions where we conduct business, taxes are a substantial source of government revenue, as such, we recognise how closely the development of the jurisdictions in which we pay taxes is related to the long-term success of the business. Tax management involves choosing the appropriate tax structure, filing the required tax returns, and claiming the available tax credits and deductions. By applying effective tax management techniques, we enhance our profitability and competitiveness in the market.

Approach to tax

We aim to optimise our approach to tax and related affairs through effective tax planning in order to reduce tax burden, increase cash flow and achieve our strategic goals. We ensure that all tax legislation is adhered to, as such, we constantly and consistently liaise with tax authorities on compliance and other matters with the help of internal resources. We engage internal tax consultants to review tax returns and transfer pricing compliance, and to train employees on tax compliance matters. Where necessary we consult external advisers on pertinent taxation matters.

Tax Governance, Control and Risk Assessment

The tax strategy is part of the day-to-day activities within the business, starting from our till-points. The Board of Directors takes the responsibility of reviewing the tax strategy at least quarterly and ad-hoc deliberations can be held if necessary. We monitor tax related legislation through our Group Legal Officer with the help of the external legal counsel.

Investing In Community and Economic Development (continued)

Tax management (continued)

Tax Governance, Control and Risk Assessment (continued)

The following is done as part of our tax management evaluation;

- Monthly Exco meetings,
- Quarterly reports to the Audit Committee and Board of Directors,
- Monthly review of tax returns by internal tax resources,
- Daily monitoring of the fiscal machines installed by the tax authorities,
- Review of all agreements for tax compliance by internal tax resources, Group Legal Officer, and external tax consultants where necessary,
- Litigation and incidents reports are circulated monthly and quarterly.

Our goal is to manage taxes to ensure cash flow is not unduly impacted by tax payments or obligations. We are working towards developing a system to ensure readiness for tax audits to minimise the risk of penalties and we are investing in education of employees and other stakeholders on tax management. Effectiveness will be determined by timely and accurate filling of returns.

Our actions are aligned with current tax laws and regulations therefore reducing the risk of non-compliance. Through meticulous record-keeping and ongoing training, we enhanced our understanding of tax regulations and their application to our operations. As a result, we consistently meet all tax filing deadlines, reducing the risk of penalties and fines. Additionally, our commitment to regular tax reviews has helped identify and rectify any potential compliance issues, ensuring that our tax obligations are met accurately.

Through our ongoing journey in tax management, several valuable lessons have been learned that have been instrumental in shaping our operational policies and procedures. These lessons allowed us to enhance our approach to tax management, promote fiscal responsibility, and mitigate risk. By identifying opportunities for deductions, credits, and incentives ahead of time, we can significantly reduce our tax liability. As a result, our tax planning efforts have been formalised and integrated into our yearly budgeting and financial forecasting processes.

Tax compliance is not only a legal obligation but also an ethical imperative. Any deviation from compliance can lead to significant financial and reputational damage. We integrated strict compliance protocols into our policies, emphasising the importance of adhering to tax regulations at all levels. Accurate and organised financial record-keeping is the foundation of sound tax management. We reinforced the importance of meticulous record-keeping practices within our finance department, with clearly defined processes and regular audits to ensure data accuracy.

Stakeholder Engagement on Tax Matters

Stakeholder engagement on tax matters is a key aspect of effective tax governance and risk management. It involves communicating with various internal and external parties who have an interest or influence on the tax affairs, such as board members, tax authorities, investors, customers and employees. The purpose of stakeholder engagement is to inform, consult, collaborate and align expectations and objectives on tax matters, as well as to build trust and transparency. Engagement with stakeholders plays a critical role in shaping tax management actions and assessing their effectiveness. Stakeholders provide valuable feedback on the impact of tax actions, helping the Group understand if its tax strategies are achieving their intended goals.

Key stakeholders and their concerns;

Tax Authorities

- Whether we are compliant and up to date with all returns and payments.
- Transfer pricing.

Shareholders

- Whether the tax strategy is efficient enough to optimise shareholder returns within the confines of the tax law.

Customers

- The Group's reputation is affected by tax compliance.
- Our customers are taxpayers and expect the Group to be a good citizen.

Employees

- Whether PAYE and other employees taxes are being calculated and remitted accurately.



Investing in our community

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Introduction

Simbisa Brands has embarked on a 3 year long CSR project which commenced in April 2022. The Project has since impacted over 2000 lives. This report details the activities undertaken from July 2022 and June 2023.

The main aim of this Corporate Social Responsibility is for Simbisa to step in with Societal Protection Measures while giving hope to Zimbabwean citizens. The main objective of our CSR activities is to play our part towards Societal Protection Measures and give hope to the communities within which we operate.

Through the CSR Project Simbisa Brands will give opportunities for Equitable and Quality Education, Safe Nutrition & Sanitation as well as increased productivity for the youth.

Priority Sustainable Development Goals (SDGs)

There are 17 SDGs and 169 targets in total. While they are all important and interrelated, some are more relevant to Simbisa Brands than others at this point.

The following SDGs have been identified as relevant to Simbisa Brands for the purposes of the current CSR plan.



Quality Education

The goal of SDG 4 is to ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. The SDG aims to increase access to education, improve the quality of education, and reduce disparities in education.

In order to contribute to the sustainable development of Zimbabwean youth and the country itself, Chicken Inn is contributing towards this SDG by supporting the education of at least 15,000 students.



Zero Hunger

The Zero Hunger goal aims to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. This entails that everyone, including children, should have access to sufficient, safe, and nutritious food all year round.

Bakers Inn, being a family style brand is focusing on the nutrition of 5,000 pregnant & lactating mothers as well as 15,000 children under 5 years as they have the most risk of under nutrition leading to stunted growth.



Clean Water & Sanitation

Goal number 6 - Clean water & Sanitation is about ensuring availability and sustainable management of water and sanitation for all. It has 6 targets, which aim to increase access to clean water, improve sanitation, and reduce water pollution. This SDG is essential for achieving other sustainable development goals, such as reducing poverty, improving health, and promoting food security.

Nando's is working at ending Period Poverty by educating young girls and women in disadvantage areas and donation of Period Materials, as well as improving sanitation in those areas.

A look at the Progress...

Team Performance

SDG	Activities	Recipients
Zero Hunger	Grocery donation Food donations Various Donations made to organisations	<ul style="list-style-type: none"> Chiyedza Chevatendi Harare Harare, Bulawayo
Quality Education	School fees payment	<ul style="list-style-type: none"> 121 students nationwide
Clean Water & Sanitation	<ul style="list-style-type: none"> Sanitary Pads donations Sanitary Pad making workshops Financial Literacy Training 	<ul style="list-style-type: none"> 860 girls in 5 provinces



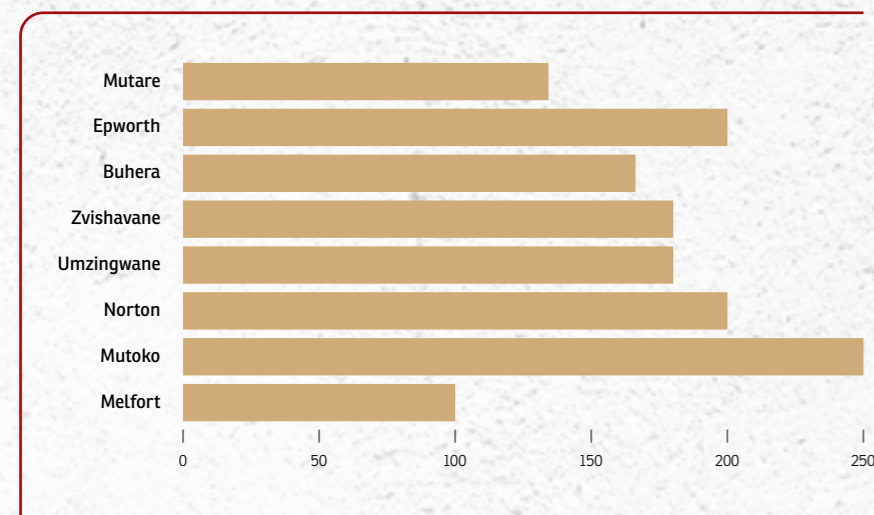
Period Matters

Performance Goals (April 2022 - April 2023)

The goals for this particular project were as follows:

- Donate reusable pads to 200 girls per province
- Conduct reusable pad making workshops for 200 girls per province

Impact Scale Since April 2022



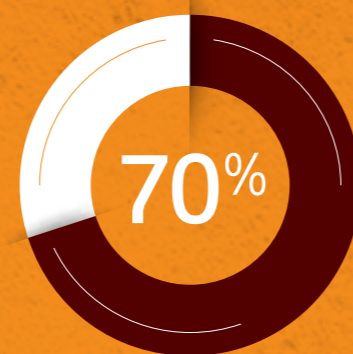
1,410

Girls Reached

8 Communities Reached

Period Matters in Pictures

This is what it looked like...



Provinces reached since April 2022



Pad Making Workshop in progress



Where to from here?

1

Action or Commitment

Partner with vocational schools to:

- Pay fees for students
- Assist with employment opportunities
- Refurbish classroom blocks at the schools where pads were donated and fees was paid

2

Action or Commitment

Partner with Clinics Nationwide to:

- Educate pregnant and lactating mothers and mothers of children under 5 on nutrition
- Provide supplementary meals for pregnant and lactating mothers and mothers of children under 5 years of age.
- Partner with 1 orphanage per province to supplement their meals.

3

Action or Commitment

- Donate pads in remaining communities
- Launch Build-A-Builder Entrepreneurial Competiton for girls aged 15 - 19 years old nationwide. Winner gets USD1,500 prize money and mentorship
- Refurbish toilets at schools where pads were donated

Healing with Horses

Simbisa Brands recently partnered with Healing with Horses family in the quest to heal the children and communities in Zimbabwe through Equine Assisted Activities and Therapies.

Simbisa Brands has donated to Healing with Horses to allow two children to receive Equine Assisted Activities and Therapies once a week for 6 months.



Simbisa Brands Roger Brackley Marathon

Simbisa organised a marathon through the Harare Athletic Club in March 2023. There was a fantastic turnout of walkers/runners totaling 920 people. The distances involved were 5km, 10km and 21km. There was a surprise guest entertainer, Nutty 'O', who got the crowd dancing after the run. All funds raised were donated to the USAP Community School.

Where to from here? (continued)



Troutbeck Triathlon 2023

The above event was held on 1 April 2023 at Troutbeck Resort, Nyanga, Zimbabwe.

This was the 15th Anniversary of the event in this format.

The event is a sanctioned World Triathlon ranking point event for Elite and U23 athletes.

The event is also an Africa Triathlon Junior ranking point event for athletes aged 16 to 19 years.

In addition to these events, the schedule included other triathlon formats for local Zimbabwean athletes to be able to compete over different distances. Added to this mix were Duathlon (run/bike/run), Aquathlon (run/swim/run), Off-road triathlon, Mountain Bike event and Open Water swim formats.

281 athletes competed in the day's events with 52 Elite, U23 and Junior athletes representing 20 countries. These countries included athletes from South America, Asia, Europe, the Americas and of course Africa.

The Sponsor Group for the 2023 edition included Coca Cola and Schweppes as the title sponsor with their brand Bonaqua (8th year), Cimas Health with their brand i-Go, Rooney's event infrastructure, Ecocash, CFAO Motor Group and the brand Suzuki. Simbisa Brands participated for the first time in 2023.

All Troutbeck sponsors contribute to the event financially but are entitled to marketing and branding presence at all Triathlon Zimbabwe events in the same season which runs from September to April each year.

The media coverage as managed by Multimedia was calculated at USD219,000.00.

Simbisa Brands donated USD\$6,000.



Where to from here? (continued)

Royal Harare Golf Club

Simbisa recently sponsored and donated USD\$5,000 to the Mens and Ladies Golf Championships at Royal Harare Golf Club (RHGC).

It was an exciting event with over 200 players in total.

USAP Community School Run

Simbisa arranged a marathon in September to fund raise for the USAP Community School.



Legends Football Academy



Legends Football Academy caters for players from diverse ethnic, religious and socioeconomic backgrounds. Most of the players who made the trip were sponsored as they came from financially disadvantaged backgrounds. It was extremely important that none of the players felt unworthy or out of place during the tour. Simbisa Brands through Chicken Inn came to the rescue of the players in this regard. Chicken Inn sponsored the quality tour kit which meant every player had a branded travel bag, soccer boots, socks, numbered shorts, branded tops, a hoody and tracksuit. The boys did not only look good, they felt proud and performed with confidence.

Legends Football Academy is focused on developing physically fit, mentally strong and technically gifted young football players. Since its inception in 2015 the Academy has been doing a good job in keeping players busy in a safe environment away from drugs and social ills whilst simultaneously training them in a vocational skill with clear pathways to careers in football.

In September 2022, Legends Football Academy Zimbabwe had the opportunity to attend a training and assessment camp at Sporting Lisbon's Cristiano Ronaldo Academy in Portugal. Eighteen players were selected and the final travelling party consisted of ten boys and two coaches who made the trip.

Sporting Lisbon Academy has developed two World Players of the Year in Luis Figo and Cristiano Ronaldo. The opportunity for the young players to be trained and assessed by professional coaches in a world class facility was a life changing experience. We have no doubt that a few of the players from this trip will become professional footballers in the future.



TAG RUGBY is an organisation that engages thousands of children girls/boys in high density areas across the country using a NON CONTACT version of rugby.

TAGS RUGBY seeks to educate teachers and community leaders and ultimately try to make an impact by giving humanitarian support in the areas in which it works.

Its focus in the initial 3-month timeline was to inject mass participation in tag rugby activities in TRT Community Clubs/ schools across the country under the "Simbisa Brands Community Tag Rugby". This initiative has largely been a resounding success being highlighted by 6 tournaments in 2 months. TAG RUGBY will conclude this pilot period with another 2 around the country. Tournaments were held over the December holidays at schools and community grounds and attracted children from schools, communities and those participating in the tournaments. As is with all other programs run we made it imperative that there was equal representation of girls and boys. All participating teams had 10 individuals; 5 boys and 5 girls.

Within the 3 months pilot conducted, Chinhoyi was one of the stand out areas and was the first one to get the ball rolling in mid-November of 2022. As a pioneer in Tag Rugby Trust activities, it was befitting to begin with an event which saw 6 multi-teamed schools compete at the Chaedza Primary school tournament. All teams progressed well with the eventual winner being the hosts themselves after a fiercely contested final! Home advantage created a buzzing atmosphere as children at the school were given permission to watch the games and treated us to a showcase of singing and dancing throughout the games.

What was the true crowning stroke in all areas we had was when all participants learnt they would get a voucher to use in any Simbisa Brands outlets!!

Sizinda is a rural village 15km from Victoria Falls town and not known by many but after a small drive on the Georges road off the main road you soon arrive at a small but vibrant village and yet another area Tag Rugby Trust runs programs. A truly special area from just a mere tag rugby or sports point of view many would have never dreamt in their wildest dreams to play or having anything to do with rugby let alone be involved in tournaments in the heart of Sizinda. Tag Rugby Trust works in the area using tag rugby as a vehicle but ultimately to educate the children in the area about elephants to try and curb the human and wildlife conflicts. Inadequate information and awareness on wildlife, particularly elephants, has been a major cause of the conflicts. 80 children of mixed ages from Sizinda village came for a holiday tournament at the Sizinda ground to compete in a tag rugby tournament. Some walked as far as 3km and some rode bikes as far as 7km but ultimately were all delighted to have an event dedicated to them during the holiday. Once again, the distances were definitely worth it as after being put into teams they played and all rewarded with a Simbisa Voucher!!



Where to from here? (continued)

ZBC Equipment Handover

Simbisa Brands purchased and imported ZBC's studio and editing equipment for the studio upgrade to the value of USD126,340.00. In exchange ZBC provides Simbisa advertising for its various brands over a period of twelve months on ZBC's platforms. This partnership was greatly appreciated by ZBC as it improved efficiency of their operations.

Emerald Hill Childrens Home

Emerald Hill Children's Home is a home for orphaned and other vulnerable children, located at the summit of Emerald Hill in Zimbabwe's capital city, Harare. Since 1914, the Roman-Catholic Dominican Sisters have provided shelter for children in need.

Today, the home cares for the physical and spiritual well-being of about 90 children aged 3 to 20. The children come from a variety of difficult backgrounds, many of them having been abandoned by their parents or having gone through traumatic experiences of neglect, emotional and physical abuse, including sexual abuse.

Apart from providing food and shelter, Emerald Hill actively focuses on the emotional healing of its children through Christian spirituality in daily life, the engagement of social workers and counsellors, and a number of other creative offers.

After completing their primary education, the boys move to St. Joseph's House for Boys, Belvedere, Harare, while the girls stay until they finish their education; furthermore, they are assisted with job training to become self-sufficient.

Emerald Hill is a private home that relies on donations for the upkeep and support of the children, including medical care, school tuition, clothing, food and shelter.

Simbisa Brands plays a significant role on donations for the home, including the donation of meals and cakes for the childrens birthday parties as well as assisting with any project funding.

St Giles

Simbisa donated pizzas towards the St Giles Christmas party which was held on the 30th November 2022.

Waste Management Strategy

Simbisa Brands assisted the Borrowdale community with litter bins and anti-littering signs along the main access roads to Pomona Food Court.



Simbisa Brands Lists on the Victoria Falls Stock Exchange

Simbisa Brands Limited, became the 6th counter to officially list on the foreign currency-denominated Victoria Falls Stock Exchange (VFEX) on Friday, 2 December 2022.

The Group's management has expressed excitement at being the first hospitality business to list on the two-year-old bourse, which is domiciled in the tourism capital.

Finance and Economic Development Minister, Professor Mthuli Ncube presided over the official listing ceremony in the resort city where he applauded the VFEX team for working tirelessly to ensure the commendable success of the exchange.

"My Ministry made the VFEX a distinctive future jurisdiction market by making it an exclusive investment destination to both local and foreign investors. The current rules and regulations on the VFEX go a long way in making the market irresistible to foreign capital," he said.

Minister Ncube added that Treasury will continue to support VFEX in order to make it a preferred destination for investors and companies.

He said the establishment of VFEX is at the core of initiatives towards the establishment of an Offshore Financial Services Centre in the country. Development of robust financial systems with the capacity to mobilise both domestic and foreign capital for investment was critical as the country drives towards achieving an upper middle-income status by 2030.

"I'm very thrilled by the decision of Simbisa Brands Limited to use this VFEX platform to enhance its growth strategy. This really shows that capital markets play a pivotal role towards equity-based financing solutions for the economy, thereby accelerating economic transformation," said Prof Ncube.

Simbisa Group Chairman, Mr Addington Chinake, said the Company has taken a bold step that will usher in a new period of growth and development by listing on VFEX.



He applauded the Government for establishing an offshore financial centre in Victoria Falls and introducing various incentives for both local and foreign investors.

"It's important for a nation to think globally and act locally in order to push through strong economic transformation. The successful listing of Simbisa does not only build a solid foundation of long-term development of the group but also marks the beginning of a new phase of strong growth for the group in all respects," said Mr Chinake.

He highlighted that the listing is in line with the vision of creating value for shareholders and customers in all markets.

Previously a subsidiary of diversified Innscor Africa Group, which opened operations in Zimbabwe in 1987 and listed on the Zimbabwe Stock Exchange in 1998, the Simbisa Group operates more than 611 outlets in nine countries across Africa and believes listing on VFEX is a natural fit for its Pan African focus.

Mr Chinake commended Government for the economic stability ushered in by the recent tweaking of fiscal and monetary policy, which he said enables the group to expand footprint in the region as well as being a beacon for foreign direct investment inflows into Zimbabwe.

"Having become the first company to list on an automated Zimbabwe Stock Exchange in 2015, Simbisa has today become the first

hospitality company to list on the VFEX. It listed on ZSE during the multi-currency era in 2015 at US\$14,32 cents and exited the same exchange last week at US\$38,83 cents having been achieved during the bull run this year," said Mr Chinake.

He stated that listing on VFEX will allow an efficient third-party United States dollar valuation of Simbisa.

This will also give the Group an opportunity to raise expansion capital in foreign currency from wider and international markets.

The VFEX is a subsidiary of the Zimbabwe Stock Exchange (ZSE) launched in 2020 as an off-shore biased financial services centre.

It is part of the efforts to attract global capital and restore foreign investor confidence in Zimbabwe's capital markets and help companies raise capital in foreign currency.

VFEX was established as a Special Economic Zone as provided by the Statutory Instrument 196 of 2020.

ZSE chairperson, Mrs Caroline Sandura, advised that Simbisa was migrating from ZSE to VFEX to continue to create value for its employees and shareholders. She said the VFEX thrust is to increase the pool of securities on the exchange.



Pizza Inn Masterclass



PIZZA MAKING MASTERCLASS

Background

- The Pizza Making Masterclass grooms children under the age of 13 years of age, on Pizza making skills. The idea behind the activity is to engage children, create excitement and create the best stories for the Kids to tell after visiting Pizza Inn and making pizzas on their own. The Masterclass is open to school going children that is pre-school and primary school.
- Kids are dressed in branded aprons during the exercise.
- The major aims of the initiative is to increase customer life time value by making children loyal Pizza Inn customers
- The initiatives also offers children an opportunity to have fun in our stores.
- These young customers get to be chef for the few hours they are in our stores, they form memories which incorporate our brands
- Where: Pizza Inn outlets

How

- We invite schools and pre schools to come through to Pizza Inn.
- The invitation is sent through our social media pages.
- Schools are invited to contact Pizza Inn shop managers where they want to have Pizza Inn Masterclass.
- The schools are encouraged to prepare for transport fares, and a cameraman who will be taking pictures on the day.
- Children to give their representatives, the amounts charged for the Pizzas they wish to make on that particular day.
- Children spend sometime in our kitchens. The Potters prepare the doughs, paste and add toppings on the Pizza, with the Kids. The dough is put in the oven, and the Pizza is ready!!
- Teachers get free Pizzas to thank them for support.
- The school is encouraged to post the activity on social media tagging Pizza Inn pages.





Creamy Inn Masterclass



CREAMY INN ICE CREAM

Ice Cream Masterclass

- We invite pre-schools to come through to our Creamy Inn stores
- The schools books with the Creamy Inn stores ahead of time.
- They pre-pay for the product they make in-store.
- They come in-store and make the ice cream in-store
- Schools are encouraged to take photos and post on social media and tag Creamy Inn page.

Treasure Hunt

- Every last Saturday of the month we run a treasure hunt at complexes which have play centres.
- We invite kids between the age of 3 and 12 years to come and participate.
- The participation requirement is that the kids must buy a selected Creamy Inn product.
- The kids are grouped in various age groups, toys or sweets are hidden.
- Kids are periodically released to search for the 'treasure' Each kid gets to have the toys or sweets they find.
- The treasure hunt is communicated on social media and radio program
- The main aim of the activity is to increase customer life time value as the kids become our customer from a tender age.



ICE-CREAM MAKING MASTERCLASS!

FOR ICE-CREAM MASTERS AGE 3-12
• AT AN OUTLET OF YOUR CHOICE •

COME TO YOUR FAVOURITE CREAMY INN OUTLET AND MAKE YOUR OWN ICE-CREAM!

YOU DON'T HAVE TO BE AN EXPERT, SO COME ON OVER & MAKE YOUR OWN!

Creamy inn
Enjoy Life!

T's & C's apply. Safety is our priority. For safety measures, we will provide aprons & hair nets. The process will be under strict supervision of the outlet manager to avoid any accidents.

Baker's Inn Masterclass



HOT DOG & BURGER MAKING

Background

- Similar to Pizza Inn masterclass, however for this one Baker's Inn teams visit various schools.
- An invitation to participate in hot dog and burger making masterclass is sent out on social media and radio.
- Interested schools contact Baker's Inn stores.
- A selected Baker's Inn store then visits the schools.
- A grill is set up and a Baker's Inn Chef assist learners to make either hot dogs or burgers.
- Each child pays for the product they make.
- The teacher is served on the house.



HOTDOG & BURGER MAKING MASTERCLASS!



CALL US: **0735 332 403**

**JOIN US AT OUR HOTDOG
& BURGER MAKING MASTERCLASS.**

Classes are held instore or at
a pre-arranged facility for all ages.





Annual Financial Statements

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Directors' Responsibility and Approval of Consolidated Financial Statements

The Directors of the Company are required by the Zimbabwe Companies and Other Business Entities Act Chapter 24:31 (COBE) to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit and cash flows for the year. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Group conform to International Financial Reporting Standards ("IFRS") and the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE), except for non-compliance with the requirements of International Financial Reporting Standards, International Accounting Standards 21 ("IAS 21"), 'The Effects of Foreign Exchange Rates' and noncompliance with International Accounting Standard 8 ("IAS 8"), 'Accounting Policies, Changes in Accounting Estimates and Errors'; as noted in the independent auditor's report.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. Simbisa maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit and Risk Committee has met the external auditors to discuss their reports on the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. In a growing Group of the size and complexity of Simbisa, it may be expected that occasional breakdowns in established control procedures may occur; any such breakdowns have been reported to the Group's Audit Committee and the Board.

The consolidated financial statements for the year ended 30 June 2023, which appear on pages 100 to 172, were prepared by Simbisa Brands Limited finance department under the supervision of the Group Finance Director, Mr Baldwin Guchu. They have been approved by the Board of Directors and are signed on its behalf by:

A B C CHIRAKE
Chairman
27 October 2023

BALDWIN GUCHU
Executive Director



Report of the Directors

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 30 June 2023.

Group Results

	30 June 2023 USD'000	30 June 2022 USD'000
Profit before tax	24 429	24 027
Tax	(5 027)	(4 963)
Profit for the year	19 402	19 064
Non-controlling interests	(408)	(100)
Profit for the year attributable to equity holders of the parent	18 994	18 964

Dividends

Dividends declared on ordinary shares in the financial year are as follows:

	Dividend per Share	Dividend paid or payable
Interim dividend (US cents)	0.88	20 April 2023
Final dividend (US cents)	0.43	10 November 2023

Share Capital

There were no movements in issued ordinary shares of the Company.

	30 June 2023 Number of shares	30 June 2022 Number of shares
At the beginning of the year	562 184 788	562 184 788
At the end of the year	562 184 788	562 184 788

Report of the Directors (continued)

Simbisa Brands Share Option Scheme

There were no share options granted during the year (2022 USDnil)

Directors and their Interests

In terms of the Company's Articles of Association, Mr. A. Gupta and Mr. Z. Koudounaris retire from office by rotation and being eligible offer themselves for re-election.

The beneficial interests of the Directors in the shares of the Company are disclosed in note 24.4 of the financial statements.

Directors' Fees

Members will be asked to approve the payments of the Directors' fees of USD 348 309 (2022: USD 184 824) in respect of the financial year ended 30 June 2023.

Auditors

Members will be asked to approve the remuneration of USD 233 688 (2022: USD 226 375) of the auditors for the financial year ended 30 June 2023 and to consider the reappointment Ernst & Young as auditors of the Group to hold office for the ensuing year.

For and on behalf of the Board



A B C CHINAKE
Chairman
27 October 2023



PROMETHEUS CORPORATE SERVICES
Company Secretary

Company Secretary's Certification

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by a Public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and all such returns are true, correct and up to date.



PROMETHEUS CORPORATE SERVICES
Company Secretary
Harare
27 October 2023

Independent Auditor's Report

To The Shareholders of Simbisa Brands Limited

Report on the Audit of the Consolidated financial statements

Introduction

We have audited the consolidated financial statements of Simbisa Brands Limited and its subsidiaries (the Group) as set out on pages 100 to 172, which comprise the Consolidated Statement of Financial Position as at 30 June 2023, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for qualified opinion section, the accompanying consolidated annual financial statements present fairly, in all material respects the financial positions of the Group as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the manner required by the Companies and Business Entities Act (Chapter 24:31).

Basis for qualified opinion

Matter 1 - Inappropriate accounting for change in presentation currency (non-compliance with IAS 21) (Zimbabwe operations)

The group changed the functional currency for Simbisa Brands Limited and all Zimbabwean operations from ZWL to the USD effective 1 July 2022. This change resulted in a change in presentation currency for the consolidated financial statements for the year ended 30 June 2023 from ZWL to the USD. The change in presentation currency required that the comparative consolidated financial statements be translated to USD in accordance with IAS 21, which requires that the previously stated comparatives, that is, the 30 June 2022 inflation adjusted consolidated financial statements be translated to USD at the appropriate exchange rates.

Management has not complied with IAS 21 as they have separated the USD and ZWL elements of the financial statements for the comparatives and maintained the USD elements as if the USD has always been the functional currency, then translated the ZWL historical elements to USD using the transaction-based exchange rates. We disagree with both the method of change in presentation currency and the use of the transaction-based exchange rate, for reasons stated on Matter 2 below. The opening balances are therefore misstated. As opening balances are misstated, the following amounts on the consolidated statement of financial position are impacted due to closing balances containing material amounts from opening balances.

Consolidated Statement of financial position (Zimbabwean operations only):

- USD 41 722 402 included in distributable reserves USD 63 225 301) (2022: USD 52 799 229)
- USD 4 429 450 included in other reserves stated as USD 7 589 103 (2022: USD 6 325 433)
- USD 6 687 660 included in lease liability stated as USD 29 011 172 (2022: USD 30 099 598)

As opening balances enter into the determination of financial performance and cashflows, the entire comparative statement of cashflows for Zimbabwe operations and the elements listed below are misstated due to this matter.



Independent Auditor's Report (continued)

Simbisa Brands Limited

Consolidated Statement of profit or loss (Zimbabwean operations only):

- USD87 730 887 included in Operating expenses stated as USD 248 529 759 (2022: USD195 259 161)
- USD234 000 included in Foreign exchange and other gains stated as USD276 700 (2022: USD4 126 544)
- USD3 176 115 included in Income tax expense stated as USD5 026 785) (2022: USD 4 963 185)

Furthermore, our audit report is modified due to the impact of the matter on the corresponding amounts for Inventories, Borrowings- short term portion and Trade & Other payables on the Consolidated Statement of Financial Position and Revenue, Other Income, Loss on monetary position on the Consolidated Statement of profit or loss. Consequently, the comparative Consolidated statements of cashflows and Consolidated Statement of changes in equity are materially misstated as incorrect base numbers were used in preparing these financial statements. Our audit opinion is thus also modified on comparability of the current period's figures with the prior period figures.

Matter 2 - Exchange rates used in current year (Zimbabwean operations) (non-compliance with IAS 21)

In the current year, management translated all foreign denominated transactions and balances at a transaction- based rate from ZWL to USD functional currency. We disagree with the use of the transactionbased rate for translating transactions and balances from ZWL to USD during the year and at year end, as we believe that the transaction-based exchange rate does not meet the definition of a spot exchange rate as per International Financial Reporting Standards - IAS 21 - *The Effects of Changes in Foreign Exchange Rates*.

Had the correct exchange rate been used, the following elements of the consolidated statement of financial position and statement of profit of loss and other comprehensive income would be materially different:

Financial Statement Line Item	Amount in ZWL	USD Equivalent as per Simbisa	USD Equivalent (EY recomputed using the auction rate)	Misstatement (USD)
Statement of Financial				
Revenue	(41 916 062 005.30)	(35 269 081.35)	(44 924 533.71)	9 655 452.36
Operating expenses	24 106 079 584.54	19 127 075.19	25 453 993.57	-6 326 918.38
Statement of Financial Position				
Distributable reserves	-4 920 265 480.57	3 760 528.11	8 335 980.71	-4 575 452.60

Matter 3 - Non-compliance with International Accounting Standard 8 (IAS 8) Accounting Policies, Changes in Accounting Estimates and errors: Initial application of a change in accounting policy ("Adoption of the revaluation model for property, plant and equipment")

The group changed its accounting policy on property, plant and equipment (PPE) from the Cost Model to Revaluation Model during the year. The Group has not accounted for this change in accounting policy from the date of change onwards but has accounted for the change retrospectively with effect from 30 June 2022, which constitutes a departure from the requirements of International Accounting Standard 8 (IAS 8). Had the Group followed the requirements of IAS8, the value of PPE presented in the comparative consolidated statement of financial position would have been materially different by USD22 608 319. The deferred tax liability presented on the consolidated statement of financial position is therefore consequently impacted. Our audit opinion is thus modified on comparability of the current period's figures with the prior period figures.

Additionally, revaluation surplus arising on revaluation should have been recorded in equity as a separate non distributable reserve, however it has been classified as part of distributable reserves (retained earnings). We could not quantify the misstatement due to reasons discussed on Matter 1 above.

The effects of the above departures from IFRS are material but not pervasive to the financial statements.



Independent Auditor's Report (continued)

Simbisa Brands Limited

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe.

We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The Directors are responsible for the other information. Other information consists of the Chairman's statement, CEO's Report and the Directors responsibility statement but does not include the consolidated financial statements and our auditor's report thereon. The Sustainability report, Corporate Governance, Report of the directors and GRI Context and Index "core" are expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance 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, we conclude that there is a material misstatement of this other information we are required to report that fact. As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of IAS 21 - Effects of Changes in Foreign Exchange Rates and IAS 8 -Accounting policies, Changes in accounting estimates and errors. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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.

Independent Auditor's Report (continued)

Simbisa Brands Limited

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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).



ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS
Harare
1 November 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated* USD
Revenue from contracts with customers	8	286 978 842	233 940 797
Other income	9	6 266 187	2 524 786
Operating expenses	10	(248 529 759)	(195 259 161)
Operating profit before depreciation, amortisation and impairment		44 715 270	41 206 422
Foreign exchange and other (losses)/gains	11	(276 700)	4 126 545
Increase in allowance for credit losses	23	(87 045)	(111 065)
Gain on bargain purchase of subsidiary and associate companies	18, 19.1	2 139 846	—
Fair value loss on investment properties	17	(15 967)	—
Derecognition of property, plant and equipment	15	(655 454)	(57 350)
Depreciation and amortisation	15, 16 & 20	(16 068 252)	(14 657 466)
Profit before interest, associate profit and tax		29 751 698	30 507 086
Interest income	12	995 149	379 405
Interest expense	12	(6 734 875)	(6 859 362)
Profit before associate profit and tax		24 011 972	24 027 129
Profit from associate companies	18	416 799	—
Profit before tax		24 428 771	24 027 129
Income tax expense	13	(5 026 785)	(4 963 185)
Profit for the year		19 401 986	19 063 944

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

for the year ended 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated* USD
Other comprehensive (losses)/income			
<i>To be recycled to profit or loss in subsequent years (net of tax) when specific conditions are met</i>			
Exchange differences on the translation of foreign operations, net of tax	25	(3 640 503)	(1 544 016)
<i>Not to be recycled to profit or loss in subsequent years (net of tax)</i>			
Revaluation surplus on property, plant and equipment, net of tax	25	2 367 673	—
Other comprehensive loss for the year, net of tax		(1 272 830)	(1 544 016)
Total comprehensive income for the year		18 129 156	17 519 928
Profit for the year attributable to:			
Equity holders of the parent		18 993 512	18 963 749
Non-controlling interests		408 474	100 195
		19 401 986	19 063 944
Total comprehensive income for the year attributable to:			
Equity holders of the parent		17 729 842	17 425 215
Non-controlling interests		399 314	94 713
		18 129 156	17 519 928
Earnings per share (US cents)			
Basic earnings per share	7.6	3.38	3.37
Diluted basic earnings per share	7.6	3.38	3.37
Headline earnings per share	7.6	3.13	3.39
Diluted headline earnings per share	7.6	3.13	3.39

Note: The prior year statement of profit or loss and other comprehensive income was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 3.1 (c) for details of the change in presentation currency.





Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated* USD	30 June 2021 Restated* USD
ASSETS				
Non-current assets				
Property, plant and equipment	15	103 200 342	85 437 687	73 181 313
Intangible assets	16	301 518	336 838	373 417
Investment properties	17	650 000	1 732 121	—
Investments in associates	18	2 177 069	—	—
Right-of-use assets	20	24 644 626	26 699 382	28 515 177
Deferred tax assets	26.2	1 678 169	1 702 170	1 102 892
		132 651 724	115 908 198	103 172 799
Current assets				
Financial assets	27.1	7 000 022	9 559 661	4 232 875
Inventories	22	12 362 721	7 285 338	6 755 914
Trade and other receivables	23	7 091 509	6 035 633	8 381 544
Cash and cash equivalents	14.2	14 792 899	9 467 673	11 040 288
		41 247 151	32 348 305	30 410 621
Total assets		173 898 875	148 256 503	133 583 420
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital and share premium	24.2	18 178 323	18 178 323	18 178 323
Other reserves	25	(7 589 103)	(6 325 433)	(4 807 370)
Distributable reserves		63 225 301	52 799 229	41 519 709
Attributable to equity holders of the parent		73 814 521	64 652 119	54 890 662
Non-controlling interests		927 493	468 879	664 289
Total equity		74 742 014	65 120 998	55 554 951

Consolidated Statement of Financial Position (continued)

as at 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated* USD	30 June 2021 Restated* USD
EQUITY AND LIABILITIES (continued)				
Non-current liabilities				
Deferred tax liabilities	26.2	9 240 636	9 586 379	9 793 291
Borrowings - long term portion	27.2	2 674 849	1 900 507	3 546 119
Lease liability	20	24 563 982	25 016 817	25 469 804
		36 479 467	36 503 703	38 809 214
Current liabilities				
Borrowings - short term portion	27.2	13 552 809	5 664 728	12 185 410
Lease liability	20	4 447 190	5 082 781	4 458 900
Trade and other payables	28	39 848 654	32 463 330	20 740 680
Current tax liabilities	13.3	4 828 741	3 420 963	1 834 265
		62 677 394	46 631 802	39 219 255
Total liabilities		99 156 861	83 135 505	78 028 469
Total equity and liabilities		173 898 875	148 256 503	133 583 420

Note: The comparative statements of financial position (30 June 2021 and 30 June 2022) were previously reported in ZWL. These were restated by converting to the Group's new presentation currency, USD. Refer to note 3.1 (c) for details of the change in presentation currency.



BASIL DIONISIO
Executive Director
Harare
27 October 2023



BALDWIN GUCHU
Executive Director



Consolidate Statement of Changes in Equity

for the year ended 30 June 2023

		Attributable to Equity Holders of the Parent					
	Notes	Ordinary Share Capital and Share Premium USD	Other Reserves USD	Retained Earnings USD	Attributable to Equity Holders of the Parent Total USD	Non- controlling Interest USD	Total Equity USD
Year Ended 30 June 2023 - Audited							
Balance at 1 July 2022		18 178 323	(6 325 433)	52 799 229	64 652 119	468 879	65 120 998
Profit for the year		—	—	18 993 512	18 993 512	408 474	19 401 986
Other comprehensive income for the year		—	(1 263 670)	—	(1 263 670)	(9 160)	(1 272 830)
Total comprehensive income for the year		—	(1 263 670)	18 993 512	17 729 842	399 314	18 129 156
Transactions with owners		19.1	—	—	—	322 747	322 747
Dividends			—	(8 567 440)	(8 567 440)	(263 447)	(8 830 887)
Balance at 30 June 2023		18 178 323	(7 589 103)	63 225 301	73 814 521	927 493	74 742 014
Year Ended 30 June 2022 - Restated							
Balance at 1 July 2021		18 178 323	(4 807 370)	41 519 709	54 890 662	664 289	55 554 951
Profit for the year		—	—	18 963 749	18 963 749	100 195	19 063 944
Other comprehensive income for the year		—	(1 538 534)	—	(1 538 534)	(5 482)	(1 544 016)
Total comprehensive income for the year		—	(1 538 534)	18 963 749	17 425 215	94 713	17 519 928
Establishment of subsidiary			—	—	—	68 026	68 026
Transactions with owners		19.3	—	(256 262)	(256 262)	517	(255 745)
FCTR loss recycled to profit or loss - Simbisa Brands Namibia		19.4	—	20 471	20 471	—	20 471
Change in presentation currency			—	(1 843 090)	(1 843 090)	—	(1 843 090)
Dividends			—	(5 584 877)	(5 584 877)	(358 666)	(5 943 543)
Balance at 30 June 2022		18 178 323	(6 325 433)	52 799 229	64 652 119	468 879	65 120 998

Note: The prior year statement of changes in equity was previously reported in ZWL. This was restated by converting to the Group's new presentation currency, USD. Refer to note 3.1 (c) for details of the change in presentation currency.



Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated* USD
Cash generated from operations	14.1	46 553 068	59 628 482
Interest received		995 149	379 405
Interest paid		(6 734 875)	(6 859 362)
Income tax paid	13.3	(4 880 946)	(4 148 423)
Net cash flow from operating activities		35 932 396	49 000 102
Investing activities			
Additions to property plant and equipment - expansion	15	(22 094 310)	(13 682 302)
Additions to property plant and equipment - maintenance	15	(7 843 596)	(9 982 037)
Proceeds on disposal of property, plant and equipment		545 887	76 255
Disposal of subsidiary - Simbisa Brands Namibia Limited	19.4	—	(32 775)
Disposal of financial assets		2 559 648	—
Investment in financial assets		—	(5 326 988)
Net cash from purchase of subsidiary - Oven Art (Private) Limited	19.1	(103 177)	—
Net cash from purchase of subsidiary - Sunrise Children (Private) Limited	19.2	—	(1 035 746)
Cash outflow on acquisition of associate - Ndoro Microfinance Bank (Private) Limited	18	(124 936)	—
Purchase of investment properties	17	—	(696 375)
Net cash outflow from investing activities		(27 060 484)	(30 679 968)
Financing activities			
Dividends paid by holding company		(8 567 440)	(5 584 877)
Dividends paid by subsidiaries to non-controlling interests		(263 447)	(358 666)
Proceeds from borrowings	27.2.1	17 458 421	2 003 246
Repayments of borrowings	27.2.1	(7 172 439)	(10 789 280)
Lease liabilities principal repayment	20	(3 979 965)	(3 528 950)
Payments on acquisition of non-controlling interests - purchase of additional interest - Innbucks (Private) Limited	19.3	—	(255 745)
Net cash outflow from financing activities		(2 524 870)	(18 514 272)
Net increase/(decrease) in cash and cash equivalents		6 347 042	(194 138)
Effects of currency translation on cash and cash equivalents		(1 021 816)	(1 378 477)
Cash and cash equivalents at beginning of the year		9 467 673	11 040 288
Cash and cash equivalents at the end of the year	14.2	14 792 899	9 467 673

Note: The prior year statement of cash flows was previously reported in ZWL. This was recalculated based on the restated statements of financial position as at 30 June 2021 and 30 June 2022, as well as the restated statement of profit or loss and other comprehensive income for the year ended 30 June 2022, which were converted to the Group's new presentation currency, USD. Zimbabwean comparative cash flow movements in ZWL were converted to USD using the average USD transaction-based exchange rates during the year. Refer to note 3.1 (c) for details of the change in presentation currency.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2023

1. Corporate Information

Simbisa Brands Limited (Simbisa) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange ("VFEX"). Simbisa Brands Limited and its subsidiaries own and operate quick service restaurants (QSR) across Africa and its registered office is Edward Building, Corner First Street and Nelson Mandela Avenue, Harare, Zimbabwe.

The consolidated financial statements of Simbisa Brands Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 27 October 2023.

2. Statement of Compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The consolidated financial results have been restated to take account of a change in functional currency for the Group's Zimbabwean operations and the change in the Group's presentation currency in accordance with IAS 21, 'The Effects of Foreign Exchange Rates'.

The principal accounting policies of the Group conform to International Financial Reporting Standards ("IFRS") and the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE), except for non-compliance with the requirements of International Financial Reporting Standards, International Accounting Standards 21 ("IAS 21"), 'The Effects of Foreign Exchange Rates' and non-compliance with International Accounting Standard 8 ("IAS 8"), 'Accounting Policies, Changes in Accounting Estimates and Errors'; as noted in the independent auditor's report.

3. Basis of preparation

The consolidated financial statements are based on statutory records that are maintained under the historical cost convention. The consolidated financial statements are presented in United States Dollars (USD), which is the reporting entity's functional currency and figures are not rounded.

a. Change in functional currency for Zimbabwean Operations – 01 July 2022

On the 27th of June 2022, the Reserve Bank of Zimbabwe ("RBZ") announced an increase in minimum lending rates for corporates from 80% to 200% effective 1 July 2022, for all local currency borrowings. Additionally, RBZ directed that 25% of the unutilised export proceeds would now be liquidated at the willing-buyer willing-seller exchange rate after 120 days from the date of receipt. This was followed by an introduction of gold coins by the central bank on 25 July 2022. The gold coins were going to be sold in both local currency and United States dollars. According to media reports, a significant proportion (more than 90%) of the coins were sold in ZWL, which mopped up the excess local currency liquidity in the market. The resultant lack of ZWL liquidity resulted in most transactions within the economy being done in USD. During the 2023 Monetary Policy Statement presentation, the RBZ governor reported that 70% of the economy's transactions were being completed in USD, whilst 65% of customer deposits for the banking sector are in USD. This was also evident in Simbisa's revenue and expenditure within the period under review.

As a result of these events the Group reassessed its functional currency determination for the Zimbabwean operations in compliance with the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates and concluded that, effective from 1 July 2022, the functional currency of Simbisa Brands Limited changed from the ZWL to the US dollar.

b. Change in presentation currency for the Group – 01 July 2022

Simbisa Brands Limited listed on the Victoria Falls Exchange (VFEX) during December 2022. Pursuant to this, the Group adopted the US dollar as the appropriate presentation currency as this would lead to more relevant consolidated financial statements given that VFEX is a USD Stock Exchange.

Simbisa restated the prior year consolidated financial statements to cater for voluntary presentational change in line with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.



Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

3. Basis of preparation (continued)

c. Impact of change in functional and reporting currency

Conversion of Zimbabwe comparative consolidated financial statements from ZWL to USD

The Statement of Profit or Loss and other comprehensive income for the year ended 30 June 2022 was converted from ZWL to USD as follows:

- Transactions were initially split by currency of origin between USD and ZWL
- ZWL transactions were converted to USD using transactions-based rate.
- In place of the USD exchange movements, ZWL exchange movements were calculated.
- Gain on monetary position and exchange gains/losses on USD transactions and balances were eliminated.
- Fair value gains on investment property were eliminated as these were directly related to the depreciation of the ZWL currency
- Exchange gains/losses on ZWL transactions and balances were calculated.
- The income tax charge was determined as follows:
- The current tax charge was calculated from the current tax liability movement analysis. Opening and closing balances were recalculated from the USD results using the latest guidance from the Zimbabwe Revenue Authority (ZIMRA). Income tax payments were converted to USD at the spot transactions-based rate on date of payment.
- The deferred tax charge was determined from the USD deferred tax movement analysis. The opening and closing USD deferred tax balances were recalculated from the USD net carrying amounts and tax bases.

30 June 2022 and 30 June 2021 Statements of financial position have been translated from ZWL to US Dollar using the following procedures:

Financial statements line item	Conversion from ZWL to USD
Financial assets, Trade and other receivables, Intercompany receivables and Cash and Cash Equivalents	ZWL components converted at the transactions-based rate. USD components taken as is
Trade and other payables, Lease liabilities, Intercompany payables, Provisions and Borrowings	ZWL components converted at the transactions-based rate. USD components taken as is.
Deferred tax assets/ liabilities	Recalculated from the USD net carrying amounts and tax bases of the non-monetary assets and liabilities.
Property, plant and equipment	A USD valuation exercise was performed as at 1 July 2022. The same carrying amounts were used as at 30 June 2022. Balances as at 30 June 2021 were derived from the Group's running USD fixed assets register, wherein all PPE acquired in USD was carried as is and items purchased in ZWL were converted to USD at the applicable transactions-based exchange rate
Right of use assets	USD based models were used to recalculate the ROUA
Current tax liability	Recalculated from the USD results using the latest guidance from ZIMRA for current tax.
Share capital and premium	Converted at the transactions-based rate on the date capital and premium was contributed.
Treasury shares	Converted at the transactions-based rate on the date shares were bought.

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

3. Basis of preparation (continued)

d. Compliance with International Accounting Standard ("IAS") 21 "The Effects of Changes in Foreign Currency Rates" requirements

Reference is made to the qualified opinion of the Independent Auditors on the consolidated financial statements. One of the reasons for this opinion is the use of an exchange rate other than the exchange rate derived from the Reserve Bank of Zimbabwe ("RBZ") "Willing Buyer Willing Seller" rate.

During the later part of the prior financial year and throughout the current financial year, the RBZ introduced a system where financial institutions are allowed to buy and sell foreign currency to the public, at a rate that is within 10% of the prevailing auction rate. Subsequently, businesses were allowed to price their products based on this "Willing-buyer Willing-seller" exchange rate.

The Group converted ZWL monetary assets and liabilities for Zimbabwean Operations to USD (the new functional currency) using transactions-based exchange rate. The auditors believe that this treatment is not compliant with the financial reporting framework, International Financial Reporting Standards ("IFRS"), as they believe the auction rate to be a "Spot Rate" compliant with the requirements of IAS 21, and therefore IFRS.

The Directors however believe that the Wiling-buyer Willing-seller Exchange Rate is deficient with regards to IAS 21 and cannot be considered as Spot Rate for the Group for the following reasons, amongst others:

1. A regulatory prerequisite for bidding at the weekly foreign currency auction is that bidders must not have positive foreign currency balances in their foreign currency accounts (FCAs) that are equal to or more than the bid amount. This requirement disqualifies the Group's Zimbabwean Operation from bidding because of daily USD sales inflows into it's FCAs, which makes the auction rate inaccessible, and therefore fails to meet the accessibility criteria required by IAS 21. The Willing-buyer Willing-seller rate obtains from a market where the Group cannot participate;
2. The Auction system does not offer immediate delivery of foreign currency transactions occurring on the platform. It has been made public by the Reserve Bank of Zimbabwe that auction transactions remain unsettled for lengthy periods, exceeding 12 weeks in some cases. The Directors do not believe that Simbisa would, in the event that it could participate in the auction, be prioritised ahead of other bidders and get immediate settlement of the foreign currency; and
3. During the year under review, the foreign currency made available through auction system is insufficient to meet all the requirements of those who want access to it. The Directors do not believe that Simbisa would, in the event that it did not generate its own foreign currency from sales, meet all its foreign currency needs from the auction.

e. Going Concern

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. Refer to note 37 for more information.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

3. Basis of preparation (continued)

3.1 Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

4. Changes in accounting policy and disclosures

4.1 Revaluation of property, plant and equipment

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

On 1 July 2022, the Group elected to change the method of accounting for property, plant and equipment (except for IT Equipment, Office Equipment and Office Furniture), as the Group believes that the revaluation model provides more relevant information to the users of its consolidated financial statements as it reflects better the value of the Group's assets and the resultant asset return ratios. In addition, available valuation techniques provide reliable estimates of the Group's property, plant and equipment fair value. The Group applied the revaluation model prospectively.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

4. Changes in accounting policy and disclosures (continued)

4.1 Revaluation of property, plant and equipment (continued)

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves. Management believes that this results in fairer presentation of the comparative carrying amount for the property, plant and equipment.

After initial recognition, property, plant and equipment will now be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

IT Equipment, Office Equipment and Office Furniture will continue to be carried, after initial recognition, at cost less accumulated depreciation and accumulated impairment losses.

For details refer to Note 15.

4.2 New and amended standards and interpretations issued and not yet effective

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

4. Changes in accounting policy and disclosures (continued)

4.2 New and amended standards and interpretations issued and not yet effective (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

5. Summary of significant accounting policies

a. Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

a. Business combinations and Goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Disposal of subsidiaries

When a change in the Company's ownership interest results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss if required by a specific Standard.

b. Revenue and other income recognition

The Group generates revenue from sale of food and beverages through its various operated and franchised brands. The Group also generates revenue in the form of franchise and royalty fees from franchising its owned brands to third parties. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services net of value added tax. The expected consideration will consider the contractually defined terms of payment and variable consideration in the form of discounts and rebates. The Group acts as a principal in all of its revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods (food and beverages) is recognised at the point in time when control of the asset is transferred to the customer, generally on fulfilment of the order. The goods are generally sold for cash.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Royalty and Franchise fee Income

Royalties and franchise fees arise from licensing of the Group's brand names, usually under long-term contracts with the franchisees. The Group charges royalties and franchise fees as a percentage of the franchisee's revenue arising from the contract.

Franchise contracts were assessed to determine if they give rights to access or use of brands or trademarks. The contracts give rise to access to brands as the Group has significant intervention and operational activities to the franchisees operations which significantly influence or alter the way the brands function and operate.

The Group assesses if the contract contains more than one performance obligation at contract inception and on subsequent contract modifications. If the performance obligations are distinct and separately identifiable and for which stand-alone prices can be estimated with sufficient reliability, the Group allocates the transaction price based on the relative stand-alone selling prices of the performance obligations identified.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

b. Revenue and other income recognition (continued)

Royalty and Franchise fee Income (continued)

The royalty revenue is recognised at later of sales occurring or the performance obligations being satisfied (i.e. rights to access of the brand). As a result, the royalties are mainly recognised as sales occur (as this is mostly the later activity). Royalty income is therefore earned and recognised at a point in time, that is when the sales occur.

Other income

Other income includes income earned by the Group which is not directly related to the business of the Group and income earned on ad hoc basis. The income includes sundry income from sale of non-core products and management fees.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included as a separate line in the statement of profit or loss.

c. Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

c. Taxes (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value Added Tax

Revenue, expenses and assets are recognised net of the amount of Value Added Tax except where

- the Value Added Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated with the amount of sales tax included.

The net amount of Value Added Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

d. Employee benefits

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised as an expense during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit costs

Retirement benefits are provided for Group employees through the Simbisa Brands Pension Fund and other pension funds in foreign subsidiaries as mentioned in Note 30. The Group's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules. Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

All eligible employees contribute to the National Social Security Authority defined contribution pension scheme, or the equivalent in foreign subsidiaries. The cost of retirement benefits applicable to the National Social Security Authority or the equivalent in foreign subsidiaries, is determined by the systematic recognition of legislated contributions.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

e. Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in in Note 24.3. That cost is recognised in employee benefit expenses, together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

f. Share based payments

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share for the prior year(further details are given in Note 7). There were no outstanding share options as at 30 June 2023.

g. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, which ranges from 3 to 10 years. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment of non-financial assets (summary of significant accounting policies note 5(l).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

g. Leases (continued)

Group as a lessee (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

h. Foreign currency translation

The Group's consolidated financial statements are presented in United states dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Foreign Operations - Regional Entities

Transactions in foreign currencies are initially recorded by the Group's regional entities (regional operations) at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

h. Foreign currency translation (continued)

Transactions and balances (continued)

Foreign Operations - Regional Entities (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Zimbabwean Entities

Transactions in foreign currencies are initially recorded by the Group's Zimbabwe entities at the transactions based spot exchange rate at the date the transaction first qualifies for recognition, derived from the foreign currency auction system which is run on a weekly basis by the Reserve Bank of Zimbabwe.

Monetary assets and liabilities denominated in foreign currencies are retranslated at a transactions-based exchange rate ruling at the reporting date. This is the USD exchange rate at which the Group's Zimbabwe entities transact within the value chain, and is significantly driven by the USD exchange rate at which the Group's Zimbabwean suppliers invoice the Zimbabwean entities. The Group's Zimbabwean suppliers avail an option to settle invoices in either foreign currency (including ZWL) or USD. The implied exchange rate between the two settlement options is what the Group determines as the ZWL transactions-based exchange rate. The average of these rates across our suppliers therefore drives the Group's transaction-based exchange rate.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Translation of Foreign operations

On consolidation, assets and liabilities of foreign operations are translated into United States Dollar (USD) at rates of exchange ruling at the reporting date and their statements of profit or loss are translated at the average rate of exchange for the period.

The average rate of exchange is calculated by averaging the daily exchange rates. Where there are drastic movements between the opening and closing rates of exchange, the statement of comprehensive income results is translated on a month-on-month basis using the average rate of exchange for each month. Differences on exchange arising from translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, cumulative translation differences related to that entity are reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

i. Property, plant and equipment

With effect from 1 July 2022, the Group changed its accounting policy for property, plant and equipment to revaluation (except for IT Equipment, Office Equipment and Office Furniture). After initial recognition, property, plant and equipment will now be measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves. Management believes that this results in fairer presentation of the comparative carrying amount for the property, plant and equipment.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

At initial recognition, cost includes the cost of replacing part of the plant and equipment if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its valuation is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Item	Average useful life
Freehold property	40 years
Leasehold improvements	lower of 20 years and expected remaining term of lease
Plant and Equipment	12 years
Office equipment	5 to 10 years
Motor vehicles	Up to 8 years

Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

j. Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

k. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any). Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

l. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

l. Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group applies IFRS 9 in accounting for financial instruments.

(i) Financial assets

Financial assets include trade and other receivables, loans receivable included under non-current financial assets and cash and cash equivalents (refer to the cash and cash equivalent accounting policy). The Group classifies financial assets based on the business model in which they are kept into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI).

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial assets (continued)

The subsequent measurement of financial assets depends on their classification. The most relevant categories for the Group are amortised cost and fair value through profit or loss, which are measured as follows:

Amortised cost

The amortised costs include all the financial assets which the Group hold with an objective to collect contractual cashflows which are solely payments of principal and interest. The category includes trade and other receivables and loans receivable included under non-current financial assets. These financial assets are initially recognised at fair value plus any transaction costs. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included in finance income in the statement of profit or loss.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Fair value through profit or loss

This category is used as the residual category to classify financial assets which do not meet the criteria of the amortised cost and fair value through other comprehensive income category. Currently, the Group has no financial assets held at fair value through profit or loss or through other comprehensive income.

Allowance for expected credit losses

The Group assesses the financial assets held at amortised cost for expected credit losses. The Group uses the simplified approach and general "3-stage" approach when assessing for expected credit losses.

Simplified approach

The simplified approach is used to assess for expected credit losses for trade receivables, contract assets and lease receivables. The method uses a provision matrix which determines the expected default rate which is determined by taking into consideration historical and forward-looking information.

The expected default rate is determined separately for each market in which the Group operates as each market faces a different economic and operating environment.

General "3-stage" approach

The general "3-stage" approach is used for all other financial assets measured at amortised cost not covered by the simplified approach. The Group assesses some financial assets individually and others collectively if they have similar credit risk and identical characteristics. The Group assesses for expected credit losses for loans receivable on an individual basis and uses the collective approach for rental deposits and staff loans.

The method categorises financial assets into 3 different categories based on credit risk. The categories are as follows:

- **Stage 1** – there is no increase in credit risk since initial recognition and the Group only recognises 12-month expected credit losses. The interest will be calculated on the gross carrying amount of the financial asset.
- **Stage 2** – there is significant increase in credit risk since initial recognition without objective evidence of a loss event occurring. The Group recognises lifetime expected credit losses and calculates interest on the gross carrying amount of the financial asset.
- **Stage 3** – the financial asset is credit impaired and there is evidence of a loss event occurring. The Group recognises lifetime expected credit losses and calculates interest on the net carrying amount of the financial asset.

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial assets (continued)

General "3-stage" approach (continued)

The Group considers various factors when categorising the financial assets including:

- Assessing borrower's financial performance
- Assess compliance with debt covenants
- Assess value supporting collateral
- Considering economic conditions in which the borrower operates
- Changes in regulation
- Downgrade in borrower's credit rating

The Group uses the above collected information and data to calculate the exposure at default (EAD), loss given default (LGD) and probability of default (PD).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

30 June 2023	Trade receivables				
	Days past due				
Expected credit loss rate	Current 0.00% USD	Less than 30 days 54.28% USD	30-60 days 76.99% USD	61-90 days 73.63% USD	Total USD
Estimated total gross carrying amount at default	1 507 612	267 335	120 728	147 500	2 043 175
Expected credit loss	—	145 120	92 946	108 604	346 670

30 June 2022	Trade receivables				
	Days past due				
Expected credit loss rate	Current 0.00% USD	Less than 30 days 0.00% USD	30-60 days 27.56% USD	61-90 days 25.35% USD	Total USD
Estimated total gross carrying amount at default	3 411 971	526 437	489 976	493 171	4 921 555
Expected credit loss	—	—	134 626	125 000	259 626



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Leave pay provision

Leave pay for employees is provided based on leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

p. Provisions (continued)

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

q. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

r. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Executive Management Committee.

s. Headline Earnings

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for remeasurements of assets or liabilities that do not form part of the operating/trading activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

A re-measurement is an amount recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability.

Included in remeasurements that do not form part of the operating/trading activities of the Group are profit/losses on disposal of property plant and equipment and impairment of property, plant and equipment.

t. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current assets. Deferred tax assets and liabilities are classified as non-current assets and liabilities.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

u. Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Executive Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Executive Committee is comprised of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

Investment properties are based on level 3 valuation, based on observable market values for comparable properties in comparable geographical locations.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

5. Summary of significant accounting policies (continued)

u. Fair value measurement (continued)

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Executive Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Executive Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Executive Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Executive Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 6c, 15 and 18
- Quantitative disclosures of fair value measurement hierarchy Notes 15 and 18
- Property, plant and equipment Note 15
- Investment properties Note 18
- Financial instruments (including those carried at amortised cost) Note 27.1

6. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

6. Significant accounting judgements, estimates and assumptions (continued)

a. Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration experience, technology changes and the local operating environment. The useful lives are set out in the accounting policy note for "Property, Plant and Equipment." Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value. Refer to Note 15 for the carrying amount of property, plant and equipment and accounting policy note on property, plant and equipment for the useful lives.

b. Revaluation of property, plant and equipment

The Group measures, with effect from 01 July 2022, property, plant and equipment (except for IT Equipment, Office Equipment and Office Furniture) at revalued amounts, with changes in fair value being recognised in OCI. The property, plant and equipment was valued by reference to transactions involving properties, equipment and other items of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 01 July 2022.

However, for Zimbabwean operations, the policy change was done as at 30 June 2022, in order to cater for the take-on Statement of Financial Position for the change in functional currency which was effective 1 July 2022. Changes in the net carrying amounts arising from the revaluation were, together with movements from other balances on restatement to USD, credited to distributable reserves.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 15.

c. Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on market value model was used, as comparable market data was available for commercial properties within the Avondale (Harare, Zimbabwe) area. The commercial properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist, Pam Golding Property Valuers, to assess fair values as at 30 June 2023 for the investment properties.

The key assumptions used to determine the fair value of the properties are provided in Note 1.

d. Recoverability of Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on management's estimates of future cashflows. These estimates of future cashflows are based on forecast cash flows from operations (which are impacted by operating environment, sales volumes, product prices, operating costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in the future periods. Refer to Note 26 for more information on the deferred tax assets.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

6. Significant accounting judgements, estimates and assumptions (continued)

e. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill recognised by the Group. Refer to Note 16 for the carrying amount of goodwill and more information on the estimates and assumptions applied in performing the impairment assessment.

f. Provision for obsolete stock

Provision for obsolete stock is an allowance created for possible inventory write offs due to the nature of inventory which is mostly perishable items which are susceptible to obsolescence. Management is required to exercise judgement in determining the amount of the provision of obsolete stock. The allowance is determined at store level by assessing the likelihood of stock write offs based on stock movement historical experience. Refer to Note 22.

g. Allowance for credit losses for trade receivables and non-current financial assets

The allowance for credit losses on trade receivables, other receivables and non-current financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's 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 are disclosed in note 31 (credit risk disclosure).

h. Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date using a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.3.

i. Determining the lease term of contracts with renewal and termination options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

6. Significant accounting judgements, estimates and assumptions (continued)

i. Determining the lease term of contracts with renewal and termination options – Group as a lessee (continued)

The Group included the renewal period as part of the lease term for leases of land and buildings with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if an alternative asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 31.4 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

j. Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

7. Earnings per share

7.1 Basic Earnings basis

The calculation is based on the profit attributable to equity holders of the parent and weighted average number of ordinary shares in issue during the year.

7.2 Diluted Earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential dilution from the conversion of share options, where applicable. Share options are considered for dilution if the average market price of ordinary shares during the year exceeded the exercise price of such options.

7.3 Headline Earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for remeasurements of assets or liabilities that do not form part of the trading activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	30 June 2023 Audited USD	30 June 2022 Restated USD
7.4 Basic and Diluted Earnings		
Profit attributable to equity holders of the parent (basic and diluted earnings)	18 993 512	18 963 749

	Number of shares	Number of shares
7.5 Number of shares for Basic and Diluted Earnings Per Share		
Weighted average number of ordinary shares in issue for basic EPS	562 184 788	562 184 788
Weighted average number of ordinary shares in issue adjusted for effect of dilution	562 184 788	562 184 788

* The weighted average number of shares takes into account the weighted average effect of new shares issued during the year.

7.6 Reconciliation of Basic Earnings to Headline Earnings:	USD	USD
Profit for the year attributable to equity holders of the parent	18 993 512	18 963 749
Adjustments (gross of tax):		
Loss on disposal of subsidiary	—	23 762
Gain on bargain purchase of associate and subsidiary	(2 139 846)	—
Loss on disposal of property, plant and equipment	107 156	11 334
Derecognition of plant and equipment	655 454	57 350
Fair value adjustments to investment properties	15 967	—
Tax effect on adjustments	(26 489)	(2 802)
Headline earnings attributable to equity holders of the parent	17 605 754	19 053 393



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	US cents	US cents
7. Earnings per share (continued)		
7.6 Reconciliation of Basic Earnings to Headline Earnings: (continued)		
Basic earnings per share	3.38	3.37
Diluted basic earnings per share	3.38	3.37
Headline earnings per share	3.13	3.39
Diluted headline earnings per share	3.13	3.39

At 30 June 2023, there were no share options outstanding (2022: Nil) arising from the 2016 Simbisa Brands Share Option Scheme.

The share options from the Group's indigenisation agreement and the Simbisa Brands Employee Share Trust Scheme were not dilutive as at the end of the current year.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

8. Revenue from contracts with customers

Note 5b explains the Group's performance obligations in respect of revenue from contracts with customers.

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Nature of revenue		
Sale of goods	283 699 275	233 002 303
Royalty and franchise revenue	3 279 567	938 494
	286 978 842	233 940 797
Segments		
Zimbabwe	194 145 829	144 847 492
Region	92 833 013	89 093 305
	286 978 842	233 940 797
Timing of revenue recognition		
Goods transferred at a point in time	283 699 275	233 002 303
Services transferred over time	3 279 567	938 494
	286 978 842	233 940 797

Refer to note 23 for contract balances (trade receivables).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
9. Other income		
Sundry income*	3 430 787	2 512 958
Rebates	9 717	4 981
Rent concessions	—	6 847
Fee income	2 825 683	—
	6 266 187	2 524 786
* Sundry income mainly includes sale of scrap		
10. Operating expenses		
Raw materials and consumables used	128 253 614	109 120 678
Staff costs	58 906 889	38 321 381
Audit fees and expenses (note 10.1)	233 688	226 375
Short term lease expense	189 362	16 996
Variable lease payments	10 665 971	7 889 924
Electricity, Water and other utility costs	8 169 720	7 239 706
Repairs and maintenance	5 049 550	4 394 129
Fuel	4 425 927	1 496 971
Advertising and marketing	7 338 697	5 509 683
Security	2 129 552	1 706 708
Insurance and licenses	2 601 821	2 081 853
Royalty	1 347 796	705 428
Bank Charges	4 160 230	3 113 574
Cleaning	3 649 237	2 757 899
Consultancy costs	432 013	583 024
Printing and Stationery	1 338 562	1 023 294
Communication costs	417 148	272 774
Travel and Accommodation	1 781 086	1 101 465
Freight and Transport	4 312 179	3 766 848
Other operating expenses*	3 126 717	3 930 451
	248 529 759	195 259 161
* Other operating expenses mainly comprise of general administration costs.		
10.1 Audit fees and expenses		
Current year	233 688	226 375
10.2 Key management compensation		
Non-executive directors - fees as directors	348 309	184 824
Key management remuneration	4 349 476	5 111 946
	4 697 785	5 296 770



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
11. Foreign exchanges and other gains		
Exchange gains - realised	564 906	4 547 669
Exchange (losses)/gains - unrealised	(718 877)	216 658
Loss on disposal of property, plant and equipment	(107 156)	(11 334)
Other	(15 573)	(626 448)
	(276 700)	4 126 545
12. Interest income and expense		
Interest income		
- Short-term bank deposits and other financial assets	995 149	379 405
Interest expense		
- Borrowings	(2 901 090)	(3 063 599)
- Lease liabilities	(3 833 785)	(3 795 763)
	(6 734 875)	(6 859 362)
Net interest expense	(5 739 726)	(6 479 957)
13. Tax		
13.1 Income tax expense/(credit)		
Current income tax charge	7 054 574	5 807 960
Deferred tax credit	(2 027 789)	(844 775)
	5 026 785	4 963 185
13.2 Tax rate reconciliation	%	%
Zimbabwe statutory tax rate	24.72%	24.72%
Adjusted for:		
Exchange rate variance - Zimbabwe operations - transactions-based rate vs ZIMRA rates**	-3.06%	—
Depreciation on assets that do not qualify for tax claims	—	-0.02%
Disallowable expenditure*	2.15%	1.21%
Withholding tax - Region	6.21%	5.41%
Gain on bargain purchase	-2.17%	—
Profit from associate companies	-0.42%	—
Tax losses for which no deferred tax has been recognised - Region	1.54%	0.24%
Foreign tax rates	-8.39%	-10.90%
Effective tax rate	20.58%	20.66%

* Disallowable expenditure includes share based payment charges, disallowable taxes and levies, excess pension costs, disallowable entertainment costs, donation costs and other non-deductible expenditure.

** During the financial year, the Zimbabwean Income Tax Act was amended by introduction of section 37AA, which stipulated how a business that receives taxable income in both ZWL and other foreign currencies (predominantly USD) ought to calculate and pay corporate tax. As part of implementing the amendment, the Zimbabwe Revenue Authority (ZIMRA) issued guidance, together with exchange rates to be used. The recommended rates are different from those used by the Group for the underlying transactions and balances, and this resulted in a permanent difference.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated USD
13. Tax (continued)			
13.3 Movement in current income tax liabilities			
Current income tax liability (net) at the beginning of the year		3 420 963	1 834 265
Amounts charged to profit and loss	13.1	7 054 574	5 807 960
Foreign currency exchange movements		(765 850)	(72 839)
Tax paid		(4 880 946)	(4 148 423)
Current income tax liability (net) at the end of the year		4 828 741	3 420 963
Net current income tax liability at 30 June is presented as below on the statement of financial position:			
- Current tax liability		4 828 741	3 420 963
		4 828 741	3 420 963
14. Cash flow information			
14.1 Cash generated from operations			
Profit before tax		24 428 771	24 027 129
Depreciation	15, 20	16 043 273	14 629 588
Derecognition of property, plant and equipment	15	655 454	57 350
Profit from associate companies	18	(416 799)	—
Gain on bargain purchase of associate - Ngoro Microfinance Bank	18	(1 929 099)	—
Gain on bargain purchase of subsidiary - Oven Art	19.1	(210 747)	—
Loss on disposal of property, plant and equipment	11	107 156	11 334
Amortisation of intangible assets	16	24 979	27 878
Unrealised exchange gains	11	718 877	(216 658)
Fair value loss on investment properties	17	15 967	—
Interest income	12	(995 149)	(379 405)
Interest expense	12	6 734 875	6 859 362
Allowance for credit losses	23	87 045	111 065
Loss on disposal of subsidiary - Namibia	19.4	—	23 762
Leave pay provision		527 774	521 254
Cash generated before changes in working capital		45 792 377	45 672 659
Increase in inventories		(5 529 479)	(976 229)
(Increase)/decrease in receivables		(6 850 692)	3 222 190
Increase in payables		13 150 352	11 709 862
Cash generated from operations		46 562 558	59 628 482
14.2 Cash and cash Equivalents			
Cash at bank and on hand		14 792 899	9 467 673

There are no expected credit losses on cash at bank and on hand.



Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

15. Property, plant and equipment

15.1 Revaluation of property, plant and equipment

The Group changed its accounting policy for property, plant and equipment from cost to revaluation, as the directors believe this would lead to fairer presentation. The policy change was made on all classes of property, plant and equipment except for IT equipment, office equipment and office furniture, which will continue with the cost model.

Fair value of the properties was determined using the market comparable method. The valuations have been performed by Integrated Properties, an independent accredited valuer and are based on independently obtained information of prices of transactions for property, plant and equipment items of similar nature, location and condition. As at the date of revaluation on 1 July 2022, the properties' fair values are based on valuations performed by Integrated Properties, an accredited independent valuer who has valuation experience for similar property, plant and equipment in Zimbabwe for more than 10 years. A net gain from the revaluation of property, plant and equipment of USD 2 367 673 (net of deferred tax) was recognised in Other Comprehensive Income.

Fair value measurement disclosures for the revalued property, plant and equipment are shown below.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2023 and 2022 below:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Freehold property	Market value method	Estimated market value per sqm	USD50 to USD 121	5% increase/(decrease) in the estimated market value per square meter would result in an increase/ (decrease) in fair value by USD 32 500
Leasehold improvements	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a
Fittings and equipment	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a
Plant, motor vehicles	Market value method - depreciated replacement cost	Estimated replacement cost	n/a	n/a

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2023

15. Property, plant and equipment (continued)

15.1 Revaluation of property, plant and equipment (continued)

Reconciliation of net carrying amount:

	30 June 2023 USD
Carrying amount as at 01 July 2022	85 437 687
Level 3 revaluation gain recognised due to change in accounting policy to revaluation model as at 1 July 2022	3 323 063
Gross valuation (note 15.1)	5 878 840
Accumulated depreciation on valuation (note 15.1)	(2 555 777)
Carrying amount and fair value as at 01 July 2022	88 760 750
Additions	29 937 906
Other movements	(4 903 790)
Depreciation for the year	(10 594 524)
Carrying amount and fair value as at 30 June 2023	103 200 342

If the Group's property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:

	30 June 2023 USD
Cost	153 029 689
Accumulated depreciation	(52 623 685)
Net carrying amount	100 406 004



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Freehold property USD Valuation	Leasehold improvements USD Valuation	Plant, Fittings & Equipment USD Valuation	Motor vehicles USD Valuation	IT Equipment, Office Equipment & Office Furniture USD Cost	Work in* progress USD Cost	Total USD Valuation/cost
15. Property, plant and equipment (continued)							
15.1 Revaluation of property, plant and equipment (continued)							
30 June 2023							
Cost/valuation							
At 1 July 2022	4 352 086	54 877 971	52 920 792	6 292 306	9 452 533	5 974 347	133 870 035
Additions	—	9 113 208	9 207 291	1 735 947	2 218 676	7 662 784	29 937 906
Acquisition of a subsidiary	—	371 526	—	4 800	296 696	—	673 022
Disposals	—	(953 894)	(1 768 876)	(363 582)	(7 611)	—	(3 093 963)
Transferred on acquisition of associate	—	—	—	—	(65 247)	—	(65 247)
Derecognition	—	(641 596)	(93 307)	—	—	—	(734 903)
Revaluation	—	2 706 527	3 141 463	30 850	—	—	5 878 840
Transfer from investment properties	—	—	—	—	—	1 066 154	1 066 154
Transfers in/(out)	—	977 205	1 315 544	83 330	80 104	(2 456 183)	—
Exchange movements	—	(3 391 641)	(3 193 504)	(617 452)	(798 736)	(621 982)	(8 623 315)
At 30 June 2023	4 352 086	63 059 306	61 529 403	7 166 199	11 176 415	11 625 120	158 908 529
Depreciation							
At 1 July 2022	(1 338 122)	(15 387 113)	(23 815 738)	(2 566 674)	(5 324 701)	—	(48 432 348)
Acquisition of subsidiary	—	(13 816)	—	(900)	(17 088)	—	(31 804)
Disposals	—	822 423	1 301 969	311 839	4 689	—	2 440 920
Transferred on acquisition of associate	—	—	—	—	2 750	—	2 750
Charge for the year	(99 052)	(3 370 012)	(4 918 497)	(716 269)	(1 490 694)	—	(10 594 524)
Derecognition	—	30 537	49 392	(480)	—	—	79 449
Revaluation	—	(1 183 184)	(1 370 484)	(2 109)	—	—	(2 555 777)
Exchange movements	—	1 214 246	1 646 336	99 431	423 134	—	3 383 147
At 30 June 2023	(1 437 174)	(17 886 919)	27 107 022	(2 875 162)	6 401 910	—	(55 708 187)



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Freehold property USD Valuation	Leasehold improvements USD Valuation	Plant, Fittings & Equipment USD Valuation	Motor vehicles USD Valuation	IT Equipment, Office Equipment & Office Furniture USD Cost	Work in* progress USD Cost	Total USD Valuation/cost
15. Property, plant and equipment (continued)							
15.1 Revaluation of property, plant and equipment (continued)							
30 June 2023							
<u>Net carrying amount</u>							
At 1 July 2022	3 013 964	39 490 858	29 105 054	3 725 632	4 127 832	5 974 374	85 437 687
At 30 June 2023	2 914 912	45 172 387	34 422 381	4 291 037	4 774 505	11 625 120	103 200 342
30 June 2022							
<u>Cost/valuation</u>							
At 1 July 2021	4 352 086	49 335 884	48 998 569	4 074 633	5 739 915	3 323 961	115 825 048
Additions	—	5 676 870	7 636 661	2 485 306	3 880 987	3 984 515	23 664 339
Disposals	—	—	(2 000 807)	(144 057)	(72 896)	—	(2 217 760)
Disposal of subsidiary	—	—	(113 767)	—	—	—	(113 767)
Derecognition	—	—	(163 264)	—	—	—	(163 264)
Transfers in/(out)	—	659 091	402 514	—	—	(1 061 605)	—
Exchange movements	—	(793 874)	(1 839 114)	(123 576)	(95 473)	(272 524)	(3 124 561)
At 30 June 2022	4 352 086	54 877 971	52 920 792	6 292 306	9 452 533	5 974 347	133 870 035
<u>Depreciation</u>							
At 1 July 2021	(1 292 125)	(12 952 200)	(22 101 309)	(2 184 397)	(4 113 704)	—	(42 643 735)
Disposals	—	—	1 965 069	107 143	57 959	—	2 130 171
Disposal of subsidiary	—	—	25 325	—	—	—	25 325
Charge for the year	(45 997)	(2 722 527)	(4 637 719)	(552 902)	(1 332 948)	—	(9 292 093)
Derecognition	—	—	105 914	—	—	—	105 914
Exchange movements	—	287 614	826 982	63 482	63 992	—	1 242 070
At 30 June 2022	(1 338 122)	(15 387 113)	(23 815 738)	(2 566 674)	(5 324 701)	—	(48 432 348)
<u>Net carrying amount</u>							
At 1 July 2021	3 059 961	36 383 684	26 897 260	1 890 236	1 626 211	3 323 961	73 181 313
At 30 June 2022	3 013 964	39 490 858	29 105 054	3 725 632	4 127 832	5 974 347	85 437 687



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

15. Property, plant and equipment (continued)

15.1 Revaluation of property, plant and equipment (continued)

FY2023 derecognition of items of Property, plant and equipment - Kenya, Mauritius and Zambia Operations

The derecognition of property, plant and equipment charged to profit or loss relates to operating sites for closed shops as follows:

	Net carrying amount USD
Zambia	453 180
Kenya	173 115
Mauritius	29 159
	655 454

From time to time, the Group's operations reassess the performance of existing stores. Stores which are underperforming and management believe cannot be turned around are closed. Upon closure of stores, items of property, plant and equipment are sold off. Those assets which cannot be sold, and cannot be moved to other sites, mainly leasehold improvements and fittings, are derecognised.

The fair value of these assets was determined to be USDnil as there is no market for these assets.

Work in progress

Work in progress relates to capital expenditure costs incurred in relation to new store projects that are in progress as at the statement of financial position date.

	Goodwill on acquisition USD	Group Other USD	Total USD
16. Intangible assets			
30 June 2023			
Net carrying amount 1 July 2022	256 525	80 313	336 838
Gross carrying amount	256 525	126 279	382 804
Accumulated amortisation	—	(45 966)	(45 966)
Amortisation	—	(24 979)	(24 979)
Exchange movements	—	(10 341)	(10 341)
Net carrying amount 30 June 2023	256 525	44 993	301 518
Gross carrying amount	256 525	115 938	372 463
Accumulated amortisation	—	(70 945)	(70 945)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Goodwill on acquisition USD	Group Other USD	Total USD
16. Intangible assets (continued)			
30 June 2022			
Net carrying amount 1 July 2021	256 525	116 892	373 417
Gross carrying amount	256 525	134 980	391 505
Accumulated amortisation	—	(18 088)	(18 088)
Amortisation	—	(27 878)	(27 878)
Exchange movements	—	(8 701)	(8 701)
Net carrying amount 30 June 2022	256 525	80 313	336 838
Gross carrying amount	256 525	126 279	382 804
Accumulated amortisation	—	(45 966)	(45 966)

Goodwill

The Group performed its annual impairment tests as at 30 June 2023. Goodwill arising on acquisition of subsidiaries has been allocated to cash generating units, i.e. business units. As at 30 June 2023, goodwill relates to the Regional operating segment.

The recoverable amount of the cash generating units has been determined using value in use. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 13.5%. As a result of this analysis, there was no impairment. A reasonable change in the discount rate will not have a material impact on the cashflow projections. The terminal values for the cash generating units were determined using a perpetual growth rate of 5%.

The pre-tax cash flows used in calculating value in use for the relevant cash generating units were based on:

- Past performance up to the year ended 30 June 2023
- Planned growth based on expansion capital expenditure for the forecast period, and any growth expected from existing operating capacity
- An annual perpetual growth based on past experience, which assumes no further expansion capital expenditure

The pre-tax discount rate used is the cash generating unit's weighted average cost of capital ("WACC"), based on the following:

- The cost of debt, based on the cash generating unit's existing banking facilities
- market cost of equity obtained from comparable listed entities within the cash generating unit's economy, including the risk free rate
- The cash generating unit's capital structure

Other intangible assets

Other intangible assets mainly comprise of rights to specific brands acquired by the Group's Regional Operations. The rights have a finite useful life and amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 10 to 20 years. The rights have been fully amortised.

Other intangible assets also include software.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 USD	30 June 2022 USD
17. Investment properties		
Opening carrying amount	1 732 121	—
Acquired through purchase of subsidiary	—	1 035 746
Additions (subsequent expenditure)	—	696 375
Transferred to property, plant and equipment	(1 066 154)	—
Net loss from fair value measurement	(15 967)	—
Closing carrying amount	650 000	1 732 121

Investment properties are based on level 3 valuation, based on observable market values for comparable properties in comparable geographical locations.

As at 30 June 2022, the Group's investment properties consisted of two commercial properties in Ruwa and Avondale (Harare). During FY2023, the Avondale Property was transferred to owner occupied property. Management determined that the investment properties consists of only retail – based on the nature, characteristics and risks of the properties.

During the year, management changed their intention on the Cork Road property, and commence construction of a food court to be occupied by the Group's brands. The property was previously acquired with the intention of holding it for capital appreciation. Management eventually recognised the potential of the site as a viable location for a few of the Group's brands. Therefore, construction of a food court commenced during the year, and the property was transferred to property, plant and equipment (work in progress) effective 1 July 2022.

As at 30 June 2023 the fair value of the Ruwa property was based on a valuation performed by Pam Golding Real Estate, an accredited independent valuer, who have experience in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation resulted in a fair value loss of USD 15 967 as shown above.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations purchase, construct or develop investment to properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties are in Note 5 (f).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 USD	30 June 2022 USD
17. Investment properties (continued)		
Opening balance - 1 July 2022	1 732 121	—
Acquired through purchase of subsidiary	—	1 035 746
Transferred to property, plant and equipment	(1 066 154)	—
Remeasurement recognised in profit or loss	(15 967)	—
Purchases	—	696 375
Closing balance - 30 June 2023	650 000	1 732 121

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fairvalue hierarchy, together with a quantitative sensitivity analysis as at 30 June 2023 and 2022 below:

Property	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Ruwa (current and prior year)	Market value method (refer below)	Estimated market value per sqm	USD 50 to USD 121	5% increase/(decrease) in the estimated market value per square meter would result in an increase/(decrease) in fair value by USD 32 500
Cork Road, Avondale, Harare (prior year only)	Market value method (refer below)	Estimated market value per sqm	USD 228 to USD 315	5% increase/(decrease) in the estimated market value per square meter would result in an increase/(decrease) in fair value by USD 53 308

Significant increases (decreases) in estimated market values for comparable properties would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the value of the combination of buying land and constructing a new commercial property would also result in a significantly lower (higher) fair value.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

18. Investments in associates

The Group, through its subsidiary Innbucks Private Limited, acquired 35% shareholding in Ndoro Microfinance Bank (Private) Limited. This investment will be accounted for as an associate in accordance with IAS 28, 'Investments in Associates and Joint Ventures', using the equity method. The company's year end is 30 June.

Ndoro Microfinance Bank (Private) Limited is Microfinance institution, whose principal business is micro-lending. The company also offers the "Innbucks" product, which is offered via the Group's Zimbabwean shops. The Innbucks product offers money transfer and transacting services on the Group's food counters. The company is registered in Zimbabwe as shown under note 21.

The net assets of Ndoro Microfinance Bank Private Limited were at fair value.

The acquisition was paid for using the Net Assets of Innbucks Private Limited as shown below.

	01 July 2022 USD
Property, Plant and Equipment	52 993
Loans & Advances	135 765
Trade and other receivables	31 770
Financial Assets	5 000 000
Cash and cash equivalents	419 418
Deferred tax liabilities	(125 835)
Trade and other payables	(146 988)
Customer deposits	(27 777)
Short-term debt	(310 000)
Fair value of Ndoro Microfinance Bank (Private) Limited net assets on date of transaction	5 029 346
35% of Ndoro Microfinance Net Assets acquired	1 760 271

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	01 July 2022 USD
18. Investments in associates (continued)	
Fair value of Innbucks (Private) Limited net assets transferred as consideration	168 828
Property, plant and equipment	(62 497)
Trade and other receivables	(1 139 557)
Cash and cash equivalents	(124 936)
Trade and other payables	1 495 818
Gain on bargain purchase of associate	1 929 099
Net cash outflow on acquisition of associate	(124 936)
The following movements occurred during the year:	
Acquired through transfer of assets	1 760 271
Share of associate company profits for the year	416 799
Closing carrying amount as at 30 June 2023	2 177 070
The financial information of Ndoro Microfinance Bank Private Limited for the year is as follows:	
Statement of profit or loss	
Total Income	7 934 006
Operating profit before depreciation, amortisation and impairment	6 149 798
Profit for the year	1 190 855
Statement of financial position	
Current assets	16 038 643
Non-current assets	1 295 301
Current liabilities	(10 151 454)
Non-current liabilities	(573 928)



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

19. Changes in interests in subsidiaries and associates

Acquisitions in 2023

19.1 Acquisition of interest in Oven Art (Private) Limited

The Group acquired 50% shareholding in Oven Art (Private) Limited with effect from 1 July 2022, at a cost of USD 112 000. The consideration included a USD 30 000 once-off payment, and a USD 82 000 additional payment which was payable in 18 months should the business sustain profitability. As at the transaction date and the reporting date, the payment was highly probable and the fair value of the contingent consideration was USD 82 000.

The total consideration (USD 112 000) is included under investing activities on the statement of cash flows, while the gain on bargain purchase is presented separately shown on the income statement.

The transaction resulted in a bargain purchase gain as the business required significant capital injection to turn it to profitability, and the then shareholders were not able to raise such funding. Therefore, the existing shareholders were willing to sell the 50% shareholding at less than the fair value of net assets. The Group has started moving the company towards profitability.

The non-controlling interests for the subsidiary are measured at proportionate share of net assets value. At acquisition date, the non-controlling interests were valued at USD 322 747.

Oven Art (Private) Limited operates a bakery which makes sour dough bread and frozen pizza, and whose key customers are retail outlets and fine dining restaurants.

As at the date of acquisition, the company had net assets of USD 645 494, as follows:

	01 July 2022 Audited USD
Net assets	
Property, plant and equipment	(641 218)
Inventories	(14 965)
Trade and other receivables	(4 578)
Cash and bank	(8 823)
Trade and other payables	24 090
Fair value of net assets of subsidiary at acquisition date	(645 494)
Less non-controlling interests therein	322 747
Fair value of net assets acquired	(322 747)
Gain on bargain purchase	210 747
Consideration paid	(112 000)
Impact on statement of cash flows:	
Cash Consideration paid	(112 000)
Add cash and cash equivalents acquired	8 823
Net cash outflow	(103 177)
The financial performance of Oven Art (Private) Limited for the year included in the consolidated financial statements is as follows:	
Revenue	222 597
Operating loss before depreciation, amortisation and impairment	(209 179)
Loss for the year	(145 741)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

19. Changes in interests in subsidiaries and associates (continued)

Acquisitions in 2022

19.2 Acquisition of interest in Sunrise Children (Private) Limited

The Group acquired 100% shareholding in a property holding company, Sunrise Children (Private) Limited with effect from 1 October 2021, at a cost of USD 1 035 746. The cost is included under investing activities on the statement of cash flows, while the property has been included under investment properties.

As at the date of acquisition, the company had net assets of USD 1 035 746, as follows:

	01 October 2021 Audited USD
Net assets	
Investment properties	1 035 746
Fair value of net assets of subsidiary at acquisition date	1 035 746
Less non-controlling interests therein	—
Fair value of net assets acquired	1 035 746
Impact on statement of cash flows:	
Cash Consideration paid	(1 035 746)
Add cash and cash equivalents acquired	—
Net cash outflow	(1 035 746)

19.3 Innbucks (Private) Limited

Establishment of subsidiary

The Group established a new business, Innbucks, in partnership with a local fintech investor. Innbucks is a mobile application which allows customers to send, receive money and buy food at Simbisa outlets. The Group owned 50% of the business on inception.

The non-controlling interests contributed USD 68 026 as at the date of establishment of the subsidiary.

Acquisition of additional interest

Effective 1 June 2022, the Group acquired an additional 50% in Innbucks (Private) Limited for USD 255 745, increasing the Group's shareholding in the subsidiary to 100%.

The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of ZWL 256 262 recognised in equity.

	01 June 2022 Audited USD
Consideration paid to NCI	(255 745)
Less: Carrying value of additional interest acquired (debit balance transferred from NCI)	(517)
Difference recognised in distributable reserves	(256 262)

The consideration was paid in the form of cash.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

19. Changes in interests in subsidiaries and associates (continued)

Disposals in 2022

19.4 Disposal of Simbisa Brands Namibia Limited

The Group disposed of its 100% shareholding in Simbisa Namibia Limited effective 1 July 2021, by ceding its net assets to the buyer at no consideration. The net cash ceded has been included under investing activities, whilst all other assets and liabilities have resulted in non-cash adjustments to the various cash flow items.

As at the date of disposal, this transaction gave rise to a loss on disposal of USD 23 762 recognised in profit or loss:

	01 July 2021 Audited USD
Net assets	
Property, plant and equipment	88 442
Deferred tax assets	110 802
Inventories	23 915
Trade and other receivables	5 388
Cash and cash equivalents	32 775
Trade and other payables	(258 031)
Fair value of net assets of subsidiary at disposal date	3 291
Less non-controlling interests therein	—
Fair value of net assets disposed	3 291
Loss on disposal of subsidiary	(23 762)
Consideration received	—
FCTR loss recycled to profit or loss	(20 471)
Impact on statement of cash flows:	
Cash Consideration received	—
Less cash and cash equivalents disposed	(32 775)
Net cash outflow	(32 775)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

20. Leases

Group as a lessee

The Group has lease contracts for various items of land and buildings used in its operations. Leases of land and buildings have lease terms between 3 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets and there are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has low value leases of office equipment and other leases of 12 months or less, as well as leases with fully variable rental payments. The Group elected to apply the recognition exemption for such leases.

Set out below is the carrying amount of the right-of-use asset recognised and the movements during the year:

	Audited/ Restated USD
Right-of-use asset	
As at 1 July 2021	28 515 177
Non-cash additions	5 186 727
Depreciation expense	(5 337 495)
Remeasurement	(553 370)
Exchange differences on translation of foreign subsidiaries	(1 111 657)
As at 30 June 2022	26 699 382
Non-cash additions	6 697 447
Depreciation expense	(5 448 749)
Remeasurement	(54 774)
Exchange differences on translation of foreign subsidiaries	(3 248 680)
As at 30 June 2023	24 644 626
Set out below are the carrying amounts of lease liabilities and the movements during the year:	
Lease liability	
As at 1 July 2021	29 928 704
Non-cash additions	5 186 727
Accretion of interest	3 795 763
Payments	(7 324 713)
Remeasurement	553 370
Exchange differences on translation of foreign subsidiaries	(2 040 253)
As at 30 June 2022	30 099 598
Non-cash additions	6 697 447
Accretion of interest	3 833 785
Payments	(7 813 750)
Remeasurement	(54 774)
Exchange differences on translation of foreign subsidiaries	(3 751 134)
As at 30 June 2023	29 011 172



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Audited/ Restated USD
20. Leases (continued)	
Split as follows:	
30 June 2023	
Non-current	24 563 982
Current	4 447 190
Total	29 011 172
30 June 2022	
Non-current	25 016 817
Current	5 082 781
Total	30 099 598

Group as a lessor

The Group does not have leases in which it is a lessor.

Remeasurements

The right of use asset is subject to annual modifications due to changes in lease terms resulting in recurring remeasurements on an annual basis. Due to the nature of the Group's business, these modifications are considered necessary.

21. Group structure and companies

The structure below shows the Group's effective ordinary shareholding and excludes dormant companies.

	Country of incorporation	30 June 2023 % interest	30 June 2022 % interest
Simbisa Brands Zimbabwe (Private) Limited (formerly Axeaq Investments (Private) Limited)	Zimbabwe	100.00%	100.00%
Invercharge Investment Services (Private) Limited	Zimbabwe	100.00%	100.00%
Paxtime Investments (Private) Limited	Zimbabwe	67.00%	67.00%
Plexigreen Investments (Private) Limited	Zimbabwe	100.00%	100.00%
Edusky Investments (Private) Limited	Zimbabwe	75.00%	75.00%
Belsynch Investments (Private) Limited	Zimbabwe	67.00%	67.00%
Matabeleland Inns (Private) Limited	Zimbabwe	100.00%	100.00%
Hard White Trading (Private) Limited	Zimbabwe	100.00%	100.00%
Assyria Enterprises (Private) Limited	Zimbabwe	100.00%	100.00%
Bakers Inn Manicaland (Private) Limited	Zimbabwe	100.00%	100.00%
Mutare Inns (Private) Limited	Zimbabwe	60.00%	60.00%
Simbisa Africa Limited (formerly Africa Retail Investments Limited)	Mauritius	100.00%	100.00%
Simbisa Retail Africa Limited	Mauritius	100.00%	100.00%
Simbisa International Franchising Limited	Mauritius	100.00%	100.00%
Galitos Africa Franchising Limited	Mauritius	50.00%	50.00%
Simbisa Brands Ghana Limited	Ghana	100.00%	100.00%
Simbisa Brands (Mauritius) Limited	Mauritius	100.00%	100.00%
Innscor Foods Zambia Limited	Zambia	100.00%	100.00%
Simbisa Brands Zambia Limited (formerly Innscor Zambia Limited)	Zambia	100.00%	100.00%
Simbisa Investments Kenya Limited	Kenya	100.00%	100.00%
Simbisa Kenya Limited	Kenya	100.00%	100.00%

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

21. Group structure and companies (continued)

The structure below shows the Group's effective ordinary shareholding and excludes dormant companies.

	Country of incorporation	30 June 2023 % interest	30 June 2022 % interest
Kutuma Kenya Limited	Kenya	75.00%	75.00%
Simbisa Shared Services (Pty) Limited	South Africa	100.00%	100.00%
Simbisa Shared Services (Mauritius) Limited	Mauritius	100.00%	100.00%
Simbisa Brands Limited Employee Share Trust	Zimbabwe	**	**
Sunrise Children (Private) Limited	Zimbabwe	100.00%	100%
Innbucks (Private) Limited	Zimbabwe	100.00%	100%
Innbucks Microbank (Private) Limited	Zimbabwe	35.00%	n/a
Oven Art (Private) Limited	Zimbabwe	50.00%	n/a

** The Group consolidates the results of Simbisa Brands Limited Employee Share Trust as a result of control, even though it does not hold any interest in the trust.

	30 June 2023 Audited USD	30 June 2022 Restated USD
22. Inventories		
Consumable stores	6 021 251	4 408 909
Finished products	1 935 277	724 054
Raw materials and packaging	4 349 806	2 073 865
Goods in transit	56 387	78 510
	12 362 721	7 285 338

The amount of write-down of inventories recognised as an expense in the statement of profit and loss is USD Nil (2022 USD Nil). USD Nil (2022 USD Nil) of inventories was pledged as security for borrowings.

Inventories recognised as an expense during the year amounted to USD 128 253 614 (2022: USD 109 120 678). The Group has no inventory carried at net realisable value (2022: USD Nil).

	30 June 2023 Audited USD	30 June 2022 Restated USD
23. Trade and other receivables		
Trade receivables	856 377	1 105 964
Prepayments	5 551 289	1 701 675
Other receivables	1 030 514	3 487 620
	7 438 180	6 295 259
Allowance for credit losses	(346 671)	(259 626)
	7 091 509	6 035 633

Trade receivables are receivable in 30 to 60 days and are non-interest bearing.

Other receivables include rebate amounts receivable, amounts advanced to franchised markets and amounts receivable from minority partners and are receivable between 30 and 60 days.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

23. Trade and other receivables (continued)

Prepayments include rental deposits and amounts paid in advance for various goods and services.

Changes in trade receivables during FY2022 include USD 5 388 from the disposal of a subsidiary, Simbisa Brands Namibia Limited (Note 19.4).

Changes in trade receivables during FY2023 include USD 4 578 from the acquisition of a subsidiary, Oven Art (Private) Limited (Note 19.1), as well as USD 1 139 557 utilised in the acquisition of an associate, Innbucks Microbank (Private) Limited (then known as Ndoro Microfinance Bank (Private) Limited. The remainder of the growth in trade receivables relates to the growth in business as well as inflationary pressures on selling prices across the Group.

The reconciliation of allowance for credit losses is as follows:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Balance at the beginning of the period	259 626	148 561
Increase in allowance for credit losses	87 045	111 065
Balance at the end of the period	346 671	259 626

	2023		2022	
	Number of shares	Group and Company USD	Number of shares	Group and Company USD
24. Ordinary Share capital				
24.1 Authorised				
Ordinary shares of USD0.0001 each	1 999 999 000	200 000	1 999 999 000	200 000
Non-Voting Class "A" ordinary shares of USD0.0001 each	1 000	0.10	1 000	0.10
	2 000 000 000	200 000	2 000 000 000	200 000

	Group and Company			
	Number of shares	Ordinary share capital capital USD	Share premium USD	Total USD
24.2 Issued and fully paid				
30 June 2023 - Audited				
At the beginning of the year	562 184 788	56 218	18 122 105	18 178 323
At the end of the year	562 184 788	56 218	18 122 105	18 178 323
30 June 2022 - Restated				
At the beginning of the year	562 184 788	56 218	18 122 105	18 178 323
At the end of the year	562 184 788	56 218	18 122 105	18 178 323

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

24. Ordinary Share capital (continued)

24.3 Share options

As at 30 June 2023, Simbisa Brands Limited had the following share option agreements:

Indigenisation share option agreement

Share options were awarded to Benvenue Investments (Private) Limited, an indigenous company to comply with the Indigenisation laws in Zimbabwe. The terms of the Benvenue share option are as follows:

Maximum number of shares available:	50 000 000
Tenure:	10 years (effective January 2014)
Exercise Price:	The higher of - 75% of the volume weighted average price of Simbisa Brands Limited shares over the previous 60 trading days, and for the first five year period, USD 0.40 per share, and for the second five year period, USD 0.70 per share
Expiry period:	10 years from option grant date (January 2014)

The share options do not have a vesting period and can be exercised at any time during the period from January 2014 to January 2024.

Simbisa Brands Limited Employee Share Trust

The second indigenisation transaction is with the Simbisa Brands Limited Employee Share Trust. The beneficiaries of the Trust are employees of the Group in Zimbabwe. The terms of the share option scheme are as follows:

Maximum number of shares available:	30 000 000
Tenure:	10 years
Exercise Price:	At the volume weighted average price of Simbisa Brands Limited shares over the previous 60 trading days.
Discretionary income	At the sole discretion of the Simbisa Board, the Trust would be entitled to receive discretionary income equivalent to up to 5% of any ordinary dividend declared by the Board.

The share options do not have a vesting period and can be exercised at any time during the tenure of the scheme.

Simbisa Brands Limited Employee Share Scheme

Share options are granted to selected employees. The terms of the Simbisa Brands Limited Employee Share Option scheme are as follows:

Maximum number of shares available:	54 159 344
Vesting period:	3 years
Exercise Price:	Minimum of the - 45-day volume weighted average price of Simbisa Brands Limited shares immediately preceding the grant date and the nominal value of the shares
Expiry period:	1 year from the date on which each option may first be exercised

Options are conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date, subject to the Group achieving its target growth as may be stated by the Remuneration Committee applicable to the relevant grant. The Group uses headline earnings growth as the performance measure. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

There are no share options in issue or outstanding for this share scheme as at 30 June 2023. However, the scheme is available for use in the future.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

24. Ordinary Share capital (continued)

24.3 Share options (continued)

Simbisa Brands Limited Employee Share Scheme (continued)

Movements in the number of share options outstanding is as follows:

	SBL Employee share trust Options	Indigenisation share option agreement
30 June 2023		
Balance at the beginning of the year	30 000 000	50 000 000
Balance at the end of the year	30 000 000	50 000 000
30 June 2022		
Balance at the beginning of the year	30 000 000	50 000 000
Balance at the end of the year	30 000 000	50 000 000

Details of outstanding share options are as follows:

Share Option Scheme	Number of share options	Financial year of option grant	Financial year in which options vest	Remaining useful life of options	Exercise price in USD cents per share option	Option fair value at grant date in ZW cents per share option
SBL Indigenisation share option agreement	50 000 000	June 2016	June 2016	6 months	variable	10.60
SBL Employee share trust options	30 000 000	June 2016	June 2016	indefinite	variable	0.20

The fair value of options granted during the prior years was determined using the Binomial tree model. The significant inputs into the model were as shown in the table below. Expected volatility of the share price was determined by giving consideration to the historical volatility of the Simbisa Brands Limited share price.

Share Option Scheme	Year of option grant	Average share price at grant date in USD cents	Volatility	Dividend Yield	Risk Free Interest Rate
SBL Indigenisation share option agreement	June 2016	13.2	50%	3%	3%
SBL Employee share trust options	June 2016	13.2	50%	3%	3%

24.4 Directors' shareholdings

At 30 June, the Directors held directly and indirectly the following number of shares:	30 June 2023 # of shares	30 June 2022 # of shares
Z Koudounaris	102 893 664	102 849 353
B Dionisio	23 384 085	23 384 058
	126 277 749	126 233 411

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Group			
	Treasury shares USD	Foreign currency translation reserve USD	Revaluation reserve USD	Total other reserves USD
25. Other reserves				
Year ended 30 June 2023 – Audited				
Balance at 1 July 2022	(1 624 123)	(4 701 310)	—	(6 325 433)
Total coprehensive income for the year, net of tax	—	(3 631 343)	2 367 673	(1 263 670)
Revaluation surplus on property, plant and equipment	—	—	3 323 063	3 323 063
Deferred tax on revaluation surplus	—	—	(955 390)	(955 390)
Exchange differences arising on translation of foreign subsidiaries	—	(3 631 343)	—	(3 631 343)
Balance at 30 June 2023	(1 624 123)	(8 332 653)	2 367 673	(7 589 103)
Year ended 30 June 2022 – Restated				
Balance at 1 July 2021	(1 624 123)	(3 183 247)	—	(4 807 370)
Share options lapsed during the year	—	—	—	—
FCTR loss recycled to profit or loss – Simbisa Brands Namibia	—	20 471	—	20 471
Exchange differences arising on translation of foreign subsidiaries	—	(1 538 534)	—	(1 538 534)
Balance at 30 June 2022	(1 624 123)	(4 701 310)	—	(6 325 433)

Nature and purpose of reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

	30 June 2023 Audited USD	30 June 2022 Restated USD
26. Net deferred tax liabilities		
26.1 Reconciliation		
Balance at the beginning of the year (net)	7 884 209	8 690 399
Credited to profit or loss - current year other temporary differences	(2 027 789)	(844 775)
Deferred tax liabilities arising from revaluation	955 390	—
Exchange difference arising on translation of foreign subsidiaries	750 657	38 585
Balance at the end of the year (net)	7 562 467	7 884 209



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
26. Net deferred tax liabilities (continued)		
26.2 Analysis of net deferred tax (assets)/liabilities		
Property, plant and equipment	8 620 461	9 184 515
Arising from IFRS 16 - ROUA	6 092 152	6 600 087
Arising from IFRS 16 - Lease Liability	(7 171 562)	(7 440 621)
Arising from investment properties	160 875	428 700
Arising from intangible assets	74 535	83 266
Arising from prepayments	1 372 279	420 654
Accumulated tax losses	(1 322 870)	(1 381 771)
Unrealised exchange gains	(177 706)	53 558
Allowance for credit losses	(85 697)	(64 179)
	7 562 467	7 884 209
The net deferred tax (assets)/liabilities is made up as follows:		
Deferred tax assets	(1 678 169)	(1 702 170)
Deferred tax liabilities	9 240 636	9 586 379
	7 562 467	7 884 209

The Group recognises deferred tax assets arising from tax losses to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group has implemented strategies in those subsidiaries with tax losses in order to generate sufficient taxable profits. The future taxable profits were determined from the approved forecast profits by the Board of Directors.

The expiry dates for the recognised, but unutilised, tax losses are as follows:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Expiry year:		
Expiring FY2023	—	81 769
Expiring FY2024	87 989	87 989
Expiring FY2025	119 467	119 467
Expiring FY2026	116 372	116 372
Expiring FY2027	21 849	21 849
Expiring FY2029	954 325	954 325
Non expiring	22 868	—
	1 322 870	1 381 771

The Group has tax losses that arose in Zambia, Ghana and Mauritius of USD 1 322 870 (2022: USD 1 134 777), that are available until 2024 to 2029 for offsetting against future taxable profits of the companies in which they arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that may not generate sufficient profits to utilise the profits before they expire.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
26. Net deferred tax liabilities (continued)		
26.2 Analysis of net deferred tax (assets)/liabilities (continued)		
The expiry dates for the unrecognised tax losses are as follows:		
Expiry year:		
Expiring FY2023	—	276 301
Expiring FY2024	73 365	73 365
Expiring FY2025	785 111	785 111
	858 476	1 134 777

27. Financial assets and financial liabilities

27.1 Financial assets

	Rate of Interest per annum	Year Repayable	30 June 2023 Audited USD	30 June 2022 Restated USD
Financial assets at amortised cost				
Trade and other receivables - non-interest bearing	nil	On demand	1 886 890	4 593 615
Short-term loan receivable (secured) - USD / (2022: ZWL)	5%-12% / 5%-45%	2023 / 2022	7 000 022	9 559 661
Total financial assets			8 886 912	14 153 276
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			1 886 890	4 593 615
Current financial assets			7 000 022	9 559 661
Total financial assets			8 886 912	14 153 276

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

The carrying amount of the loans and receivables approximate their fair values at end of each year. The loans and receivables are due from third parties.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Currency	Rate of interest	Year Repayable	Audited USD
27. Financial assets and financial liabilities (continued)				
27.2 Borrowings				
30 June 2023				
Unsecured				
Regional Operations medium term:3.5 year term	USD	5% fixed	Sept 2024	4 790 000
Regional treasury	USD	12%	June 2024	10 850 000
Regional Operations short term	MUR	Base - 1.8% (3.2%)	June 2024	130 771
Regional Operations short term	ZAR	Prime	June 2024	34 849
Zimbabwe Operations short term	ZWL	85%	Aug 2023	297 173
Zimbabwe Operations: overdrafts	USD	8% fixed	On demand	124 865
Total borrowings				16 227 658
Repayable within one year (current borrowings)				
				13 552 809
Repayable within two to five years (non-current borrowings)				
				2 674 849
				16 227 658
30 June 2022				
Unsecured				
Regional Operations medium term:3.5 year term	USD	5% fixed	Aug 2023	1 240 000
Regional Operations short term	USD	9.24% fixed	On demand	158 009
Regional Operations medium term:4 year term	ZMW	23%	July 2023	271 759
Regional Operations short term	ZMW	25.75%	June 2023	872 557
Regional Operations short term	MUR	Base - 1.8% (3.2%)	June 2023	444 224
Regional Operations short term	GHS	GRR+3.32% (16.89%)	May 2023	254 796
Regional Operations short term	GHS	GRR+3.89% (17.46%)	May 2023	107 787
Regional Operations short term	GHS	GRR+3.89% (17.46%)	May 2023	181 872
Regional Operations short term	ZAR	Prime	Aug 2022	48 866
Zimbabwe Operations short term	ZWL	35% to 40% fixed		2 546
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	3 982 819
Total borrowings				7 565 235

Collateralised borrowings

As at 30 June 2023, the Group had no assets pledged in order to fulfil the collateral requirements for the borrowings (2022: USD Nil).

Short-term borrowings and overdrafts form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
27. Financial assets and financial liabilities (continued)		
27.2 Borrowings (continued)		
27.2.1 Reconciliation		
Balance at the beginning of the year	7 565 235	15 731 529
Drawdowns	17 458 421	2 003 246
Repayments	(7 172 439)	(10 789 280)
Exchange movements - Regional Operations	(1 623 559)	619 740
Balance at the end of the year	16 227 658	7 565 235

Borrowing powers

As per the Company's articles of association the borrowing powers are limited to the aggregate of i) the issued and fully paid share capital of the Company and ii) two times the EBITDA for the previous twelve (12) months on a rolling basis, except with the sanction and/or ratification of the Company at a general meeting.

	30 June 2023 Audited USD	30 June 2022 Restated USD
28. Trade and other payables		
Trade payables	19 313 778	17 120 181
Accruals and other payables	10 679 672	12 008 575
Dividends payable to shareholders of the parent	4 146	234
Statutory liabilities	9 851 058	3 334 340
	39 848 654	32 463 330

Trade payables are non-interest bearing and are normally settled within 30 to 60 days. Other payables are non-interest bearing. Other payables have varying settlement terms between 1 month and 3 months.

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

Statutory liabilities comprise of employment taxes and statutory contributions, value added taxes and other levies and taxes payable in the different jurisdictions the Group operates in.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

29. Business segments

29.1 Segmental analysis

Management has determined the Group's operating segments based on the information reviewed by the Group's Executive Management Committee for the purposes of allocating resources and assessing performance.

The revenue, operating profit, assets and liabilities reported to the Group's Executive Management Committee are measured consistently with that in the reported consolidated financial statements.

Business segments

The two reportable segments are as follows:

Zimbabwe QSR Operations

This operating segment comprises the Group's Zimbabwe Quick Service Restaurant operations.

Regional QSR Operations

This operating segment comprises the Group's Quick Service operations across the African continent, outside Zimbabwe.

Year ended 30 June 2023	Zimbabwe Audited USD	Region Audited USD	Intersegment adjustments Audited USD	Total Audited USD
Statement of profit or loss				
Revenue from external customers	194 145 829	92 833 014	—	286 978 842
Operating profit before depreciation and amortisation	26 838 426	17 876 844	—	44 715 270
Depreciation, amortisation and derecognition	7 065 345	9 658 361	—	16 723 706
Profit before tax	17 110 904	7 317 867	—	24 428 771
Interest expense	1 820 973	4 913 902	—	6 734 875
Interest income	985 170	9 979	—	995 149
Income tax expense	3 507 380	1 519 405	—	5 026 785
Statement of financial position				
Segment assets	113 244 848	64 314 485	(3 660 458)	173 898 875
Segment liabilities	58 804 823	40 299 791	52 247	99 156 861
Capital expenditure	19 333 931	10 603 975	—	29 937 906
Statement of cash flows				
Cash generated from operations	29 262 822	17 299 736	—	46 562 558
Cash flows from investing activities	(16 951 939)	(10 108 545)	—	(27 060 484)
Cash flows from financing activities	(3 259 265)	734 395	—	(2 524 870)

Entity-wide information

Analysis of revenue by products and services:

	USD
- Sale of goods	283 699 275
- Royalty and franchising income	3 279 567
	286 978 842

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	Zimbabwe Audited USD	Region Audited USD	Intersegment adjustments Audited USD	Total Audited USD
29. Business segments (continued)				
29.1 Segmental analysis (continued)				
Year ended 30 June 2022				
Statement of profit or loss				
Revenue from external customers	144 847 492	89 093 305	—	233 940 797
Operating profit before depreciation and amortisation	21 683 978	19 522 444	—	41 206 422
Depreciation, amortisation and derecognition	6 605 299	8 109 517	—	14 714 816
Profit before tax	11 086 652	12 940 477	—	24 027 129
Interest expense	2 790 529	4 068 833	—	6 859 362
Interest income	374 404	5 001	—	379 405
Income tax (credit)/expense	2 733 641	2 229 544	—	4 963 185
Statement of financial position				
Segment assets	89 567 554	65 073 007	(6 384 058)	148 256 503
Segment liabilities	40 377 644	45 441 940	(2 684 079)	83 135 505
Capital expenditure	9 982 037	13 682 302	—	23 664 339
Statement of cash flows				
Cash generated from operations	30 567 478	29 061 004	—	59 628 482
Cash flows from investing activities	(16 996 129)	(13 683 839)	—	(30 679 968)
Cash flows from financing activities	(10 205 387)	(8 308 885)	—	(18 514 272)

Entity-wide information

Analysis of revenue by products and services:

	USD
- Sale of goods	233 002 303
- Royalty income	938 494
	233 940 797

Information about major customers

The customer base of the Group is widely dispersed and no single external customer accounts for more than 10% of the Group's revenue.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

30. Pension funds

The Group makes pension contributions to the following defined contribution schemes:

Simbisa Brands Pension Fund

This is a self-administered, defined contribution fund. Contributions are at the rate of 10% of pensionable emoluments less N SSA of which members pay 5%.

National Social Security Authority (NSSA) - Zimbabwe

The scheme was established, and is administered, in terms of statutory instrument 393 of 1993. Introduced in 1994, the Pension and Other Benefits Scheme is a defined contribution plan based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time. These are presently 7% of pensionable emoluments of which the maximum monthly pensionable salary is ZWL700.

Social Security and National Insurance Trust (SSNIT) - Ghana

Social Security and National Insurance Trust (SSNIT) is a defined contribution fund based on 13% employer contribution and 5.5% employee contribution. Of the total amount contributed, 13.5% is withheld by SSNIT and the 5% balance is monitored by the approved trustee. On retirement, the above mentioned contribution will be paid to the employee along with interest.

National Pension Scheme Authority (NAPSA) - Zambia

The scheme was established, and is administered, in terms of Government of Zambia Act No 40 of 1996 and enacted effective 12th February 2000, after the transformation of the then Zambia National Provident Fund (ZNPF) which had been in existence since 1966 with a mandate to act as the main vehicle for providing retirement and social security benefits to workers in the country. The Benefits are based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time.

Buyantanshi Pension Trust Fund-Zambia

Buyantanshi Pension Trust Fund is a multi-employer fund was designed and set up by Aon Zambia Pension Fund Administrators Limited to address the needs of employers who are not in a position to set up their own pension schemes. The employee contributes 5% while the employer contributes 7.5%. The fund is audited in terms of the Pension Scheme Regulations Act of 1996. The Trustees have appointed Aon Zambia to be Fund Administrators responsible for the day to day management of the Fund with four Investment Managers from whom participating employers can chose from Aon Zambia Pension Fund Administrators Limited (Aon) is the Fund Administrator of the Buyantanshi Pension Trust Fund.

National Social Security Fund (NSSF) - Kenya

National Social Security Fund (NSSF) is a pension fund based on specific contributions legislated from time to time.

National Savings Fund (NSF) and National Pensions Scheme (NPS) - Mauritius

The National Savings Fund is a security fund whereby the employer contributes 2.5% and the employee 1% of basic wages for all employees. The Company also contributes to the National Pensions Scheme (NPS) where the Employee's contributes 3% and Employer 6%.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
30. Pension funds (continued)		
Pension costs recognised as an expense for the year:		
Simbisa Brands Pension Fund - Zimbabwe	782 953	279 861
National Social Security Authority - Zimbabwe	726 578	235 613
Social Security and National Insurance Trust - Ghana	52 919	70 606
National Pension Scheme Authority - Zambia	59 621	51 987
Buyantanshi Pension Scheme-Zambia	62 298	58 352
National Social Security Fund - Kenya	144 968	45 534
National Savings Fund - Mauritius	56 861	57 050
	1 886 198	799 003

31. Financial risk management objectives and policies

The Group's principal financial liabilities comprise interest-bearing borrowings, overdrafts and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group's principal financial assets comprise trade and other receivables and cash and cash equivalents that derive directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees the policies for managing each of these risks.

The following table summarises the carrying amount of financial assets and liabilities recorded at amortised cost based on IFRS 9 measurement categories:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Financial assets		
At amortised cost		
- Trade and other receivables (excluding prepayments) (note 23)	1 540 220	4 333 989
- Cash and cash equivalents (note 14.2)	14 792 899	9 467 673
- Short-term loan receivable (secured) - (Current Financial assets) (note 27.1)	7 000 022	9 559 661
	23 333 141	23 361 323
Financial liabilities		
At amortised cost		
- Borrowings (note 27.2)	16 227 658	7 565 235
- Trade and other payables (excluding statutory liabilities) (note 28)	29 997 596	29 128 990
- Lease liabilities (note 20)	29 011 172	30 099 598
	75 236 426	66 793 823



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

31. Financial risk management objectives and policies (continued)

Below is the detail relating to the risks and the Board's risk management strategies.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on the carrying values of the non-financial assets and liabilities of foreign operations.

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and liabilities held at 30 June 2022 and 30 June 2023.

31.1 Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact of floating rate borrowings, as follows:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Effect on profit before tax		
Decrease of 0.3% in interest rates	862	2 966
Increase of 0.3% in interest rates	(862)	(2 966)
Effect on equity		
Decrease of 0.3% in interest rates	649	2 233
Increase of 0.3% in interest rates	(649)	(2 233)

31.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant investment operations in countries outside Zimbabwe, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates.

The Group also has transactional currency exposures. Such exposure arises from the sale or purchase by an operating unit in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

31. Financial risk management objectives and policies (continued)

31.2 Foreign currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Currency	Liabilities USD equivalent Audited	Assets USD equivalent Audited	Net position USD equivalent Audited
30 June 2023			
South African Rand	(1 933 681)	175 715	(1 757 966)
Zimbabwe dollar	(786 650)	1 700 230	913 580

The following table demonstrates the sensitivity of the Group's results to a reasonably possible change in the Zimbabwean Dollar (ZWL) exchange rate against the following currencies, with all other variables held constant.

	Change in rate	Effect on profit before tax USD Audited	Effect on Equity USD Audited
30 June 2023			
South African Rand	+15%	(263 695)	(198 510)
Zimbabwe dollar	+15%	373 032	280 819

31.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is not significant.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due without reasonable evidence of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan with the Group, and failure to make contractual payments for a period of greater than 90 days past due. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 23. The Group does not hold collateral as security.



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

31. Financial risk management objectives and policies (continued)

31.3 Credit risk (continued)

Financial instruments, cash deposits and other receivables

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The general "3-stage" approach is used for all other financial assets measured at amortised cost not covered by the simplified approach. The Group assesses some financial assets individually and others collectively if they have similar credit risk and identical characteristics. The Group assesses for expected credit losses for loans receivable on an individual basis and uses the collective approach for rental deposits and staff loans.

The Group considers various factors when categorising the financial assets including borrower's financial performance, compliance with debt covenants supporting collateral, economic conditions in which the borrower operates, regulation and borrower's credit rating. The Group uses the above collected information and data to calculate the exposure at default (EAD), loss given default (LGD) and probability of default (PD). The Group also applies the rebuttable presumption for payments 30 days overdue on which the Group has reasonable evidence that credit risk has not increased significantly.

As required by IFRS 9, the Group used the simplified approach in calculating ECL for trade receivables and financial assets that did not contain a significant financing component.

There was no significant increase in credit risk for all of the Group's financial assets. Additionally, the estimation techniques used in the ECL model were consistent with those used in the prior year. Refer to note 5m under significant accounting policies for the detailed disclosure on the methodology utilised for the Group's ECL.

During the period, the following is the amount of credit losses determined:

	Note	Gross carrying amount USD	12 - month credit losses USD	Life-time credit losses USD	Net carrying amount USD
30 June 2023					
Financial assets	27.1	7 000 022	—	—	7 000 022
Trade and other receivables (excluding prepayments)	23	1 540 220	(346 670)	—	1 193 550
		8 540 242	(346 670)	—	8 193 572
30 June 2022					
Financial assets	27.1	9 559 661	—	—	9 559 661
Trade and other receivables (excluding prepayments)	23	4 333 989	(259 626)	—	4 074 363
		13 893 650	(259 626)	—	13 634 024

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

31. Financial risk management objectives and policies (continued)

31.4 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through management of cash resources and flexibility through the use of bank overdrafts and interest-bearing borrowings.

The table below summarises the maturity profile of the Group's financial assets and liabilities:

	Less than 3 months USD	Between 3 months and 1 year USD	Between 1 and 4 years USD	Over 4 years USD	Total USD
30 June 2023 - Audited					
Liabilities					
Interest-bearing borrowings	5 679 526	2 316 237	12 835 684	1 961 290	22 792 737
Lease liabilities	2 050 160	6 082 660	20 806 441	18 510 852	47 450 113
Trade and other payables	30 145 616	—	—	—	30 145 616
Total	37 875 302	8 398 897	33 642 125	20 472 142	100 388 466
30 June 2022 - Restated					
Liabilities					
Interest-bearing borrowings	7 090 903	1 947 096	1 934 941	—	10 972 940
Lease liabilities	1 676 458	4 846 338	17 598 094	21 985 462	46 106 352
Trade and other payables	29 128 990	—	—	—	29 128 990
Total	37 896 351	6 793 434	19 533 035	21 985 462	86 208 282

32. Capital management

The primary objective of the Group's capital management is to ensure that all the companies within the Group maintain healthy capital ratios in order to support the business and maximise shareholder value.

The capital of the Group consists of interest-bearing borrowings, cash and cash equivalents and equity as disclosed in the statement of financial position.

The Group manages its capital and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares.

The Group has no externally imposed capital requirements.

The Group manages capital using a gearing ratio, which is calculated as net debt divided by the sum of net debt and equity.

	30 June 2023 Audited USD	30 June 2022 Restated USD
Total borrowings (note 27.2)	16 227 658	7 565 235
Less cash and cash equivalents (note 14.2)	(14 792 899)	(9 467 673)
Net debt	1 434 759	(1 902 438)
Total Equity	74 742 014	65 120 998
Net Gearing ratio	2%	-3%

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

33. Translation Rates

The Group referred to the exchange rates derived from the Reserve Bank of Zimbabwe ("RBZ") (for Zimbabwe Dollar), Commercial Bank of Zimbabwe ("CBZ") (for South African Rand), Amalgamated Banks of South Africa Limited ("Absa") (for Kenya Shilling and Ghanaian Cedi), Mauritius Commercial Bank ("MCB") (for Mauritian Rupee) and Stanbic Bank (for Zambian Kwacha). The Group translated ZWL monetary assets and liabilities for Zimbabwean Operations to USD using transactions-based exchange rate.

The table below provides the average and closing translation rates used for the purpose of consolidating foreign investments' financial statements to the Group's reporting currency:

	30 June 2023 Audited		30 June 2022 Restated		30 June 2021 Restated
	Statement of profit/loss and other comprehensive income USD 1: FX	Statement of Financial position USD 1: FX	Statement of profit/loss and other comprehensive income USD 1: FX	Statement of Financial position USD 1: FX	Statement of Financial position USD 1: FX
Zimbabwe Dollar	1 575.00	7 000.00	262.75	650.00	126.07
South African Rand	17.48	18.79	15.35	15.35	14.33
Kenya Shilling	122.55	140.55	113.21	117.87	107.90
Ghanaian Cedi	11.37	11.28	6.67	7.96	5.85
Mauritian Rupee	45.15	46.55	43.49	45.70	42.55
Zambian Kwacha	17.82	17.55	17.38	17.11	22.63

34. Capital expenditure commitments

Approved by the directors and contracted for
Approved by the directors but not contracted for

	30 June 2023 Audited USD	30 June 2022 Restated USD
	15 277 442	14 721 639
	7 042 878	6 235 377
	22 320 320	20 957 016

The capital expenditure will be financed from the Group's own resources and existing borrowing facilities.

35. Related party transactions

35.1 Key management compensation

Short-term employee benefits (note 10.2)

	4 349 476	5 111 946
	4 349 476	5 111 946

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

35. Related party transactions (continued)

35.2 Transactions with Directors

The Group receives loans from Directors or entities where Directors have a direct or beneficial interest from time to time. Interest rates on the loans are at 7% per annum based on the Group's average borrowing rate.

The Company's subsidiaries receive legal and professional services from firms in which a non-executive director has a direct interest. The services are provided at market related prices.

The aggregate of the above transactions is as follows:

	30 June 2023 Audited USD	30 June 2022 Restated USD
Statement of profit or loss		
Professional fees paid	763 696	548 218
Interest paid on loans from directors	22 107	145
Fee income received from associate company*	445 946	—
Statement of financial position		
Financial asset receivable from associate company - cash swap**	302 809	—
Financial liability payable to associate - cash swap**	(302 809)	—
Loans from Director related entities	1 161 011	5 488

* Fee income received from associate relates to fee income from the InnBucks product which is operated by Innbucks Microbank (Private) Limited (formerly Ngoro Microfinance Bank (Private) Limited) from the Group's Zimbabwean shops.

** Financial asset/liability receivable/payable from/to associate company - cash swap

The financial asset relates to a cash swap arrangement with Innbucks Microbank (Private) Limited to obtain ZWL currency to meet operational needs.

36. Contingent liabilities

The Group operates in different geographies and was subject to a routine audit in certain jurisdictions. It is possible that disagreements may arise relating to the interpretation of tax laws and regulations applicable to the business of the Group in those jurisdictions. The resolution of such disagreements may result in an obligation to the Group. The Group had no contingent liabilities as at 30 June 2023 (2022: USD nil).

37. Going concern

The Board undertakes regular rigorous assessment of whether the Group is a going concern in the light of current economic conditions and all available information about future risks and uncertainties.

The projections for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these consolidated financial statements including performing sensitivity analyses.

In performing the sensitivity analysis, the following information regarding the Group and its operations were considered:



Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2023

37. Going concern (continued)

Financing

At 30 June 2023, the Group's financing arrangements consisted of loan funding totalling USD16.2 Million which are unsecured. There have been no changes to current debt repayment schedules, and we do not expect any liquidity and working capital shortfalls. We are confident that there are sufficient funds to meet our obligation as and when they become due. The Group has not breached any of its loan covenants and is still in a position negotiate for additional funding as and when it is required.

Zimbabwe

The operations' financial position remains strong. Cash held as on 30 June 2023 was USD11.1 million and borrowings were USD0.5 million. Short-term maturities will be settled from available cash resources.

Region

As of 30 June 2023, the Region segment held USD3.7 Million in cash balances and had borrowings of USD15.8 million, with the earliest maturity being in August 2023. The Group's Regional Operations also has undrawn facilities of USD2.8 million in the Region which are available for utilisation on demand.

38. Events after reporting date

Restructure of small Regional markets

The Group is engaged in negotiations that will result in the conversion of the small markets in the region from operating subsidiaries to third party franchised markets. Further, the Group is at an advanced stage of acquiring it's second largest 3rd party franchised operation, Eswatini.

As at the time of reporting, the financial impact of these potential transactions was indeterminable.

Amendments to IAS 21: Lack of Exchangeability

On 15 August 2023, the International Accounting Standards Board (the IASB or Board) issued Lack of Exchangeability (Amendments to IAS 21. The Effects of Changes in Foreign Exchange Rates') (the amendments).

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments apply to annual reporting periods beginning on or after 1 January 2025 and can be applied earlier. However, an entity cannot restate comparative information. The Group intends to adopt these amendments at the beginning of the financial year ended 30 June 2024.

The Group's assessment is that these amendments will have a significant impact with regards to the consolidated financial statements' compliance to IFRS, in particular IAS 21. The Group currently uses a transactions-based ZWL:USD exchange rate to account for ZWL transactions within the Zimbabwean operations. The determination of this exchange rate is aligned to "estimation of spot exchange rate when a currency is not exchangeable" as described in the amendments. Given that Group's use of the transactions-based rate is the main matter in the external auditors basis for qualified opinion in the current year, these IAS 21 amendments will have a significant impact on the consolidated financial statements and the external audit report thereon.

Company Statement of Financial Position

as at 30 June 2023

	Notes	30 June 2023 Audited USD	30 June 2022 Restated USD
ASSETS			
Non-current assets			
Investments in subsidiaries		19 048 266	18 936 266
Deferred tax assets		41 170	—
		19 089 436	18 936 266
Current assets			
Loans and receivables from Group companies ¹	1	1 893 593	554 995
Trade and other receivables		—	22 780
Cash and cash equivalents		43	47
		1 893 636	577 822
Total assets		20 983 072	19 514 088
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and share premium		18 178 323	18 178 323
Other reserves		(1 624 123)	(1 624 123)
Distributable reserves		3 873 651	2 459 005
Total equity		20 427 851	19 013 205
Non-current liabilities			
Deferred tax liabilities		—	14 677
Current liabilities			
Borrowings-short term portion	2	—	2 546
Payables to Group Companies	3	13 608	—
Other payables	4	541 613	483 660
		555 221	486 206
Total liabilities		555 221	500 883
Total equity and liabilities		20 983 072	19 514 088



BASIL DIONISIO
Executive Director
Harare
27 October 2023



BALDWIN GUCHU
Executive Director



Company Statement of Changes in Equity

for the year ended 30 June 2023

	Ordinary Share Capital and share premium USD	Other Reserves USD	Retained Earnings USD	Total Equity USD
Balance at 1 July 2022	18 178 323	(1 624 123)	2 459 005	19 013 205
Profit for the year	—	—	9 982 166	9 982 166
Dividends paid to Employee Share Trust	—	—	(411 603)	(411 603)
Dividends paid to Company shareholders	—	—	(8 155 917)	(8 155 917)
Balance at 30 June 2023	18 178 323	(1 624 123)	3 873 651	20 427 851
Balance at 1 July 2021	18 178 323	(1 624 123)	2 368 232	18 922 432
Profit for the year	—	—	5 255 382	5 255 382
Purchase of treasury shares	—	—	—	—
Dividends paid to Employee Share Trust	—	—	(247 426)	(247 426)
Dividends paid to Company shareholders	—	—	(4 917 183)	(4 917 183)
Balance at 30 June 2022	18 178 323	(1 624 123)	2 459 005	19 013 205

Notes to the Company Financial Statements

for the year ended 30 June 2023

	30 June 2023 Audited USD	30 June 2022 Restated USD
1. Loans and Receivables from Group Companies		
Loans receivable from Group Companies	1 893 593	554 995
Loans receivable from Group Companies bear interest at an average rate of 8% (2022: 32%) per annum and have no fixed repayment dates.		
2. Borrowings		
Short-term loans (interest 32% per annum)	—	2 546
Repayable within one year (current borrowings)	—	2 546
3. Payables to Group Companies		
Amounts due to Group Companies are non-interest bearing and are due in 30 to 60 days.	13 608	—
4. Other payables		
Other payables	541 613	483 660
	541 613	483 660



Shareholder Information

TOP 20 SHAREHOLDERS

as at 30 June 2023

COMPANY	Shares	Shares %
1. STANBIC NOMINEES (PVT) LTD - NNR	113 658 586	20.22
2. Z.M.D INVESTMENTS (PVT) LTD	102 893 664	18.30
3. H M BARBOUR (PVT) LTD	100 024 000	17.79
4. OLD MUTUAL LIFE ASS CO ZIM LTD	26 942 866	4.79
5. SARCOR INVESTMENTS (PVT) LTD	22 484 058	4.00
6. SCB NOMINEES 033663900002	15 599 469	2.77
7. STONE HOUSE TRUST-NNR	10 800 000	1.92
8. PHARAOH LIMITED	10 203 325	1.81
9. MINING INDUSTRY PENSION FUND	8 238 931	1.47
10. MUSIC VENTURES PVT LTD	7 465 382	1.33
11. NSSA – WORKERS COMPENSATION IF	6 848 600	1.22
12. CITY AND GENERAL HOLDINGS P/L	6 822 598	1.21
13. MR WARREN JEREMY MEARES	4 741 972	0.84
14. NSSA - NATIONAL PENSION SCHEME	3 667 675	0.65
15. ECONET WIRELESS ZIM NOMINEE	3 507 600	0.62
16. J-SOFT (PVT) LTD	3 400 000	0.60
17. FBC HOLDINGS LIMITED	3 249 541	0.58
18. ROY TURNER TRUST	2 827 169	0.50
19. DELTA BEVERAGES PENSION FUND	2 595 882	0.46
20. SIMBISA BRANDS LIMITED	2 500 900	0.44
Selected Shares	458 472 218	81.55
Non-Selected Shares	103 712 570	18.45
TOTAL	562 184 788	100.00

SHARE ANALYSIS BY INDUSTRY

as at 30 June 2023

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	319 007 837	56.74	603	11.82
LOCAL NOMINEE	115 264 740	20.50	220	4.31
PENSION FUNDS	41 718 464	7.42	159	3.12
LOCAL INDIVIDUAL RESIDENT	22 049 400	3.92	3 501	68.63
FUND MANAGERS	16 279 025	2.90	85	1.67
NEW NON RESIDENT	10 952 447	1.95	78	1.53
FOREIGN COMPANIES	10 371 989	1.84	06	0.12
OTHER INVESTMENTS & TRUST	9 687 195	1.73	232	4.55
CHARITABLE	7 894 941	1.40	28	0.55
TRUSTS	4 305 961	0.77	80	1.57
INSURANCE COMPANIES	2 140 695	0.38	30	0.59
FOREIGN NOMINEE	1 347 987	0.24	05	0.10
BANKS	879 549	0.16	05	0.10
GOVERNMENT / QUASI	156 198	0.03	02	0.04
DECEASED ESTATES	114 842	0.02	62	1.22
FOREIGN INDIVIDUAL RESIDENT	13 518	—	05	0.1
TOTAL	562 184 788	100.00	5 101	100.00

Shareholder Information (continued)

SHARE ANALYSIS BY VOLUME

as at 30 June 2023

Range	Shares	Shares %	Shareholders	Shareholders %
1-5 000	2 775 192	0.49	4 073	79.85
5 001-10 000	1 698 641	0.30	232	4.55
10 001-25 000	3 659 281	0.65	221	4.33
25 001-50 000	5 306 701	0.94	149	2.92
50 001-100 000	8 839 382	1.57	126	2.47
100 001-200 000	13 296 088	2.36	94	1.84
200 001-500 000	33 352 105	5.93	105	2.06
500 001-1 000 000	31 303 462	5.57	44	0.86
1 000 001 and Above	461 953 936	82.17	57	1.12
TOTALS	562 184 788	100.00	5 101	100.00

ANALYSIS BY DOMICILE

As at 30 June 2023

Country	Shares	Shares %	Shareholders	Shareholders %
ZIMBABWE	470 715 376	83.73	4,971	97.45
MAURITIUS	59 454 534	10.58	10	0.20
BERMUDA	11 390 290	2.03	02	0.04
BRITISH VIRGIN ISLANDS	10 203 325	1.81	01	0.02
USA	5 867 568	1.04	16	0.31
BELGIUM	4 144 108	0.74	03	0.06
REPUBLIC OF SOUTH AFRICA	200 293	0.04	59	1.16
JAPAN	82 471	0.01	01	0.02
UNITED KINGDOM	42 023	0.01	13	0.25
GERMANY	23 282	0.00	02	0.04
HONG KONG	16 156	0.00	01	0.02
CHINA	10 000	0.00	01	0.02
BOTSWANA	6 295	0.00	04	0.08
AUSTRALIA	4 820	0.00	04	0.08
CAYMAN ISLANDS	4 300	0.00	01	0.02
CANADA	4 119	0.00	02	0.04
GHANA	3 565	0.00	01	0.02
KENYA	2 922	0.00	02	0.04
AFGHANISTAN	2 400	0.00	01	0.02
NEW ZEALAND	2 241	0.00	01	0.02
NETHERLANDS	1 800	0.00	01	0.02
ISRAEL	1 575	0.00	01	0.02
ETHIOPIA	1 150	0.00	01	0.02
MOZAMBIQUE	150	0.00	01	0.02
ZAMBIA	25	0.00	01	0.02
TOTALS	562 184 788	100.00	5 101	100.00



Notice to Members

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Simbisa Brands Limited (the 'Company') will be held on 17th November 2023 at 08:15hrs, at the Standards Association of Zimbabwe, Northend Close, Borrowdale, Harare, as well as virtually on <https://escrowagm.com/eagmZim/Login.aspx> to transact the following ordinary and special business:

Ordinary Business

1. Financial Statements

- 1.1 To receive and approve the Audited Financial Statements and the Reports of the Directors and Auditors for the twelve-month period ended 30 June 2023.

2. Board and Directors' matters

- 2.1 To elect directors retiring by rotation in terms of Article 104 of the Articles of Association of the Company. Mr. A. Gupta and Mr. Z. Koudounaris retire by rotation and being eligible offer themselves for re-election.
 - 2.1.1 Mr. Gupta is a founder Independent Director of Simbisa and currently chairs the Audit Committee. He is a qualified Chartered Accountant and Lawyer with 18 years of experience in the areas of tax advisory services, litigation, mergers and acquisitions, structural efficiencies as well as and international tax structuring. He is the founder and Managing Director of AMG Solutions Ltd in Mauritius which has commercial law, tax, operational and structural efficiencies as its main focus areas.
 - 2.1.2 Mr. Koudounaris is a founder shareholder of Innscor Africa Limited, and key in the in the creation and success of the then Innscor Africa Limited's core fast food brands. He has been on the Board of Simbisa since its inception.
- 2.2 To approve fees accrued to Directors for the twelve month period ended 30 June 2023, in the amount of USD 348 309.
- 2.3 To approve borrowings for the year ended 30 June 2023.

Note

The Company Secretary shall make the Directors Remuneration Report available for inspection at the AGM. Thereafter, the Report shall be available for inspection at the Company's registered office.

3. Audit matters

- 3.1 To approve the remuneration of the Independent Auditors for the twelvemonth period ended 30 June 2023, in the amount of USD 233 688.
- 3.2 To consider the reappointment of Ernst and Young as the auditors of the Company for the ensuing year. Ernst and Young have served as Independent Auditors of the Company for eight years.

Notice to Members (continued)

Special Business

4. Share Buy-back

To consider and, if deemed fit, to pass with or without modifications, the following ordinary resolution:

"That the Company authorizes in advance, in terms of section 129 of the Companies and Other Business Entities Act and the Victoria Falls Stock Exchange (VFEX) Listing requirements, the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:

- I) The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
- II) Acquisitions shall be of ordinary shares which, in the aggregate in any one financial year, shall not exceed 10% (ten percent) of the Company's issued ordinary share capital; and
- III) The price at which such ordinary shares may be acquired will be not more than 5% (five percent) above and 5% (five percent) below the weighted average of the market price as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and
- IV) A press announcement will be published as soon as the Company has acquired such ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition; and
- V) If during the subsistence of this resolution the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect".

Note

In terms of this resolution, the Directors are seeking authority to allow use of Company's available resources to purchase its own shares in the market in terms of the Companies Act and the regulations of the VFEX, for treasury purposes. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly take into account, following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company, the adequacy of ordinary capital and reserves as well as working capital.

5. Any other Business

To transact all such other business as may be transacted at an Annual General Meeting.

By Order of the Board

SIMBISA BRANDS LIMITED

Prometheus Corporate Services
COMPANY SECRETARY
17 Morningside Drive Mt Pleasant
Harare

Notes

Members who may not be able to physically attend the meeting shall be able to do so via the eAGM platform and such members are requested to register using the link above, at least 48 hours before the meeting or to inform the Company Secretary or Share Transfer Secretaries to make appropriate arrangements.

Proxies

Every member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and vote and speak instead of him. A proxy need not be a member of the Company. A member wishing to appoint a proxy must lodge the completed proxy form at the Registered Office of the Company prior to the Meeting.



Proxy Form



FORM OF PROXY

8th ANNUAL GENERAL MEETING

I/We (Block letters) _____ of _____

being a member of Simbisa Brands Limited hereby appoint _____

_____ of _____

or failing him _____ of _____

as my/our proxy to vote for me/us on my behalf at the Eighth Annual General Meeting of the Company to be held on 17 November 2023 at 8:15 am and at any adjournment thereof.

Signed this _____ day of _____ 2023

Signature of member _____

Notes

1. In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member who is entitled to attend and vote at a meeting may appoint one or more proxies to attend, vote and speak in their stead.
2. Article 93 of the Company's Articles of Association provides that the instruments appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the appointed time for holding the meeting.

FOR OFFICIAL USE
NUMBER OF SHARES HELD _____

Affix Stamp
Here



Registrars and Transfer

Secretaries

Corpserve Transfer Secretaries Private Limited
2nd Floor, ZB Centre
1st Street/Kwame Nkrumah Avenue
Harare
Zimbabwe

Email: enquiries@corpserve.co.zw

Corporate Information

Domicile
The Company is incorporated and domiciled in Zimbabwe.

Core Business
Simbisa Brands Limited owns and operates restaurants across Africa.

Registered Office
Edward Building,
1st Street/Nelson Mandela Avenue,
Harare, Zimbabwe

Company Secretary
Prometheus Corporate Services
(Private) Limited

Independent Auditors
Ernst & Young Chartered
Accountants (Zimbabwe)

Principal Bankers
Stanbic Bank Zimbabwe Limited
Ecobank Zimbabwe Limited

Legal Advisors
Lunga Attorneys

Registrars and Transfer Secretaries
Corpserve Transfer Secretaries
(Private) Limited,
2nd floor, ZB Centre,
1st Street/Kwame Nkrumah Avenue,
Harare, Zimbabwe
Email: <https://escrowagm.com/eagmZim/Login.aspx>

Sustainability Advisors
Institute for Sustainability Africa,
65 Whitwell Road, Borrowdale West
Harare, Zimbabwe
Email: admin@insafrica.org.zw

Event Information

• Results for the 3 months ending 30 September 2023 published	November 2023
• Eighth Annual General Meeting	17 November 2023
• Interim financial results for the 6 months to 31 December 2023 published	March 2024
• Results for the 9 months ending 31 March 2024 published	May 2024
• Abridged financial results for the year ended 30 June 2024 published	September 2024
• Annual report for the year ended 30 June 2024 published	October 2024
• Ninth Annual General Meeting	November 2024



GRI Content Index

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	102-49 Changes in reporting	-	No changes		
	102-50 Reporting period	IFC			
	102-51 Date of most recent report		30 June 2022		
	102-52 Reporting cycle		Annual		
	102-53 Contact point for questions regarding the report	IFC			
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	IFC, 54-56		
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